



SINGAPORE

1.2%
A-share index
2,973.96
(+36.20)

0.4%

PHILIPPINE STOCKS

TRUST DEV. BANK, INC.	40.00		
DE ORO UNIV. BANK OF THE PHIL. ISLANDS BANKING CORP.	10.00		
STATE SAVINGS BANK	10.00		
T AND IND. BANK "A"	10.00		
BLE PCI BANK, INC.	10.00		
POLITAN BANK & TRUST	10.00	78.00	
INE NATIONAL BANK	10.00	62.0000	
SINGS BANK	10.00		
DMM. BANKING CORP.	10.00		
Y BANK CORPORATION	10.00		
BANK OF THE PHIL.	10.00		

OTHER FINANCIAL

ONLINE.COM, INC.	1.00	6.5000	
TRO INVEST. CORP.	10.00	37.0000	37.0000
FINANCIAL CORP.	-	1,600.0000	1,615.0000
IG & FIN., INC.	1.00	2.0200	2.0800
CK EXCHANGE INC.	1.00	750.0000	755.0000
FINANCIAL, INC.	-	2,050.0000	
CORPORATION	1.00		

CONQUERING THE TIDE

ANNUAL REPORT 2006



The Sun Life Prosperity Funds have complied with leading practices on corporate governance as required by the Securities and Exchange Commission.

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

THE CORPORATE SECRETARY
SUN LIFE PROSPERITY FUNDS
15F TOWER II, THE ENTERPRISE CENTER
AYALA AVE., COR PASEO DE ROXAS
MAKATI CITY, PHILIPPINES

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LETTER TO SHAREHOLDERS

Dear Shareholders:

The past year was rife with political instability despite an encouraging financial outlook from key economic sectors. Consequently, the market volatility caused by such a condition was inevitable. However, Sun Life Prosperity Funds was able to harness opportunities from these unfortunate circumstances.

The numbers posted for 2006 certainly made an impact. Our peso-denominated funds surpassed benchmarks in terms of annual rate of return in 2006. As of end December last year, the Sun Life Prosperity Bond Fund yielded a 12.0% net return, outperforming the benchmark weighted average 91-day T-bill rate of 4.3%. For the same period, the Prosperity Equity Fund delivered a net return of 44.0%, outpacing the Philippine Composite Index growth of 42.3%.

The company's management of its fund assets also benefited the Prosperity Balanced Fund investors who earned 34.3% in 2006, easily beating the blended return of the local bourse and the weighted average 91-day T-bill of 23.3%. Yields for the Dollar Advantage Fund and Dollar Abundance Fund were 11.1% and 9.1%, respectively. GS Fund generated a return of 12.7% while yield for Money Market Fund was 3.9%.

Assets under management (AUM) had grown by 58% to PHP11.4 Billion as of yearend, while sales more than doubled to PHP5.8 Billion, indicative of the Prosperity Funds investors' continued trust and confidence in Sun Life Financial.

For this election year, we will expect it to be another challenging period not only for our company but also the economy. Being a decisive period in the country's local political landscape, it would certainly affect certain indicators in the industry. Thus, we will adjust our distribution channels according to present trade standards that would improve our servicing capabilities.

As we continue to innovate and adapt according to your various financial requirements, we will also allocate substantial resources to enhance operational efficiency.

Fulfilling our commitment to you through sound business practices is still our priority for 2007. Needless to say, we will perform our duty of managing your funds within an ethical corporate culture.

The past six years are characterized by growth and positive market position, and it would not be possible without your continuous support and patronage.

Once again, thank you for believing in us.



Esther C. Tan
ESTHER C. TAN
Chairperson



Caesar P. Altarejos, Jr.
CAESAR P. ALTAREJOS, JR.
President

Invest like a Pro!

75.9%

**total net returns of the
Prosperity Balanced Fund
in just 3 years!**

The Sun Life Prosperity Balanced Fund is the simplest investment choice you can make.

You can get the best mix of equities and fixed income securities to optimize your money's earning potential while cushioning the impact of market fluctuations.

Sun Life Prosperity Funds	Fund Component	AFTER-TAX RETURN *				
		2004	2005	2006	3-Year Return **	5-Year Return ***
Bond	Fixed-income	7.9%	11.1%	12.0%	34.2%	57.7%
Balanced	Fixed-income and stocks	19.1%	10.0%	34.3%	75.9%	101.8%
Philippine Equity	Primarily stocks	20.2%	11.3%	44.0%	92.7%	121.4%

* Please note that these figures only indicate past performance over the given periods and do not necessarily indicate future returns.

** Period is from December 31,2003 to December 31,2006.

*** Period is from December 31,2001 to December 31,2006.



Invest wisely. Important information about the Sun Life Prosperity Funds is contained in their simplified prospectuses. Please obtain copies from a licensed Sun Life Mutual Fund Representative and read them carefully before investing. Share values, yields and investment returns will fluctuate.



Investing made easy. For more information, call 849-9888 or visit www.sunlifefunds.com

In the Philippines, Sun Life Financial is represented by Sun Life of Canada (Philippines), Inc., offering life insurance products; Sun Life Asset Management Company, Inc., manager and distributor of the Sun Life Prosperity Funds; and Sun Life Financial Plans, Inc. offering education and pension plans. Visit www.sunlife.com.ph.

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

FINANCIAL MARKETS IN 2006 REVIEW

The Philippine financial markets remained broadly buoyant in 2006 despite brief episodes of heightened political tension in February and the massive UITF sell-off around mid-year. To be sure, the Philippine government's fiscal consolidation program surpassed expectations in 2006 on the back of reduced government spending, declining interest rates and robust capital inflows.

Additional reforms to the Expanded Value-Added Tax (EVAT) generated additional revenues of PHP76.9 billion and surpassed the target of PHP75.8 billion. Government fiscal deficit fell to an 8-year low of PHP62.2 billion which is about half the original program of PHP125.0 billion.

Declining oil prices, benign inflation and lower borrowing costs also inspired bullish sentiment. Political bickering remained subdued in the second semester although the tempo is expected to rise as the country approaches the mid-term congressional elections in May 2007.

The financial system remains awash with cash and pushed down interest rates to new lows. The average 91-day treasury bill declined to 5.24% in 2006 from 6.36% in 2005. In the midst of speculations of a rate cut before yearend, bond yields ended lower with pronounced flattening in the longer tenor curve as investors scrambled for long positions.

Coupon on the 7-year bonds dropped to 6.11% in the December auction compared to 8.93% at the start of the year, while 20-years fetched 7.77% in December, down from 10.25% in January.

INVESTMENT APPROACH

Investment doctrine dictates investing in high yield, investment grade assets with an overall risk profile of less than average. Private lending is restricted to prime corporate issues and collateral is required as practicable. Bond portfolio duration was gradually increased after the massive bond sell-off in May 2006.

2006 PERFORMANCE REVIEW

Return on Investments (ROI) was 11.96 percent. Fund performance has consistently exceeded portfolio benchmarks and yields remained competitive against peers.

Government securities contributed the biggest share of earnings. A number of corporate loans were disbursed to exploit inherent tax advantages and improve yields. Hefty trading gains were realized during the volatile period in the 1st semester.

MANAGEMENT REVIEW & OUTLOOK

LONG TERM PERFORMANCE REVIEW

As the country makes headway towards fiscal balance in 2009, further fiscal consolidation would translate into fewer borrowings and excess liquidity should keep interest rates low. Conceivably, if fiscal reforms are sustained, a credit rating upgrade is reasonably possible perhaps in late 2007.

Lower portfolio returns should be expected in 2007 as interest rates continue to move in a narrow band with a mild downward bias. Capital appreciation should be modest and while the bulk of earnings will come from government securities, an expanded loan portfolio should give a boost to accrual income.

FINANCIAL RESULTS

Net assets of the Fund was constant at PHP5.6 billion for both year ends 2005 and 2006, though this does not hold true for the entire year. It peaked in April at PHP6.4 billion, right before experiencing some heavy redemptions amidst investor fears over the UITF sell-off incident. Its AUM further suffered as investors shifted to more attractive funds with equity stock components. In 2006, total redemptions amounting to PHP3.6 billion exceeded total new investments which amounted to only PHP3.0 billion. The Fund earned PHPO.6 billion for its operations in 2006; hence the resulting PHP5.6 billion net assets at the end of the year.

Investment income was 9.8% higher in 2006 compared to 2005 mainly due to the higher average AUM in 2006 and the more aggressive trading of Treasury Notes which registered gains amounting to PHP28 million in 2006 vs. only PHP800 thousand in 2005, slightly offset by lower interest yields in the period. Total operating expenses for 2006 increased by 13.1% for the same reason. With net unrealized gains from the mark to market valuation of the fixed securities further increasing by 9.3% compared to last year, net investment income for 2006 was higher by 10.3% compared to 2005.

The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income that did not arise from the Company's continuing operations.

SUN LIFE OF CANADA BALANCED FUND, INC.

FINANCIAL MARKETS IN 2006 REVIEW

The best annual performance for the PSEi of 42.5% since 1993, and a 91-day T-bill rate which hit a historic low of 4.74%, all conspired to create a virtuous cycle underpinned by the country's determination to dig itself out of what could have been a fiscal crisis. 2006 could not have started better with the stock market catching the attention of previously indifferent foreign fund managers and interest rates dropping on the back of a huge surge in liquidity driven by record OFW remittances which grew 17.6% through November.

Both the equity and fixed income markets managed to weather a sharp downturn beginning in mid-May, precipitated by withdrawals in the local UITF industry which grew by leaps and bounds in the 1H of 2006. Global inflation, excessive valuations and growth concerns, as well as political noise, further magnified an already jittery investment environment going into the 2H of 2006. The market fell to its lowest level in 2006, to 2,057.77. Likewise, the benchmark 91-day T-bill rates rose to as high as 6.50%, after falling to as low as 4.74% in 2Q06. The valuable lessons learned from the liquidity driven correction served to improve the financial system by improving client education and sales practices throughout the fund management industry.

Fortunately, the flight of weak-hearted investors did little to damage the earning ability of listed companies and earnings eventually caught-up with valuations. The economy continued to post stable figures, virtually closing the tap on spending, which allowed the government to lessen its borrowing requirements thereby resulting in lower rates. Given a PHP62 billion budget deficit which was less than half the original estimate, the underlying strength of the changes in the economy and the low valuations proved too hard to resist for seasoned investors and foreign funds came back in droves in the 4th Quarter, punctuated by one of the largest and most successful IPOs in recent memory, PNOC-EDC. The equity sectoral performance are as follows:

Property	+ 76%
Conglomerates	+ 56%
Banks	+ 47%
Telcos	+ 46%
Consumer	+ 1%

INVESTMENT APPROACH

The data in the beginning of 2006 clearly pointed to an upward trajectory in the stock market and a downward trajectory in interest rates. Both assumptions clearly dictated a first mover strategy for bonds and an overweight position for equities, both of which allowed the Fund to outperform the benchmark from the start of the year. Despite the liquidity outflow mid-year, the funds quickly went underweight on equities when it was clear that the correction would not be shallow or brief. There were actually periods when the Fund was over 45% in cash despite the low overnight rates which caused a massive drag on portfolio returns, but allowed fund volatility to substantially decrease.

2006 PERFORMANCE REVIEW

The Fund posted an annual return of 34.29% in 2006 and outperformed the equity plus T-Bill benchmark by more than 1000 basis points. There was a deliberate attempt to protect gains and decrease volatility in the 4th Quarter since the market valuations began to exhibit signs of irrationality and excess expectations.

MANAGEMENT REVIEW & OUTLOOK

LONG TERM PERFORMANCE REVIEW

We will operate on a buy-on-weakness approach until political stability is reached after elections. Undervalued equity issues and high dividend yields will be preferred. The yield curve suggests very little trading opportunity for local bonds so we opt to remain in cash until a spike in rates provides a buying opportunity. Our goal is to increase the duration of the fixed income portion of the portfolio to more closely approximate our Bond Fund.

Thus, our equity strategy can be summarized in the following points : Neutral on telecom issues, overweight on property, overweight on banks, overweight on construction, selectively overweight on utilities and neutral on consumer issues. Our fixed-income strategy will largely depend on our ability to source instruments from the secondary market, although we would prefer to be fixed-income neutral in the first 5 months of the year and underweight before the start of the second half. Core equity holdings will continue to reflect a lower general risk-return profile compared to the index while the fixed income portion will avoid duration in excess of 3 years, unless long-term rates spike-up unexpectedly because of the political circus.

FINANCIAL RESULTS

The Fund registered an astounding 434% growth in net assets from PHP594 million (restated) in 2005 to PHP3.2 billion in 2006. Out of the PHP2.6 billion increase in net assets, PHP2.5 billion came from fresh investments tagged as "Deposits for Future Subscription," PHP400 million from fresh investments issued as shares of stocks, and another PHP400 million in net investment income inclusive of unrealized appreciation of equity and fixed income holdings. These were partially offset by redemptions totaling PHP700 million during the year.

Investment income of PHP157.7 million for 2006 was 352% higher than the P34.9 million in 2005 due to an 833% increase in gains realized from sale of listed stocks and fixed income securities, 143% increase in interest income, and 111% increase in dividends from listed securities. In contrast, operating expenses of P37 million for the year 2006 registered only a 182% increase over the previous year's PHP13.1 million – most significantly caused by increase in expenses related to a higher AUM.

The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income that did not arise from the Company's continuing operations.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.

FINANCIAL MARKETS IN 2006 REVIEW

2006 proved to be the year of the Philippine stock market as the Philippine Stock Exchange Index (PSEi) had the best annual performance since 1993. The 42.5% performance of the benchmark index was among the best in Asia. The strong start of the market at the beginning of the year appeared invincible as the country went from strength to strength on the back of improving macroeconomic fundamentals and a cohesive monetary and fiscal policy. In mid-May however, a combination of runaway valuations, fears of further tightening by the US Federal Reserve and a jittery investor base from the bank trust departments saw liquidity abruptly run for the exits and erased virtually all the gains made for the year. A valuable lesson for investors who insist on focusing on returns without regard for risk and a fatal lesson for a number of speculators who look for short-term returns. While the sell-off was purely liquidity or funds-flow driven in nature, listed companies and the economy continued to post stable figures which eventually caught-up with valuations. Inevitably, the underlying strength of the changes in the economy and the low valuations proved too hard to resist for seasoned investors and foreign funds came back in droves in the 4th Quarter, punctuated by one of the largest and most successful IPOs in recent memory, PNOC-EDC. Below are the sectoral performance figures:

Property	+ 76%
Conglomerates	+ 56%
Banks	+ 47%
Telcos	+ 46%
Consumer	+ 1%

INVESTMENT APPROACH

In a sense, the investment approach in 2006 was the complete opposite of the approach in 2005 as the Fund focused on growth as opposed to value and remained heavily invested for most of the year, staying offensive as opposed to defensive. The aggressive stance allowed the funds to stay nimble, book gains and re-enter without losing too much upside value. The trading profile also allowed the funds to quickly liquidate its holdings during the mid-year liquidity crisis and protect a big portion of the hard-earned gains made early in the year. Over-all, the strategic directions taken during the majority of the year was right on target.

2006 PERFORMANCE REVIEW

For the first time since inception, the Fund outperformed both the benchmark and comparative peers despite the structural disadvantages which result in a perennial tracking error to the benchmark. Ending the year with a 44.00% annual return and a clear 150 basis point lead against the benchmark on the back of low volatility was a welcome achievement.

MANAGEMENT REVIEW & OUTLOOK

LONG TERM PERFORMANCE REVIEW

The coming electoral exercise in mid-2007 again require, that as prudent fund managers, we remain cautious with our investments until the fog of the impending political war has cleared. The uncomfortable valuations brought forward from 2006 also requires a fair degree of defensiveness until earnings clearly show that it will eventually catch-up with valuations. Otherwise, we will be investing on dreams and expectations which are heavily influenced by sentiment and fund flows.

Overall, our equity strategy for 2007 will be based on the following weightings: We will generally remain NEUTRAL on telecom, OVERWEIGHT on construction, OVERWEIGHT on property, and OVERWEIGHT on banks and utilities.

FINANCIAL RESULTS

The Fund increased its AUM by 242% from PHP274.6 million in 2005 (restated) to PHP938.5 million in 2006. The jump is significantly attributed to PHP841 million of fresh investments either issued as shares of stocks or as "Deposits for Future Subscription," and PHP205 million net investment income, inclusive of unrealized appreciation of equity and fixed income holdings. Redemptions for the period totaled PHP382 million.

Gross investment income increased by 177% from PHP32.6 million in 2005 to PHP90.5 million in 2006 due to the increase in gain from trading of listed stocks by almost PHP50 million. Operating expenses consequently went up by 142% due to increased expenses related to a higher AUM such as management fees and custodian fees. Increase in expenses, however, was offset by the unrealized gains on the equity stocks' mark to market valuation which posted a positive PHP130 million for 2006 compared to last year's PHP3 million revaluation loss. The Fund therefore had a net investment income of PHP204 million this year, up by 800% from the previous year's net income of PHP22.7 million.

The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income that did not arise from the Company's continuing operations.

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

FINANCIAL MARKETS IN 2006 REVIEW

The Philippine financial markets remained broadly buoyant in 2006 despite brief episodes of heightened political tension in February and the massive UITF sell-off around mid-year. To be sure, the Philippine government's fiscal consolidation program surpassed expectations in 2006 on the back of reduced government spending, declining interest rates and robust capital inflows.

Additional reforms to the Expanded Value-Added Tax (EVAT) generated additional revenues of PHP 76.9 billion and surpassed the target of PHP75.8 billion. Government fiscal deficit fell to an 8-year low of PHP62.2 billion which is about half the original program of PHP 125.0 billion.

Declining oil prices, benign inflation and lower borrowing costs also inspired positive sentiments. Political noise remained subdued in the second semester although the tempo is expected to rise as the country approaches the mid-term congressional elections in May 2007.

Strong dollar remittances from overseas workers fuelled the robust peso appreciation in 2006 that closed at PHP 49.03 at yearend. To compare, the peso-dollar parity in end-2005 was PHP 53.09.

Credit spreads compressed further to 155 bps at yearend just as a possible credit upgrade in 2007 provided the rationale for the upbeat outlook. Philippine dollar bonds chalked impressive gains on the back of strong buying interest. Meanwhile US Federal Reserve rates rose to 5.25% in 2006 from 4.25% in 2005.

INVESTMENT APPROACH

Investment strategy remains view-driven and all bond holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets. Increased exposure in longer tenors is in line with generally bullish prospects. Despite being a balanced fund, no equity investments have been made to date.

2006 PERFORMANCE REVIEW

Return on Investments (ROI) for the year was 11.08%. Performance not only surpassed the benchmark 1-year US Treasury note yield of 4.94% but was also ahead of its closest peers. Following continued compression in credit spreads, long positions were acquired early upfront and during bouts of price weakness at around mid-year. Optimum cash was kept to support opportunistic purchases.

MANAGEMENT REVIEW & OUTLOOK

LONG TERM PERFORMANCE REVIEW

As geopolitical concerns become less distracting, global economic prospects will largely take its cue from the US economic slowdown that is already well underway. With the US external deficit soaring to unprecedented levels, the US dollar continues to weaken just as global investors reassess the rationale for holding US assets.

Sustained fiscal reforms should boost market sentiment and provide broad buying impetus for Philippine issues. It appears though that investors have already discounted an upgrade for Philippine sovereign credit perhaps in late 2007. Barring any major political setbacks in the domestic front, these auspicious developments should underpin another bullish Fund performance in the year ahead.

FINANCIAL RESULTS

The Company's net assets registered a 163% increase from USD8.9 million in 2005 to USD23.3 million in 2006 mainly due to fresh investments amounting to USD17.3 million, coupled by another USD1.5 million coming from net income from operations for the year. Shareholders redeemed a total of USD4.4 million during the same period.

Gross investment income, on the other hand, went up by 161% from USD347 thousand to USD905 thousand mainly due to the higher AUM in 2006. Operating expenses correspondingly went up by 151% for the same reason. With unrealized gain from appreciation of ROP Bonds increasing by 380% and income tax expense increasing by 221% mainly due to the increased tax rates in 2006, net investment income of the Fund grew 279% from USD406 thousand to USD1.5 million in 2006.

The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income that did not arise from the Company's continuing operations.



SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

FINANCIAL MARKETS IN 2006 REVIEW

In general, the Philippine financial markets remained stable in 2006 despite intensified political tension and the massive UITF sell-off in the first semester. To be sure, the Philippine government's fiscal consolidation program surpassed expectations in 2006 on the back of reduced government spending, declining interest rates and robust capital inflows. Brisk OFW dollar remittances underpinned strong peso gains and should provide underlying support well into 2007.

Declining oil prices, benign inflation and lower borrowing costs also inspired bullish sentiment. Political bickering remained subdued although the tempo is expected to rise as the country approaches the mid-term congressional elections in May 2007. If the current improvements in the investment climate are sustained, a credit rating upgrade is reasonably possible perhaps in late 2007.

The financial system remains awash with cash, driving down interest rates to new lows. The average 91-day treasury bill declined to 5.24% in 2006 from 6.36% in 2005. In the midst of speculations of a rate cut before yearend, bond yields ended lower with pronounced flattening in the longer tenor curve as investors scrambled for long positions.

INVESTMENT APPROACH

Under existing investment guidelines for accrual type funds, investments are restricted to assets with a term to maturity not exceeding one year, with bulk of assets made up of treasury bills. Optimum levels of cash are invested in short-term placements to facilitate cost-effective servicing of daily liquidity requirements.

2006 PERFORMANCE REVIEW

Return on Investments (ROI) was 3.89 percent. Despite lower returns due to declining interest rates, performance remains competitive against traditional bank deposit placements. The SL Prosperity Money Market Fund is the only money market fund available for the investing public to date.

Earnings came from interest income from treasury bills and short-term cash deposits. No short-term private issues were purchased due to liquidity concerns.

MANAGEMENT REVIEW & OUTLOOK

LONG TERM PERFORMANCE REVIEW

As the country makes headway towards fiscal balance in 2009, further fiscal consolidation would translate into fewer borrowings and could keep down interest rates. Conceivably, a credit upgrade in 2007 is possible if fiscal reforms are sustained.

Lower returns should be expected for the year although the drop in yields should not be as acute as in 2006. Interest income from government securities will remain as the main source of revenues.

Inflation could soften further as crude oil prices continue to fall from peak-levels in 2006. Excess liquidity is expected to temper any rise interest rates. Barring any major policy pronouncements on benchmark rates, any correction should be mild and benign.

FINANCIAL RESULTS

The Fund's net assets increased by 133% from PHP106.2 million in 2005 to PHP247.5 million in 2006 mainly due to fresh net investments amounting to PHP130.6 million coupled by net investment income in 2006 in the amount of PHP10.7 million.

Gross investment income of PHP17.7 million is 122% higher than the previous year's PHP8 million due to higher interest income brought about by higher volume of interest-earning assets. For the same reason, total operating expenses for 2006 were 117% higher. Net investment income thus increased by 120%.

The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income that did not arise from the Company's continuing operations.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

FINANCIAL MARKETS IN 2006 REVIEW

The Philippine financial markets remained broadly buoyant in 2006 despite brief episodes of heightened political tension in February and the massive UITF sell-off around mid-year. To be sure, the Philippine government's fiscal consolidation program surpassed expectations in 2006 on the back of reduced government spending, declining interest rates and robust capital inflows.

Additional reforms to the Expanded Value-Added Tax (EVAT) generated additional revenues of PHP 76.9 billion and surpassed the target of PHP 75.8 billion. Government fiscal deficit fell to an 8-year low of PHP 62.2 billion which is about half the original program of PHP 125.0 billion.

Declining oil prices, benign inflation and lower borrowing costs also inspired positive sentiments. Political noise remained subdued in the second semester although the tempo is expected to rise as the country approaches the mid-term congressional elections in May 2007.

Strong dollar remittances from overseas workers fuelled the robust peso appreciation in 2006 that closed at PHP 49.03 at yearend. To compare, the peso-dollar parity in end-2005 was PHP 53.09.

Credit spreads compressed further to 155 bps at yearend just as a possible credit upgrade in 2007 provided the rationale for the upbeat outlook. Philippine dollar bonds chalked impressive gains on the back of strong buying interest. Meanwhile US Federal Reserve rates rose to 5.25% in 2006 from 4.25% in 2005.

INVESTMENT APPROACH

Investment strategy remains view-driven and all bond holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets. Increased exposure in longer tenors is in line with generally bullish prospects.

2006 PERFORMANCE REVIEW

Return on Investments (ROI) for the year was 9.05% and surpassed the benchmark 1-year US Treasury note yield of 4.94 percent. Following continued compression in credit spreads, long positions were acquired early upfront and during bouts of price weakness at around mid-year. However, aggressive purchases were curtailed by relatively weak inflows.

MANAGEMENT REVIEW & OUTLOOK

LONG TERM PERFORMANCE REVIEW

As geopolitical concerns become less distracting, global economic prospects will largely take its cue from the US economic slowdown that is already well underway. With the US external deficit soaring to unprecedented levels, the US dollar continues to weaken just as global investors reassess the rationale for holding US assets.

Sustained fiscal reforms should boost market sentiment and provide broad buying impetus for Philippine issues. It appears though that investors have already discounted an upgrade for Philippine sovereign credit perhaps in late 2007. Barring any major political setbacks in the domestic front, these auspicious developments should underpin another bullish Fund performance in the year ahead.

FINANCIAL RESULTS

The Fund's net assets increased by 75% from USD2.0 million in 2005 to USD3.5 million in 2006 due to USD1.8 million fresh investments brought in, offset by USD538 thousand redemptions. The Fund earned a total of USD216 thousand dollars from its operations in 2006.

Gross investment income went up by 212% from USD43 thousand to USD133 thousand mainly due to the higher AUM in 2006 and the higher yielding investments held by the Fund in 2006 vs. 2005. The increase in operating expenses is significantly lower at only 45% due to higher AUM offset by lower license fees paid in 2006. With higher unrealized gains from appreciation of ROP Bonds and higher income taxes paid, net investment income of the Fund grew 356% from USD47 thousand to USD217 thousand in 2006.

The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income that did not arise from the Company's continuing operations.

SUN LIFE GS FUND, INC.

FINANCIAL MARKETS IN 2006 REVIEW

The Philippine financial markets remained broadly buoyant in 2006 despite brief episodes of heightened political tension in February and the massive UITF sell-off around mid-year. To be sure, the Philippine government's fiscal consolidation program surpassed expectations in 2006 on the back of reduced government spending, declining interest rates and robust capital inflows.

Additional reforms to the Expanded Value-Added Tax (EVAT) generated additional revenues of PHP76.9 billion and surpassed the target of PHP75.8 billion. Government fiscal deficit fell to an 8-year low of PHP62.2 billion which is about half the original program of PHP125.0 billion.

Declining oil prices, benign inflation and lower borrowing costs also inspired bullish sentiment. Political bickerings remained subdued in the second semester although the tempo is expected to rise as the country approaches the mid-term congressional elections in May 2007.

The financial system remains awash with cash and pushed down interest rates to new lows. The average 91-day treasury bill declined to 5.24% in 2006 from 6.36% in 2005. In the midst of speculations of a rate cut before yearend, bond yields ended lower with pronounced flattening in the longer tenor curve as investors scrambled for long positions.

Coupon on the 7-year bonds dropped to 6.11% in the December auction compared to 8.93% at the start of the year, while 20-years fetched 7.77% in December, down from 10.25% in January.

INVESTMENT APPROACH

Investment policy mandates investments in risk-free, government debt issues exclusively. Bond portfolio duration will be gradually increased after the massive bond sell-off in May 2006.

2006 PERFORMANCE REVIEW

Return on Investments (ROI) was 12.73 percent. Fund performance has consistently exceeded portfolio benchmarks and yields remained competitive against mutual funds that invest in high-yielding corporate issues with inherent tax advantages.

MANAGEMENT REVIEW & OUTLOOK

LONG TERM PERFORMANCE REVIEW

As the country makes headway towards fiscal balance in 2009, further fiscal consolidation would translate into fewer borrowings and excess liquidity should keep interest rates low. Conceivably, if fiscal reforms are sustained, a credit rating upgrade is reasonably possible perhaps in late 2007.

Lower portfolio returns should be expected in 2007 as interest rates continue to move in a narrow band with a mild downward bias. Capital appreciation should be modest and the bulk of earnings will come from interest income on government securities.

FINANCIAL RESULTS

Net assets of the Fund stood at PHP94.2 million by the end of 2006 representing a 74% increase over the PHP54.2 million reported as at the end of 2005. PHP43.3 million came from new issuances of shares of stocks while another PHP7.8 million came from net investment income for the period including unrealized appreciation of Treasury Notes held. Redemptions totaling PHP11.1 million were recorded during the year.

Investment income was 70% higher in 2006 due to higher volume of investible funds brought about by the higher AUM and better interest rates of Treasury Notes compared to the Special Savings Accounts maintained by the Company in 2005. Total operating expenses on the other hand increased by only 5% due to the higher AUM of the Company, significantly offset by lower licensing fees in 2006 due to start up costs recognized in 2005. With the further recognition of unrealized gains from the mark to market valuation of the Treasury Notes amounting to PHP5.7 million, net investment income for 2006 was 1,059% higher compared to 2005.

The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income that did not arise from the Company's continuing operations.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

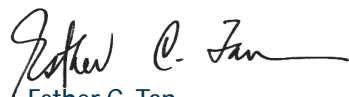
The Board of Directors and Stockholders
SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHIL. EQUITY FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY MONEY MARKET FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
SUN LIFE PROSPERITY GS FUND, INC.

The management of Sun Life Prosperity Funds is responsible for all information and representations contained in the financial statements for the periods ended December 31, 2006 and 2005. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Boards of Directors review the financial statements before such statements are approved and submitted to the shareholders of the companies.

Manabat Delgado Amper & Co., the independent auditors appointed by the shareholders, has examined the financial statements of the companies in accordance with generally accepted auditing standards and has expressed its opinion on the fairness of presentation upon completion of such examination, in its reports to shareholders.


Esther C. Tan
Chairman of the Board


Caesar P. Altarejos, Jr.
President

INDEPENDENT AUDITORS' REPORT



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197 Salcedo St., Legaspi Village,
Makati City 1229
Philippines

Tel: +63 (2) 812 0535
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The Board of Directors and Stockholders
SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHIL. EQUITY FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY MONEY MARKET FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
SUN LIFE PROSPERITY GS FUND, INC.
15th Floor Tower II The Enterprise Center
6766 Ayala Avenue, Makati City

Report on the Financial Statements

We have audited the accompanying financial statements of Sun Life Prosperity Funds which comprise the balance sheets as of December 31, 2006 and 2005, and the related statements of income, changes in net assets attributable to shareholders and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes, as indicated on pages 22 to 49 of the annual report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the Philippines. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life of Canada Prosperity Bond Fund, Inc. as of December 31, 2006 and 2005, and its financial performance and its cash flows for the years then ended in accordance with generally accepted accounting principles in the Philippines.

PTR No. 0271746

FINANCIAL STATEMENTS

SUN LIFE PROSPERITY FUNDS (Open-End Investment Companies)

	Notes	Bond		Balanced		Equity		Dollar Advanta	
		December 31		December 31		December 31		December 31	
		2006	2005	2006	2005	2006	2005	2006	
		Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	U.S. Dollars	Philippine Pesos
ASSETS									
Current Assets									
Cash		P22,679,369	P33,741,133	P 79,966,001	P 4,641,427	P 63,866,729	P 2,800,639	\$1,149,484	P 56,476,429
Accrued interest receivable	4	85,481,919	77,251,416	7,012,562	1,789,044	619,883	597,506	523,860	25,738,260
Dividends receivable		-	-	4,706,071	503,498	1,787,084	230,492	-	-
Financial assets at fair value through profit or loss	5	4,287,068,899	4,981,951,786	3,073,368,607	577,812,270	880,132,644	271,870,718	21,797,758	1,070,967,454
Total Current Assets		4,395,230,187	5,092,944,335	3,165,053,241	584,746,239	946,406,340	275,499,355	23,471,102	1,153,182,143
Non-current Assets									
Held-to-maturity investments	6	1,218,613,087	524,240,000	37,200,000	12,880,000	-	-	-	-
Other non-current assets		4,667,057	2,825,658	168,397	86,355	-	-	-	-
Total Non-Current Assets		1,223,280,144	527,065,658	37,368,397	12,966,355	-	-	-	-
		P5,618,510,331	P5,620,009,993	P3,202,421,638	P597,712,594	P946,406,340	P275,499,355	\$23,471,102	P1,153,182,143
LIABILITIES									
Current Liabilities									
Accounts payable and accrued expenses	7	P2,857,190	P2,575,089	P 24,888,916	P 2,575,962	P 6,016,403	P 412,550	\$ 78,486	P 3,842,604
Income tax payable	14	651,500	478,647	16,023	18,893	-	-	58,615	2,918,599
Payable to fund manager	8	7,229,314	7,541,893	6,461,724	1,086,106	1,851,940	507,038	41,844	2,055,867
Total Current Liabilities (excluding net assets attributable to shareholders)		10,738,004	10,595,629	31,366,663	3,680,961	7,868,343	919,588	178,945	8,817,070
Net Assets Attributable to Shareholders	9	5,607,772,327	5,609,414,364	3,171,054,975	594,031,633	938,537,997	274,579,767	23,292,157	1,144,365,073
		P5,618,510,331	P5,620,009,993	P3,202,421,638	P597,712,594	P946,406,340	P275,499,355	\$23,471,102	P1,153,182,143
Net Assets Value Per Share		P1.8694	P1.6697	P 1.9243	P 1.4616	P 1.7817	P 1.2620	\$2.5724	P124.1746

See Accompanying Notes to Financial Statements.

BALANCE SHEETS

Dollar Advantage		Money Market			Dollar Abundance				GS	
December 31		December 31			December 31				December 31	
2005		2006	2005		2006		2005		2006	2005
U.S.	Philippine	Philippine	Philippine	U.S.	Philippine	U.S.	Philippine	Philippine	Philippine	
Dollars	Pesos	Pesos	Pesos	Dollars	Pesos	Dollars	Pesos	Pesos	Pesos	
5,429	\$1,379,623	P 73,212,454	P 20,282,857	P 3,976,631	\$434,043	P 21,325,411	\$723,627	P 38,400,691	P 3,698,563	P 1,709,634
3,260	111,550	5,919,624	3,049,239	2,525,121	55,182	2,711,169	21,130	1,121,318	1,564,119	83,021
-	-	-	-	-	-	-	-	-	-	-
7,454	7,437,227	394,671,325	186,960,000	60,501,845	3,048,864	149,796,786	1,277,914	67,815,062	91,028,928	52,620,000
2,143	8,928,400	473,803,403	210,292,096	67,003,597	3,538,089	173,833,366	2,022,671	107,337,071	96,291,610	54,412,655
-	-	-	61,984,512	39,465,769	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	61,984,512	39,465,769	-	-	-	-	-	-
2,143	\$8,928,400	P473,803,403	P272,276,608	P106,469,366	\$3,538,089	P173,833,366	\$2,022,671	P107,337,071	P96,291,610	P54,412,655
2,604	\$ 27,422	P 1,455,203	P 24,560,621	P 138,289	\$ 2,668	P 131,112	\$ 1,793	P 95,148	P 1,841,258	P 96,904
3,599	16,708	886,639	-	-	6,345	314,554	-	-	-	-
5,867	25,176	1,336,015	260,004	108,079	7,874	386,862	6,069	322,071	231,095	123,265
7,070	69,306	3,677,857	24,820,625	246,368	16,887	832,528	7,862	417,219	2,072,353	220,169
5,073	8,859,094	470,125,546	247,455,983	106,222,998	3,521,202	173,000,838	2,014,809	106,919,852	94,219,257	54,192,486
2,143	\$8,928,400	P473,803,403	P272,276,608	P106,469,366	\$3,538,089	P173,833,366	\$2,022,671	P107,337,071	P96,291,610	P54,412,655
1746	\$2.3209	P123.1674	P 1.0971	P 1.0771	\$2.2085	P108.5071	\$2.0658	P109.6248	P1.1193	P1.0128

FINANCIAL STATEMENTS

SUN LIFE PROSPERITY FUNDS (Open-End Investment Companies)

	Notes	Bond		Balanced		Philippine Equity		Dollar Advant	
		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended D	
		2006	2005	2006	2005	2006	2005	2006	
		Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	U.S. Dollars	Philippine Pesos
Investment Income					(restated)		(restated)		
Interest	10	P533,969,297	P510,518,869	P 34,550,821	P14,200,584	8,023,173	4,833,107	\$904,634	P46,394,389
Net realized gain on investments	11	27,651,574	846,099	102,718,390	11,005,013	P71,962,446	P22,556,120	-	-
Dividends		-	-	20,415,501	9,690,162	10,544,850	5,248,953	-	-
Others	12	75,000	-	-	-	-	-	-	-
		561,695,871	511,364,968	157,684,712	34,895,759	90,530,469	32,638,180	904,634	46,394,389
Operating Expenses									
Investment management fees	8	92,647,059	82,409,493	27,936,755	10,464,202	11,555,357	5,089,370	239,871	12,301,824
Taxes and licenses		7,796,547	6,134,108	8,104,817	1,925,019	2,687,874	517,047	8,548	438,397
Custodian fees		514,876	483,370	327,996	215,952	202,660	114,955	3,869	198,410
Printing and supplies		433,211	599,004	335,541	224,331	267,011	-	10,260	526,166
Professional fees		113,816	93,684	113,817	93,684	113,816	93,684	2,280	116,927
Directors' fees	8	80,000	120,000	180,000	200,000	160,000	200,000	2,684	137,674
Other operating expenses		-	-	-	-	-	175,804	-	-
		101,585,509	89,839,659	36,998,926	13,123,188	14,986,718	6,190,860	267,512	13,719,398
Profit Before Unrealized Gains on Investments and Tax									
		460,110,362	421,525,309	120,685,786	21,772,571	75,543,751	26,447,320	637,122	32,674,991
Net Unrealized Gain (Loss) on Investments	5	229,535,541	209,942,371	280,864,120	21,726,886	130,632,762	(2,754,668)	1,119,865	57,432,580
Profit Before Tax		689,645,903	631,467,680	401,549,906	43,499,457	206,176,513	23,692,652	1,756,987	90,107,571
Income Tax Expense	14	101,751,973	98,312,247	6,779,362	2,499,086	1,594,559	957,629	216,850	11,121,226
Change in Net Assets Attributable to Shareholders		P587,893,930	P533,155,433	P394,770,544	P41,000,371	P204,581,954	P22,735,023	\$1,540,137	P78,986,345
Basic Earnings per share	13	P0.19	P0.17	P0.51	P0.25	P0.58	P0.12	\$0.25	P12.35

See Accompanying Notes to Financial Statements.

INCOME STATEMENTS

Dollar Advantage			Money Market		Dollar Abundance				GS	
For the Years Ended December 31			For the Years Ended December 31		For the Years Ended December 31				For the Years Ended December 31	
2005			2006	2005	2006		2005		2006	2005
					(12 months)		(10 months)		(12 months)	(10 months)
Line Items	U.S. Dollars	Philippine Pesos	Philippine Pesos	Philippine Pesos	U.S. Dollars	Philippine Pesos	U.S. Dollars	Philippine Pesos	Philippine Pesos	Philippine Pesos
1,389	\$323,688	P17,935,198	P17,684,255	P7,984,297	\$132,914	P6,816,533	\$42,627	P2,348,151	P 4,505,771	P 2,761,495
-	23,188	1,284,822	-	-	-	-	-	-	194,084	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	25,347	-	-	-	-	-	-	-
1,389	346,876	19,220,020	17,709,602	7,984,297	132,914	6,816,533	42,627	2,348,151	4,699,855	2,761,495
1,824	90,846	5,033,678	2,656,744	954,430	39,835	2,042,960	19,297	1,062,995	1,121,688	794,329
1,397	4,028	223,187	87,979	23,793	373	19,143	6,156	339,109	21,861	320,673
1,410	2,410	133,535	5,164	7,762	528	27,053	363	19,996	23,454	-
1,166	3,925	217,480	241,972	217,737	4,967	254,712	4,236	233,344	236,870	215,322
1,927	1,620	89,762	114,204	93,684	2,280	116,927	1,620	89,239	113,816	86,284
1,674	3,755	208,060	60,000	160,000	2,687	137,794	3,329	183,381	100,000	120,000
-	-	-	-	-	-	-	-	-	-	-
1,398	106,584	5,905,702	3,166,063	1,457,406	50,670	2,598,589	35,001	1,928,064	1,617,689	1,536,608
1,991	240,292	13,314,318	14,543,539	6,526,891	82,244	4,217,944	7,626	420,087	3,082,166	1,224,887
1,580	233,468	12,936,207	-	-	161,929	8,304,586	41,867	2,306,286	5,693,019	-
1,571	473,760	26,250,525	14,543,539	6,526,891	244,173	12,522,530	49,493	2,726,373	8,775,185	1,224,887
1,226	67,512	3,740,762	3,870,396	1,674,866	27,194	1,394,639	1,941	106,922	982,706	552,300
1,345	\$406,248	P22,509,763	P10,673,143	P4,852,025	\$216,979	P11,127,891	\$47,552	P2,619,451	P 7,792,479	P672,587
2.35	\$0.14	P7.59	P0.07	P0.05	\$0.20	P10.07	\$0.10	P5.37	P0.13	P0.01

FINANCIAL STATEMENTS

SUN LIFE PROSPERITY FUNDS (Open-End Investment Companies)

	Note	Bond		Balanced		Phil. Equity			
		For the Years Ended		For the Years Ended		For the Years Ended			
		December 31		December 31		December 31			
		2006	2005	2006	2005	2006	2005	2006	
			(restated)		(restated)				
		Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	U.S. Dollar	Philippine Pesos
Balance at 1 January		P 5,609,414,364	P 4,643,230,777	P 594,031,633	P 171,283,883	P 274,579,767	P 184,576,254	\$8,859,094	P 4,643,230,777
Issue of redeemable shares during the year	9	2,978,659,866	2,152,008,563	404,687,774	250,701,996	571,013,973	127,818,129	9,719,688	5,157,649,140
Redemptions of redeemable shares during	9	(3,568,195,833)	(1,718,980,409)	(707,121,983)	(170,780,288)	(381,683,134)	(85,008,034)	(4,449,254)	(2,197,891,704)
Deposits for future stock subscriptions	9	-	-	2,484,687,007	301,825,671	270,045,437	24,458,395.00	7,622,492	3,057,006,110
Change in net assets attributable to shareholders		587,893,930	533,155,433	394,770,544	41,000,371	204,581,954	22,735,023	1,540,137	4,484,757,877
Foreign currency translation adjustment		-	-	-	-	-	-	-	(4,484,757,877)
Balance at 31 December		P 5,607,772,327	P 5,609,414,364	P 3,171,054,975	P 594,031,633	P 938,537,997	P 274,579,767	\$23,292,157	P 11,111,111,111

See Accompanying Notes to Financial Statements.

STATEMENTS OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Dollar Advantage				Money Market		Dollar Abundance				GS	
For the Years Ended				For the Years Ended		For the Years Ended				For the Years Ended	
December 31				December 31		December 31				December 31	
2006		2005		2006	2005	2006		2005		2006	2005
	Philippine Pesos	U.S. Dollar	Philippine Pesos	Philippine Pesos	Philippine Pesos	U.S. Dollar	Philippine Pesos	U.S. Dollar	Philippine Pesos	Philippine Pesos	Philippine Pesos
9,094	P470,125,546	\$4,572,203	P256,560,376	P106,222,998	P 81,224,610	\$2,014,809	P106,919,852	\$ -	P -	P54,192,486	-
9,688	503,290,049	4,717,717	241,156,406	1,227,365,267	138,945,491	1,828,127	92,566,713	1,988,345	110,441,785	43,335,795	P57,863,406
2,254	(227,739,058)	(837,074)	(45,581,942)	(1,235,319,959)	(118,799,128)	(538,713)	(27,537,062)	(21,088)	(1,170,693)	(11,101,503)	(4,343,507)
2,492	375,118,067	-	-	138,514,534	-	-	-	-	-	-	-
0,137	78,986,345	406,248	22,509,763	10,673,143	4,852,025	216,979	11,127,891	47,552	2,619,451	7,792,479	672,587
-	(55,415,876)	-	(4,519,057)	-	-	-	(10,076,556)	-	(4,970,691)	-	-
2,157	P1,144,365,073	\$8,859,094	P470,125,546	P 247,455,983	P 106,222,998	\$3,521,202	P173,000,838	\$2,014,809	P106,919,852	P 94,219,257	P 54,192,486

FINANCIAL STATEMENTS

SUN LIFE PROSPERITY FUNDS (Open-End Investment Companies)

	Bond		Balanced		Phil. Equity			
	For the Years Ended		For the Years Ended		For the Years Ended			
	December 31		December 31		December 31			
	2006	2005	2006	2005	2006	2005	2006	
	Philippine	Philippine	Philippine	Philippine	Philippine	Philippine	U.S.	P
Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	Dollars		
Cash Flows from Operating Activities								
Profit before tax	P 689,645,903	P 631,467,680	P 401,549,906	P 43,499,457	P206,176,513	P23,692,652	\$1,756,987	P9
Adjustments for:								
Interest Income	(533,969,297)	(510,518,869)	(34,550,821)	(14,200,584)	(8,023,173)	(4,833,107)	(904,634)	(4
Dividend Income	-	-	(20,415,501)	(9,690,162)	(10,544,850)	(5,248,953)	-	
Net purchases of:								
Listed equity securities	-	-	(910,310,036)	(249,874,521)	(312,009,674)	(49,750,312)	-	
Fixed-income securities	230,045,341	(724,102,565)	(1,328,702,181)	(149,797,366)	(165,619,490)	(42,416,985)	(13,240,666)	(61
Net unrealized gain on investments	(229,535,541)	(209,942,371)	(280,864,120)	(21,726,886)	(130,632,762)	2,754,668	(1,119,865)	(5
Net realized gain on investments	-	-	-	-	-	-	-	
Increase in								
Other Non Current Assets	-	-	-	(42,994)	-	-	-	
Increase (Decrease) in:								
Accounts payable and accrued expenses	282,101	(2,272,873)	22,312,954	(5,842,603)	5,603,853	281,923	51,064	
Payable to fund manager	(312,579)	4,157,348	5,375,618	858,531	1,344,902	339,197	16,668	
Cash generated from (used in) operations	156,155,928	(811,211,650)	(2,145,604,181)	(406,817,128)	(413,704,681)	(75,180,917)	(13,440,446)	(62
Income taxes paid	(103,420,519)	(100,659,258)	(6,864,274)	(2,523,554)	(1,594,559)	(957,629)	(174,943)	(
Net cash from operating activities	52,735,409	(911,870,908)	(2,152,468,455)	(409,340,682)	(415,299,240)	(76,138,546)	(13,615,389)	(63
Cash Flows from Financing Activities								
Interest Received	525,738,794	505,454,980	29,327,303	14,058,436	8,000,796	5,000,396	492,324	2
Dividends Received	-	-	16,212,928	9,186,664	8,988,258	5,035,015	-	
Proceeds from issue of redeemable shares	2,978,659,866	2,152,008,563	2,889,374,781	552,527,667	841,059,410	152,276,524	17,342,180	87
Payments on redemption of redeemable shares	(3,568,195,833)	(1,718,980,409)	(707,121,983)	(170,780,288)	(381,683,134)	(85,008,034)	(4,449,254)	(22
Net cash from (used in) financing activities	(63,797,173)	938,483,134	2,227,793,029	404,992,479	476,365,330	77,303,901	13,385,250	67
Effect of Foreign Currency Translation Adjustment	-	-	-	-	-	-	-	(5
Net Increase (Decrease) in Cash	(11,061,764)	26,612,226	75,324,574	(4,348,203)	61,066,090	1,165,355	(230,139)	(1
Cash, Beginning	33,741,133	7,128,907	4,641,427	8,989,630	2,800,639	1,635,284	1,379,623	7
Cash, End	P 22,679,369	P 33,741,133	P 79,966,001	P 4,641,427	P 63,866,729	P 2,800,639	\$1,149,484	P5

See Accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

Dollar Advantage				Money Market		Dollar Abundance				GS	
For the Years Ended				For the Years Ended		For the Years Ended				For the Years Ended	
December 31				December 31		December 31				December 31	
2006		2005		2006	2005	2006		2005		2006	2005
Philippine	U.S.	Philippine	Philippine	Philippine	Philippine	U.S.	Philippine	U.S.	Philippine	Philippine	Philippine
Pesos	Dollars	Pesos	Pesos	Pesos	Pesos	Dollars	Pesos	Dollars	Pesos	Pesos	Pesos
5,987	P90,107,571	\$473,760	P26,250,525	P 14,543,539	P 6,526,891	\$244,173	P12,522,530	\$49,493	P2,726,373	P8,775,185	P1,224,887
(634)	(46,394,389)	(16,138)	(565,788)	(17,684,255)	(7,984,297)	(132,914)	(6,816,533)	(42,627)	(2,348,151)	(4,505,771)	(2,761,495)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
(666)	(618,863,549)	(2,763,778)	(132,610,762)	(148,976,898)	(24,388,320)	(1,609,021)	(73,677,138)	(1,236,047)	(65,508,776)	(32,715,909)	(52,620,000)
(865)	(57,432,580)	(233,468)	(12,936,207)	-	-	(161,929)	(8,304,586)	(41,867)	(2,306,286)	(5,693,019)	-
-	-	(23,188)	(1,284,822)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,064	2,387,401	(553)	(114,228)	24,422,332	(162,823)	875	35,964	1,793	95,148	1,744,354	96,904
5,668	719,852	18,021	934,528	151,925	8,307	1,805	64,791	6,069	322,071	107,830	123,265
(446)	(629,475,694)	(2,545,344)	(120,326,754)	(127,543,357)	(26,000,242)	(1,657,011)	(76,174,972)	(1,263,186)	(67,019,621)	(32,287,330)	(53,936,439)
(943)	(9,089,266)	(92,701)	(5,205,095)	(3,870,396)	(1,674,866)	(20,849)	(1,080,085)	(1,941)	(106,922)	(982,706)	(552,300)
(389)	(638,564,960)	(2,638,045)	(125,531,849)	(131,413,753)	(27,675,108)	(1,677,860)	(77,255,057)	(1,265,127)	(67,126,543)	(33,270,036)	(54,488,739)
2,324	26,575,753	-	-	17,160,137	6,173,639	98,862	5,226,682	21,497	1,226,833	3,024,673	2,678,474
-	-	-	-	-	-	-	-	-	-	-	-
2,180	878,408,116	4,717,717	241,156,406	1,365,879,801	138,945,491	1,828,127	92,566,713	1,988,345	110,441,785	43,335,795	57,863,406
(254)	(227,739,058)	(837,074)	(45,581,942)	(1,235,319,959)	(118,799,128)	(538,713)	(27,537,062)	(21,088)	(1,170,693)	(11,101,503)	(4,343,507)
5,250	677,244,811	3,880,643	195,574,464	147,719,979	26,320,002	1,388,276	70,256,333	1,988,754	110,497,925	35,258,965	56,198,373
-	(55,415,876)	-	(4,519,057)	-	-	-	(10,076,556)	-	(4,970,691)	-	-
(139)	(16,736,025)	1,242,598	65,523,558	16,306,226	(1,355,106)	(289,584)	(17,075,280)	723,627	38,400,691	1,988,929	1,709,634
9,623	73,212,454	137,025	7,688,896	3,976,631	5,331,737	723,627	38,400,691	-	-	1,709,634	-
9,484	P56,476,429	\$1,379,623	P73,212,454	P 20,282,857	P 3,976,631	\$ 434,043	P 21,325,411	\$723,627	P38,400,691	P 3,698,563	P 1,709,634

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

1. CORPORATE INFORMATION

The Sun Life Prosperity Funds (the "Companies") are registered open-end investment companies under the Investment Company Act (R.A. No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). As open-end investment companies, their shares are redeemable anytime based on the net asset value per share (NAVPS) at the time of redemption.

Sun Life Prosperity Funds (The "Companies")	Incorporation and SEC Registration	Start of Commercial Operations
Sun Life of Canada Prosperity Bond Fund, Inc.	January 19, 2000	May 1, 2000
Sun Life of Canada Prosperity Balanced Fund, Inc.	December 21, 1999	May 1, 2000
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.	January 17, 2000	May 1, 2000
Sun Life Prosperity Dollar Advantage Fund, Inc.	February 13, 2002	July 1, 2002
Sun Life Prosperity Money Market Fund, Inc.	March 5, 2004	July 1, 2004
Sun Life Prosperity Dollar Abundance Fund, Inc.	November 3, 2004	March 1, 2005
Sun Life Prosperity GS Fund, Inc.	November 3, 2004	March 1, 2005

Sun Life of Canada Prosperity Bond Fund, Inc.

Sun Life of Canada Prosperity Bond Fund, Inc. is engaged in the sale of redeemable shares and is designed to provide long-term interest income and principal preservation through investments in high-quality fixed-income securities issued by the Philippine government and prime Philippine companies aggregating below average risk.

Sun Life of Canada Prosperity Balanced Fund, Inc.

Sun Life of Canada Prosperity Balanced Fund, Inc. is engaged in the sale of redeemable shares and is designed to provide total returns consisting of current income and capital growth through investment in a mix of debt and equity securities from both domestic and foreign issuers.

Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

Sun Life of Canada Prosperity Philippine Equity Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate long-term capital appreciation through investments in high-quality equity securities diversified across sectors and issue sizes to provide portfolio volatility.

Sun Life Prosperity Dollar Advantage Fund, Inc.

Sun Life Prosperity Dollar Advantage Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate total long-term returns consisting of current income and capital growth in US dollars through investments in foreign-currency denominated fixed-income investments issued by the Philippines, United States and other foreign governments and corporations, common stocks and related securities, such as preferred stock, convertible securities, depository receipts issued by Philippine and foreign corporations and US-dollar denominated deposits.

Sun Life Prosperity Money Market Fund, Inc.

Sun Life Prosperity Money Market Fund, Inc. is engaged in the sale of redeemable shares and is designed to maximize income as is considered consistent with capital protection through investments in fixed-income securities and other related investments issued by the Philippine government, commercial papers issued by corporations within the Philippines, certificates of deposit and other short-term peso-denominated instruments.

Sun Life Prosperity Dollar Abundance Fund, Inc.

Sun Life Prosperity Dollar Abundance Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate total returns consisting of current income and capital growth in US dollars and other major world currencies through investments in fixed-income instruments denominated in US dollars or other major world currencies issued by the Republic of the Philippines, United States Government, other major world economies or corporations operating therein.

Sun Life Prosperity GS Fund, Inc.

Sun Life Prosperity GS Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate total returns consisting of current income and capital preservation through investments in fixed-income instruments issued by the Republic of the Philippines and denominated in Philippine pesos.

The Companies appointed Sun Life Asset Management Company, Inc. (SLAMC), an investment management company incorporated in the Philippines and a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as their fund manager, adviser, administrator, distributor and transfer agent and provides management, distribution and all required operational services. Under the Management and Distribution Agreement, SLAMC receives aggregate fees for these services at the following annual rates:

Sun Life of Canada Prosperity Bond Fund, Inc.	1.5% of daily average net assets managed
Sun Life of Canada Prosperity Balanced Fund, Inc.	2.0% of daily average net assets managed
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.	2.0% of daily average net assets managed
Sun Life Prosperity Dollar Advantage Fund, Inc.	1.5% of daily average net assets managed
Sun Life Prosperity Money Market Fund, Inc.	Maximum of 1.25% of daily average net assets managed
Sun Life Prosperity Dollar Abundance Fund, Inc.	1.5% of daily average net assets managed
Sun Life Prosperity GS Fund, Inc.	1.5% of daily average net assets managed

The Companies' registered office address is at the 15th Floor, Tower II, The Enterprise Center, 6766 Ayala Avenue, Makati City.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the historical cost basis, except for financial assets carried either at fair value or at amortized cost, in accordance with generally accepted accounting principles (GAAP) in the Philippines as set forth in the Philippine Financial Reporting Standards (PFRS). PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC. Net assets attributable to shareholders are stated at redemption amount.

Except for the Dollar Advantage and Dollar Abundance Funds which are presented in US Dollars, the financial statements are presented in Philippine peso, the currency of the primary economic environment in which the Companies operate. Both the Dollar Advantage and Dollar Abundance Funds, however, have chosen to likewise present the financial statements expressed in Philippine Peso for consolidation purposes.

Adoption of New Accounting Standards Effective in 2006

The Amendments to PAS 39, "The Fair Value Option," that have been published by the International Accounting Standards Board (IASB) and adopted by the FRSC which became effective for accounting periods beginning on or after January 1, 2006 was adopted by the Companies.

This new amendments prescribes new accounting measurement and disclosure requirements applicable to the Companies. When applicable, the adoption of the new standard was made in accordance with the transitional provisions of the standard.

Amendments to PAS 39, "The Fair Value Option," restricts the use of the option to designate any financial asset or any financial liability to be measured at fair value through profit and loss. The fair value option is limited to financial instruments that meet certain conditions.

There was no significant change in the financial statements as a result of adopting the Amendment to PAS 39.

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

Investment Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

Dividend income from investments of the Balanced and Phil. Equity Funds is recognized when the shareholders' right to receive payment has been established, normally at ex-dividend rate.

Operating Expenses

All expenses are accounted for on an accrual basis.

Financial Assets

Financial assets are recognized in the Companies' financial statements when a Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets, except for investments classified as at fair value through profit or loss. In a regular way purchase or sale, financial assets are recognized and derecognized, as applicable, using settlement date accounting.

Financial assets are derecognized by the Companies when:

- a. the contractual rights to the cash flows from the financial asset expire; or
- b. the contractual rights to receive cash flows have been transferred.

Other than cash and receivables, the Companies' financial assets include investments at fair value through profit or loss and held to maturity investments, when applicable.

Investments at fair value through profit or loss

Financial assets are classified as investments at fair value through profit or loss when they are acquired for trading or are designated upon initial recognition. Unless designated and considered as effective hedging instruments, derivatives are classified at fair value through profit or loss. Financial assets under this category are carried at fair value with gains and losses arising from changes in fair value being included in the profit or loss for the period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that the Companies intend and are able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are measured at amortized cost using effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of Financial Assets

The Companies assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced directly. The amount of the loss shall be recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

Accounts Payable and Accrued Expenses

Accounts payable are liabilities to pay for services that have been received and have been invoiced or formally agreed with the supplier.

Accruals are liabilities to pay for services that have been supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions.

Foreign Currency Transactions and Translation of Dollar Advantage and Dollar Abundance Funds

Transactions in currencies other than US Dollar are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the gains and losses of such non-monetary items are recognized directly in net assets attributable to shareholders.

Translation to Presentation Currency of Dollar Advantage and Dollar Abundance Funds

The financial statements of the two (2) Companies are presented in US Dollar, the currency of the primary economic environment in which the Companies operate. The translated financial statements are prepared for consolidation purposes.

The translation of the financial statements from functional currency to presentation currency has been made on the following basis:

- a. Assets and liabilities are translated using the closing rate at the balance sheet date.
- b. Income and expenses were translated at exchange rates at the date of transaction.
- c. All resulting exchange differences shall be recognized as a separate component of equity.

Related Parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or are under common control with the Companies are also considered related parties.

Net Assets Attributable to Shareholders

Net assets attributable to shareholders represent redeemable shares which can be put back to a Company any time at the shareholder's option for cash equal to a proportionate share of a Company's net assets value and are classified as financial liabilities. Net assets attributable to shareholders are carried at the redemption amount that is payable at the balance sheet date if the shareholder exercised its right to put the share back to a Company.

Taxation

The tax expense represents the sum of the final withholding taxes on interest income, tax currently payable and deferred tax, if any. The Companies are obligated to pay 35% in 2006 and proportionate income tax at rates of 32% from January to October 2005 and 35% from November to December 2005.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of operations because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Earnings per Share

A Company computes its basic earnings per share by dividing change in net assets attributable to shareholders of the Company by the weighted average number of issued shares during the period.

Subsequent Events

The Companies identify subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Companies' financial position at the balance sheet date are reflected in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements when material.

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

New Accounting Standards Effective Subsequent to the Accounting Period Ending December 31, 2006:

The Companies will adopt the following PFRS effective January 1, 2007:

- a. PFRS 7 - Financial Instruments: Disclosures
- b. Amendment to PAS 1 - Capital Disclosures

PFRS 7, "Financial Instruments: Disclosures," will require disclosure of information about the significance of financial instruments for an entity's financial position and performance. It will supersede the disclosure requirements of PAS 30, "Disclosures in the Financial Statements of Banks and Similar Financial Institutions," and PAS 32, "Financial Instruments: Presentation and Disclosures." The remaining parts of PAS 32 will deal only with financial instruments presentation matters. Amendment to PAS 1, "Capital Disclosures," will add requirements for disclosures on: (a) an entity's objectives, policies and processes for managing capital; (b) quantitative data about what the entity regards as capital; (c) whether an entity has complied with any capital requirements; and (d) if it has not complied, the consequences of such non-compliance.

The revised disclosures on financial statements as provided by the standards and amendment will be included in the Companies' financial statements when these will be adopted in 2007.

2. MANAGEMENT'S USE OF ESTIMATES

The Companies' financial statements require management to make estimates and assumptions that affect amounts reported in the financial statements. In preparing these financial statements, the Companies have made their best estimates and judgments of certain amounts, giving due consideration to materiality. The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Companies' financial statements.

Fair value estimation

The fair value of financial instruments traded in active market such as treasury notes and listed equity securities is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Companies is the current closing price for treasury notes and fixed income securities for investments in listed equity shares. The fair value of special savings accounts approximates its carrying value due to its short-term nature.

Financial assets

The Companies carry their financial assets at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates), the amount of changes in fair value would differ if the Companies utilized different valuation methodology. Any changes in fair value of these financial assets would affect directly the net income and loss and equity.

Revenue recognition

The Companies' revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

Asset impairment

The Companies are required to perform an impairment review when certain impairment indicators are present. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the held to maturity investments.

Determining the fair value of held to maturity investments, which require the determination of future cash flows expected to be generated from ultimate disposition of such assets, requires the Companies to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Companies to conclude that investments associated with an acquired business is impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Companies believe that their assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under GAAP in the Philippine.

3. FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

The objective of each Company is stated in Note 1.

The Companies are exposed to interest rate risk, credit risk, liquidity risk, and regulatory risk arising from the financial instruments they hold. The risk management policies employed by the Companies to manage these risks are discussed below.

Interest rate risk

Investments in fixed-income securities include treasury notes, corporate loans and special savings accounts which are subject to fair value interest rate risk due to fluctuations in the levels of market interest rates. Treasury notes and corporate loans have a term to maturity ranging from one (1) to five (5) years for Peso Funds and three (3) to nineteen (19) years for the US Dollar Funds, while special savings accounts reprice in the short-term, no longer than one (1) month. The table below summarizes average interest rates for the interest-bearing financial instruments:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
Treasury Notes	13.25%	11.90%	10.32%	11.90%	14.63%	16.43%
Corporate Loans	11.75%	13.88%	13.37%	13.88%	-	-
Special Savings Accounts	4.50%	6.69%	4.38%	6.69%	4.13%	6.69%
Bank Deposits	2.50%	2.00%	2.50%	2.00%	2.50%	2.00%

	Dollar Advantage Fund		Money Market Fund		Dollar Abundance Fund	
	2006	2005	2006	2005	2006	2005
Treasury Notes	9.31%	8.62%	14.00%	8.85%	9.19%	8.00%
Corporate Loans	-	-	-	-	-	-
Special Savings Accounts	5.00%	3.91%	4.13%	6.50%	4.65%	3.88%
Bank Deposits	2.50%	2.00%	-	8.43%	1.00%	2.00%

	GS Fund	
	2006	2005
Treasury Notes	8.75%	-
Corporate Loans	-	-
Special Savings Accounts	4.00%	6.38%
Bank Deposits	2.00%	1.50%

The Companies manage interest rate risk by actively monitoring the prevailing interest rate environment. During periods of rising rates and widening credit spreads, the duration of the portfolio is reduced. During periods of falling rates and narrowing credit spreads, it is increased.

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

Credit risk

Some Companies lend to private corporations to increase the yields either by purchasing bonds or accepting a promissory note. In doing so, they take the risk that the borrower will not be able to repay the loan amortization and/or principal when due. In the event this happens, the Bond and Balanced Funds are at risk because the loan would not be worth much as an asset and this might result in the drop of NAVPS.

The three Companies mitigate the risk by selecting only private corporations and banks with superior capital adequacy and management. Furthermore, a portion of the cash to service liquidity requirements is kept in time deposits at local and/or foreign banks.

Liquidity risk

The Companies are usually able to service redemptions of investors within seven (7) business days after receiving the notice of redemption by paying out redemptions from available cash or near cash assets. When redemptions exceed these liquid holdings, the Companies will have to sell securities and during periods of extreme market volatility, the Companies may not be able to find a buyer for such assets. As such, the Companies may not be able to generate from sale of assets enough cash to pay for the redemption within the normal 7-day period.

The Companies manage liquidity risk in a variety of ways. First, at least 10% of total assets are in the form of cash. Second, a significant portion of current assets is invested in bonds, which are actively traded ensuring a ready market. Further, cash are consistently maintained at amounts greater than liabilities.

Regulatory risk

The Companies' operations are subject to various regulations affecting accounting of assets and taxation. These regulations change, and as a result, investors may experience lower investment returns or even losses depending on what such a regulatory change entails. Higher taxes would lower investment returns and a mandated precautionary loan loss provision could result in the Companies experiencing a loss in the value of assets.

4. ACCRUED INTEREST RECEIVABLE

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Treasury Notes	P61,622,086	P64,971,787	P5,129,419	P 906,029	P421,590	P421,590
Corporate Loans	23,004,525	8,695,365	835,939	476,369	-	-
Treasury Bills	-	-	-	-	-	-
Special Savings Accounts	855,308	3,584,264	1,047,204	406,646	198,293	175,916
	P85,481,919	P77,251,416	P7,012,562	P1,789,044	P619,883	P597,506

	Dollar Advantage Fund		Money Market Fund			
	2006	2005	2006	2005	2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Treasury Notes	\$522,019	P25,647,832	\$109,475	P5,809,510	P2,929,808	P1,045,607
Corporate Loans	-	-	-	-	-	-
Treasury Bills	-	-	-	-	-	1,465,608
Special Savings Accounts	1,841	90,428	2,075	110,114	119,431	13,906
	\$523,860	P25,738,260	\$111,550	P5,919,624	P3,049,239	P2,525,121

	Dollar Abundance Fund				GS Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Treasury Notes	\$54,450	P2,675,220	\$20,464	P1,085,957	P1,553,634	P -
Corporate Loans	-	-	-	-	-	-
Treasury Bills	-	-	-	-	-	-
Special Savings Accounts	732	35,949	666	35,361	10,485	83,201
	\$55,182	P2,711,169	\$21,130	P1,121,318	P1,564,119	P83,201

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Investments in fixed-income securities						
Special savings	P 944,610,000	P1,526,940,000	P1,232,370,000	P158,530,000	P240,290,000	P 77,140,000
Treasury Bills	-	-	-	-	-	-
Treasury Notes	3,342,458,899	3,455,011,786	295,664,512	49,210,885	11,782,532	10,922,884
	4,287,068,899	4,981,951,786	1,528,034,512	207,740,885	252,072,532	88,062,884
Investments in listed equity securities	-	-	1,545,334,095	370,071,385	628,060,112	183,807,834
	P4,287,068,899	P4,981,951,786	P3,073,368,607	P577,812,270	P880,132,644	P271,870,718

	Dollar Advantage Fund				Money Market Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Investments in fixed-income securities						
Special savings	\$ 3,485,600	P 171,254,499	\$3,413,900	P213,505,893	P186,960,000	P32,090,000
Treasury Bills	-	-	-	-	-	28,411,845
Treasury Notes	18,312,158	899,712,955	4,023,327	181,165,432	-	-
	21,797,758	1,070,967,454	7,437,227	394,671,325	P186,960,000	P60,501,845
Investments in listed equity securities	-	-	-	-	-	-
	\$21,797,758	P1,070,967,454	\$7,437,227	P394,671,325	P186,960,000	P60,501,845

	Dollar Abundance Fund				GS Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Investments in fixed-income securities						
Special savings	\$1,246,100	P61,223,385	\$608,400	P32,285,963	P39,320,000	P52,620,000
Treasury Bills	-	-	-	-	-	-
Treasury Notes	1,802,764	88,573,401	669,514	35,529,099	51,708,928	-
	\$3,048,864	P149,796,786	\$1,277,914	P67,815,062	P91,028,928	P52,620,000
Investments in listed equity securities	-	-	-	-	-	-
	\$3,048,864	P149,796,786	\$1,277,914	P67,815,062	P91,028,928	P52,620,000

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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

The movements are summarized as follows:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Balance at beginning of the year	P4,981,951,786	P4,024,566,850	P 577,812,270	P169,293,497	P271,870,718	P182,458,089
Net purchases (disposals)	(891,979,774)	793,809,315	2,218,139,792	365,691,323	477,579,377	91,124,369
Amortization of premium	(60,090,228)	(47,212,849)	(3,448,087)	(442,525)	49,787	42,901
Net fair value gains	257,187,115	210,788,470	280,864,120	43,269,975	130,632,762	(1,754,668)
Balance at end of the year	P4,287,068,899	P4,981,951,786	P3,073,368,095	P577,812,270	P880,132,644	P271,870,718

	Dollar Advantage Fund				Money Market Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Balance at beginning of the year	\$ 7,437,227	P 394,671,325	\$ -	P -	P60,501,845	P -
Net purchases (disposals)	13,301,400	621,978,316	7,206,793	381,903,228	126,458,155	60,501,845
Amortization of premium	(60,734)	(3,114,767)	(26,222)	(1,452,932)	-	-
Net fair value gains	1,119,865	57,432,580	256,656	14,221,029	-	-
Balance at end of the year	\$ 21,797,758	P1,070,967,454	\$ 7,437,227	P 394,671,325	P186,960,000	P60,501,845

	Dollar Abundance Fund				GS Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Balance at beginning of the year	\$1,277,914	P67,815,062	\$ -	P -	P52,620,000	P -
Net purchases (disposals)	1,614,450	73,955,585	1,236,701	65,544,812	33,123,670	52,620,000
Amortization of premium	(5,429)	(278,447)	(654)	(36,036)	(407,761)	-
Net fair value gains	161,929	8,304,586	41,867	2,306,286	5,693,019	-
Balance at end of the year	\$3,048,864	P149,796,786	\$1,277,914	P67,815,062	P91,028,928	P52,620,000

The fair values of investments in listed equity securities and treasury notes in 2006 and 2005, respectively, are based on quoted market prices, which are usually, bid prices. However, for listed equity securities, closing price are used since it is the more appropriate valuation used by the players of the mutual funds industry. For the purpose of following the industry standard, closing prices was adopted in 2006 and the comparative statements of the 2005. Below is the reconciliation of valuation between closing and bid prices of the Balanced and Equity Funds:

	Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005
Investments in listed equity securities (closing price)	P1,545,334,095	P370,071,385	P628,060,112	P183,807,834
Adjustment to bid prices	(15,742,990)	(4,325,035)	(6,226,291)	(2,419,703)
Investments in listed equity securities (bid price)	P1,529,591,105	P365,746,350	P621,833,821	P181,388,131

Investments in special savings are carried at cost, which approximates fair value.

Net fair value gains recognized in the statements of income under the "Net Unrealized Gain on Investments" account amounted to as follows:

	2006	2005
Bond Fund	P229,535,541	P202,942,371
Balanced Fund	280,864,120	21,726,886
Phil. Equity Fund	130,632,762	2,754,668
Dollar Advantage Fund	\$1,119,866 / P57,432,580	\$233,468 / P 12,936,207
Money Market Fund	-	-
Dollar Abundance Fund	\$161,929 / P8,304,586	\$41,867 / P2,306,286
GS Fund	5,693,019	-

The following presents the breakdown of financial assets at fair value through profit or loss by contractual maturity dates:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006 Philippine Peso	2005 Philippine Peso	2006 Philippine Peso	2005 Philippine Peso	2006 Philippine Peso	2005 Philippine Peso
Due in one year or less	P1,344,782,090	P1,940,120,020	P1,333,782,360	P188,065,520	P240,290,000	P77,140,000
Due after one year through five years	2,546,648,817	2,563,564,242	135,826,207	18,438,703	11,782,532	10,922,884
Due after five years through ten years	395,637,993	478,267,524	56,868,000	-	-	-
Due after ten years	-	-	1,557,945	1,236,662	-	-
	P4,287,068,900	P4,981,951,786	P1,528,034,512	P207,740,885	P252,072,532	P88,062,884

	Dollar Advantage Fund		Money Market Fund	
	2006 US Dollar	2005 Philippine Peso	2006 US Dollar	2005 Philippine Peso
Due in one year or less	\$ 3,694,320	P 181,509,330	\$3,413,900	P181,165,432
Due after one year through five years	1,354,453	66,547,009	1,575,465	83,605,176
Due after five years through ten years	3,108,523	152,727,952	1,073,500	56,967,399
Due after ten years	13,640,462	670,183,163	1,374,362	72,933,318
	\$21,797,758	P1,070,967,454	\$7,437,227	P394,671,325

	Dollar Abundance Fund		GS Fund	
	2006 US Dollar	2005 Philippine Peso	2006 US Dollar	2005 Philippine Peso
Due in one year or less	\$1,246,100	P61,223,385	\$608,400	P32,285,963
Due after one year through five years	218,719	10,746,077	106,593	5,656,571
Due after five years through ten years	338,445	16,628,480	212,215	11,261,613
Due after ten years	1,245,600	61,198,844	350,706	18,610,915
	\$3,048,864	P149,796,786	\$1,277,914	P67,815,062

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Investments in listed equity securities of the Balanced and Equity Funds consist of:

	Balanced Fund				Phil. Equity Fund			
	2006		2005		2006		2005	
	No. of shares	Market Value	No. of Shares	Market Value	No. of shares	Market Values	No. of shares	Market Value
Phil. Long Distance Telephone Co.	77,684	P198,094,200	19,535	P35,846,725	P 30,036	P 76,591,800	P 8,265	P15,166,275
Ayala Corporation	283,000	166,970,000	101,950	32,114,250	92,878	54,798,020	46,288	14,580,720
Globe Telecom, Inc.	118,920	146,866,200	37,660	27,680,100	49,722	61,406,670	21,592	15,870,120
Ayala Land, Inc.	8,825,000	134,581,250	2,238,000	22,156,200	3,047,800	46,478,950	851,800	8,432,820
Bank of the Phil. Islands	2,002,390	127,151,765	482,240	26,282,080	751,592	47,726,092	226,012	12,317,654
SM Prime Holdings, Inc.	6,943,500	74,642,625	2,803,500	22,147,650	2,434,500	26,170,875	1,143,500	9,033,650
Jollibee Foods Corp.	1,768,450	74,274,900	436,950	17,696,475	665,950	27,969,900	177,050	7,170,525
Security Bank Corporation, Inc.	990,200	64,858,100	391,400	13,503,300	389,700	25,525,350	200,000	6,900,000
Intl Container Terminal Services	3,070,900	63,721,175	697,000	6,482,100	1,209,500	25,097,125	467,000	4,343,100
Cebu Holdings, Inc.	19,512,000	62,438,400	-	-	8,099,000	25,916,800	3,613,000	3,974,300
Metropolitan Bank and Trust Company	1,122,600	57,813,900	150,000	4,800,000	520,000	26,780,000	75,000	2,400,000
Holcim Philippines, Inc.	6,973,000	54,389,400	-	-	2,838,000	22,136,400	-	-
Banco de Oro Universal Bank	1,081,900	49,767,400	540,900	18,390,600	521,100	23,970,600	253,600	8,622,400
First General Corporation	770,700	43,544,550	-	-	351,000	19,831,500	-	-
SM Investments Corp.	114,030	37,059,750	84,600	20,304,000	53,230	17,299,750	38,000	9,120,000
Manila Electric Company "B"	614,620	33,804,100	364,620	7,930,485	282,600	15,543,000	302,600	6,581,550
First Philippine Holdings Corp.	484,920	30,549,960	889,020	43,561,980	246,540	15,532,020	337,940	16,559,060
Manila Water Company, Inc.	3,008,000	28,275,200	4,214,000	26,126,800	1,094,000	10,283,600	1,705,000	10,571,000
Petron Corporation	6,101,000	25,014,100	2,005,000	9,022,500	2,586,000	10,602,600	1,086,000	4,887,000
Manulife	11,060	18,249,000	3,050	9,638,000	4,700	7,755,000	2,000	6,320,000
Equitable PCI Bank	201,800	16,749,400	-	-	140,500	11,661,500	-	-
PNOC Energy Development Corp.	3,200,000	15,520,000	-	-	3,200,000	15,520,000	-	-
Universal Robina Corporation	700,000	13,475,000	-	-	500,000	9,625,000	-	-
Union Bank of the Phils.	100,000	4,900,000	339,500	10,864,000	13,200	646,800	289,400	9,260,800
DMCI Holdings Inc.	159,000	969,900	-	-	75,000	457,500	-	-
Ionics Circuits, Inc.	275,000	594,000	275,000	302,500	478,500	1,033,560	478,500	526,350
Filinvest Land, Inc.	253,000	541,420	3,538,000	4,882,440	136,000	291,040	1,073,500	1,481,430
Benpres Holdings Inc.	240,000	518,400	240,000	259,200	401,000	866,160	401,000	433,080
Philex Mining Corp. "B"	-	-	3,000,000	5,280,000	-	-	3,350,000	5,896,000
Megaworld Properties & holdings	-	-	2,400,000	2,880,000	-	-	1,200,000	1,440,000
JG Summit Holdings Inc.	-	-	125,000	431,250	-	-	125,000	431,250
Manila Electric Co. "A"	-	-	15,000	213,750	-	-	15,000	213,750
San Miguel Corporation "B"	-	-	-	-	7,000	542,500	-	-
Warrants:								
ABS-CBN, Phils. Depository Receipt	-	-	100,000	1,275,000	-	-	100,000	1,275,000
	69,002,674	P1,545,334,095	P25,491,925	P370,071,385	P30,219,048	P628,060,112	P17,587,047	P183,807,834

6. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments pertain to the following:

Bond and Balanced Funds

Amortized costs of corporate loans which bear an average interest of 12.04% and 13.88% in 2006 and 2005 and with a maturity ranging from three to six years.

Money Market Fund

Amortized costs of treasury notes which bear coupon rates of 14% and 8.85% in 2006 and 2005, respectively and with a remaining term to maturity of seven (7) and nine (9) months as of December 31, 2006 and 2005.

The movements in held to maturity investments are summarized as follows:

	Bond Fund		Balanced Fund		Money Market Fund	
	2006	2005	2006	2005	2006	2005
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Balance at beginning of the year	P 524,240,000	P547,580,000	P12,880,000	P -	P39,465,769	P23,266,943
Additions (net of maturities during the year)	694,373,087	(23,340,000)	24,320,000	12,880,000	22,518,743	16,198,826
Balance at end of the year	P1,218,613,087	P524,240,000	P37,200,000	P12,880,000	P61,984,512	P39,465,769

The following presents the breakdown by contractual maturity dates:

	Bond Fund		Money Market Fund	
	2006	2005	2006	2005
Due within one year	P -	P -	P61,984,512	P39,465,769
Due after one year through five years	813,613,087	254,240,000	-	-
Due after five years through ten years	405,000,000	270,000,000	-	-
	P1,218,613,087	P524,240,000	P61,984,512	P39,465,769

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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

7. ACCRUED EXPENSES

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006 Philippine Peso	2005 Philippine Peso	2006 Philippine Peso	2005 Philippine Peso	2006 Philippine Peso	2005 Philippine Peso
Withholding Taxes	P1,057,002	P1,045,137	P 755,057	P 233,385	P 222,706	P112,711
Proceeds	701,497	273,300	3,121,496	-	189,152	94,228
Documentary stamp tax	454,287	640,368	7,242,070	1,042,029	1,723,458	97,321
Subscriptions	400,000	450,000	11,024,218	1,170,000	2,438,554	-
Due to brokers	-	-	2,551,671	4,264	1,288,129	2,006
Custodian fees	140,000	80,000	90,000	40,000	50,000	20,000
Professional fees	104,404	86,284	104,404	86,284	104,404	86,284
Others	-	-	-	-	-	-
	P2,857,190	P2,575,089	P24,888,916	P2,575,962	P6,016,403	P412,550

	Dollar Advantage Fund		Money Market Fund	
	2006 US Dollar	2005 Philippine Peso	2006 US Dollar	2005 Philippine Peso
Withholding Taxes	\$ 3,648	P 165,658	\$ 1,102	P 58,480
Proceeds	-	-	-	-
Documentary stamp tax	-	-	-	-
Subscriptions	70,600	3,468,719	24,000	1,273,608
Due to brokers	-	-	-	-
Custodian fees	2,150	105,636	700	37,147
Professional fees	2,088	102,591	1,620	85,968
Others	-	-	-	-
	\$78,486	P3,842,604	\$27,422	P1,455,203

	Dollar Abundance Fund		GS Fund	
	2006 US Dollar	2005 Philippine Peso	2006 US Dollar	2005 Philippine Peso
Withholding Taxes	\$ 430	P 21,148	\$ 158	P 8,384
Proceeds	-	-	-	-
Documentary stamp tax	-	-	-	-
Subscriptions	-	-	-	-
Due to brokers	-	-	-	-
Custodian fees	150	7,372	15	796
Professional fees	2,088	102,592	1,620	85,968
Others	-	-	-	-
	\$2,668	P131,112	\$1,793	P95,148

Subscriptions account represents shares sold but not yet issued, pending submission of required documents from clients.

Others pertain to bank overdrafts as of December 31, 2006 due to timing difference on interfund transfers to other mutual funds and accrued transfer fees.

The Companies consider that the carrying amounts of accounts payable approximate its fair value.

8. RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

a. Investment management

Management fees charged by SLAMC to the Companies in 2006 and 2005 included in the statements of income under "Investment management fees" are shown in the table below. The table likewise shows the accrued management fees as of December 31, 2006 and 2005 as shown under the caption "Payable to fund manager" in the balance sheets.

	Management Fee Expenses		Accrued Management Fee	
	2006	2005	2006	2005
Bond Fund	P92,647,059	P82,409,493	P7,229,314	P7,541,893
Balanced Fund	27,936,755	10,464,202	6,461,724	1,086,106
Phil. Equity Fund	11,555,357	5,089,370	1,851,940	507,038
Dollar Advantage Fund	\$239,871 / P12,301,824	\$ 90,846 / P5,033,678	\$41,844 / P2,055,867	\$ 25,176 / P1,336,015
Money Market Fund	2,656,744	954,430	260,004	108,079
Dollar Abundance Fund	\$39,835 / P2,042,960	\$19,297 / P1,062,995	\$ 7,874 / P386,862	\$6,069 / P322,071
GS Fund	1,121,688	794,239	231,095	123,265

b. Remuneration of key management personnel

The remuneration of the directors who are the key management personnel of the Company pertains to short-term benefits as follows. These are presented in the statements of income under "Directors' fees" account.

	Directors' Fees	
	2006	2005
Bond Fund	P 80,000	P120,000
Balanced Fund	180,000	200,000
Phil. Equity Fund	160,000	200,000
Dollar Advantage Fund	\$2,684 / P137,674	\$3,755 / P208,060
Money Market Fund	60,000	160,000
Dollar Abundance Fund	\$2,687 / P137,794	\$3,329 / P183,381
GS Fund	100,000	120,000

c. As of December 31, 2006, SLOCPI held the following number of shares in the Funds:

	# of Shares	% of Net Assets
Bond Fund	49,999,397	1.67%
Balanced Fund	49,999,397	3.03%
Phil. Equity Fund	49,999,397	9.5%
Dollar Advantage Fund	499,397	5.42%
Money Market Fund	49,659,689	22.02%
Dollar Abundance Fund	499,992	31.36%
GS Fund	49,999,992	59.40%

NOTES TO THE FINANCIAL STATEMENTS

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9. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

In accordance with the Companies' valuation policy, fixed-income securities with quoted market prices and listed equity securities are valued at bid and last closing prices, respectively, for the purpose of determining the NAVPS for share subscriptions and redemptions.

Net assets attributable to shareholders (redeemable shares) represent a liability in the balance sheet, carried at redemption amount that would be payable at the balance sheet date if the holder exercised the right to put the share back to a Company.

Redeemable shares carry one vote each, and subject to the following:

- a. **Distribution of dividends**
Each shareholder has a right to any dividends declared by a Company's Board of Directors.
- b. **Denial of pre-emptive rights**
No stockholder shall, because of his ownership of the stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of stock or of any other securities convertible into or carrying options or warrants to purchase stock of a registrant.
- c. **Right of redemption**
The holder of any share of a registrant upon its presentation to a Company, or to any of its duly authorized representatives, is entitled to receive by way of redemption approximately his proportionate share of a Company's current net assets or the cash equivalent thereof. Shares are redeemable at any time at their net asset value less any applicable sales charges and taxes, if any.

Net assets values per share (NAVPS) are computed as follows:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Net Assets attributable to shareholders	P5,607,772,327	P5,609,414,364	P3,171,054,975	P 594,031,633	P938,537,997	P 274,579,767
Issued and fully paid shares	2,999,832,763	3,359,591,583	1,647,926,487	406,403,047	526,777,599	217,568,064
Net Assets Value Per Share	P1.8694	P1.6697	P1.9243	P 1.4616	1.7817	P 1.2620

	Dollar Advantage Fund				Money Market Fund	
	2005		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Net Assets attributable to shareholders	\$23,292,157	P1,144,365,073	\$ 8,859,094	P470,125,546	P247,455,983	P106,222,998
Issued and fully paid shares	9,215,773	9,215,773	3,817,048	3,817,048	225,560,159	98,615,261
Net Assets Value Per Share	\$ 2.5274	P 124.17	\$ 2.3209	P 123.1647	P1.0971	P1.0771

	Dollar Abundance Fund				GS Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Net Assets attributable to shareholders	\$3,521,202	P173,000,838	\$2,014,809	P106,919,852	P94,219,610	P54,192,486
Issued and fully paid shares	1,594,373	1,594,373	975,325	975,325	84,177,355	53,507,441
Net Assets Value Per Share	\$2.2085	P108.5071	\$2.0658	P109.6248	P1.1193	P1.0128

Issued and fully paid shares are shown as follows:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
Balance at January 1	3,359,591,583	3,088,197,913	406,430,047	128,879,941	217,568,064	162,853,727
Issuance	1,709,570,534	1,373,525,854	1,664,052,005	403,254,498	552,205,577	126,585,463
Redemptions	(2,069,329,354)	(1,102,132,184)	(422,555,565)	(125,704,392)	(242,996,042)	(71,871,126)
Balance at December 31	2,999,832,763	3,359,591,583	1,647,926,487	406,430,047	526,777,599	217,568,064

	Dollar Advantage Fund		Money Market Fund		Dollar Abundance Fund	
	2006	2005	2006	2005	2006	2005
Balance at January 1	3,817,048	2,116,393	98,615,261	79,107,667	975,325	-
Issuance	7,968,981	2,077,777	1,257,458,518	131,791,264	889,798	985,665
Redemptions	(2,570,256)	(377,122)	(1,130,513,620)	(112,283,670)	(270,750)	(10,340)
Balance at December 31	9,215,773	3,817,048	225,560,159	98,615,261	1,594,373	975,325

	GS Fund	
	2006	2005
Balance at January 1	53,507,441	-
Issuance	41,976,078	57,797,738
Redemptions	(11,306,164)	(4,290,297)
Balance at December 31	84,177,355	53,507,441

The authorized capital stock of the Companies are as follows:

	Authorized Capital Stock in Philippine Peso	Authorized Capital Stock in Number of Shares	Par Value
Bond Fund	P 3,800,000,000	3,800,000,000	P 1.00
Balanced Fund	200,000,000	200,000,000	P 1.00
Phil. Equity Fund	200,000,000	200,000,000	P 1.00
Dollar Advantage Fund	6,200,000	6,200,000	P 1.00
Money Market Fund	1,000,000	100,000,000	P 0.01
Dollar Abundance Fund	2,000,000	2,000,000	P 1.00
GS Fund	2,000,000	200,000,000	P 0.01

On a meeting held on February 17, 2006 the Board of Directors of the Balanced Fund approved the increase in capital stock of the Company from 200,000,000 shares with par value of P1 per share to 500,000,000 shares with par value of one centavo (P0.01) per share. Its Board approved the amendment of the seventh article of the Company's Articles of Incorporation to reflect the said increase in authorized capital stock.

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

On the same meeting, the Board of Directors of the Phil. Equity Fund approved the increase in capital stock of the Company from 200,000,000 shares with par value of P1 per share to 400,000,000 shares with par value of one centavo (P0.01) per share. The Board likewise approved the amendment of the seventh article of the Company's Articles of Incorporation.

The Boards of Directors are set to approve increases in the Authorized Capital Stocks of the Companies in the coming Board of Directors meetings in May 2007.

NAVPS is based on issued and fully paid shares plus deposits for future stock subscriptions, if any. Shares for deposits for future stock subscriptions are as follows:

	2006	2005
Balanced Fund	1,448,065,674	207,046,855
Phil. Equity Fund	326,784,924	18,808,396
Dollar Advantage Fund	-	-
Money Market Fund	126,255,158	-

10. INTEREST INCOME

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006 Philippine Peso	2005 Philippine Peso	2006 Philippine Peso	2005 Philippine Peso	2006 Philippine Peso	2005 Philippine Peso
Treasury notes	P402,804,988	P366,906,327	P 10,325,904	P 4,173,732	P1,395,287	P1,977,401
Corporate loans	91,994,952	72,020,378	4,102,100	2,149,693	-	-
Special savings	39,004,284	67,024,642	20,008,298	7,841,010	6,575,173	2,830,577
Cash in bank	165,073	124,615	114,519	36,149	52,713	25,129
Treasury bills	-	4,442,907	-	-	-	-
	P533,969,297	P510,518,869	P 34,550,821	P 14,200,584	P8,023,173	P4,833,107

	Dollar Advantage Fund		Money Market Fund	
	2006 US Dollar	2005 Philippine Peso	2006 US Dollar	2005 Philippine Peso
Treasury notes	\$805,001	P41,284,681	\$284,826	P15,781,897
Corporate loans	-	-	-	-
Special savings	95,125	4,878,533	38,035	2,107,478
Cash in bank	4,508	231,175	827	45,823
Treasury bills	-	-	-	-
	\$904,634	P46,394,389	\$323,688	P17,935,198

	Dollar Abundance Fund		GS Fund	
	2006 US Dollar	2005 Philippine Peso	2006 US Dollar	2005 Philippine Peso
Treasury notes	\$120,152	P6,162,037	\$16,751	P 922,745
Corporate loans	-	-	-	-
Special savings	11,028	565,580	25,706	1,416,041
Cash in bank	1,734	88,916	170	9,365
Treasury bills	-	-	-	-
	\$132,914	P6,816,533	\$42,627	P2,348,151

Interest income is recorded at gross of withholding tax and the related final withholding taxes are shown as "Income Tax Expense" in the statements of income.

11. NET REALIZED GAIN ON INVESTMENTS

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
Net realized gains (losses)						
Listed equity securities	P -	P -	P102,590,173	(P 23,099)	P71,962,446	P22,013,845
Fixed income securities	27,651,574	846,099	128,218	11,028,112	-	542,275
	P27,651,574	P846,099	P102,718,391	P11,005,013	P71,962,446	P22,556,120

Investments in fixed-income securities consist of investments in treasury notes, special savings and corporate loans.

12. OTHER INCOME

Bond Fund

Other income represents pre-termination fees paid by a corporate borrower during the year.

Money Market Fund

Other income represents service charge equivalent to 0.25% of total redemptions redeemed by the shareholders within the seven (7) days holding period.

13. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Change in net assets attributable to shareholders	P587,893,930	P533,155,433	P394,770,544	P41,000,371	P204,581,954	P20,315,320
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,109,785,170	3,223,894,748	775,779,978	164,131,567	355,094,914	164,131,567
Basic earnings per share	P0.19	P0.17	P0.51	P0.25	P0.58	P0.12

	Dollar Advantage Fund				Money Market Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Change in net assets attributable to shareholders	\$1,540,138	P75,670,042	\$406,248	P22,509,763	P10,673,143	P4,852,025
Weighted average number of ordinary shares for the purpose of basic earnings per share	6,129,511	6,129,511	2,966,721	2,966,721	272,985,282	88,861,464
Basic earnings per share	\$ 0.25	P 12.35	\$ 0.14	P 7.59	P0.04	P0.05

	Dollar Abundance Fund				GS Fund	
	2006		2005		2006	2005
	US Dollar	Philippine Peso	US Dollar	Philippine Peso	Philippine Peso	Philippine Peso
Change in net assets attributable to shareholders	\$216,979	P11,127,891	\$47,552	P2,619,451	P7,792,479	P672,587
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,104,586	1,104,586	487,663	487,663	60,860,528	53,507,441
Basic earnings per share	\$0.20	P10.07	\$0.10	P5.37	P0.13	P0.01

As of December 31, 2006 and 2005, the Companies have no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

14. INCOME TAXES

The income tax expense represents final tax on interest income and the 35% corporate income tax, whenever applicable.

A reconciliation of the statutory income tax rate to effective income tax rate follows:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2006	2005	2006	2005	2006	2005
<i>Statutory income tax rate</i>	35.00%	32.50%	35.00%	32.50%	35.00%	32.50%
Tax effects of:						
Net operating loss carry-over (NOLCO)	0.48	0.92	2.87	9.10	2.53	9.46
Non-deductible expenses	-	-	0.30	0.39	0.01	7.91
Dividend income	-	-	(1.96)	(8.04)	(1.79)	(8.02)
Income subjected to final tax	(7.68)	(7.00)	(1.09)	(13.13)	(0.58)	(37.35)
Unrealized fair value gains	-	-	(24.48)	(14.44)	-	-
Non-taxable income	(13.05)	(10.85)	(8.95)	-	(34.39)	-
Effective income tax rate	14.75%	15.57%	1.69%	6.38%	0.77%	4.50%

	Dollar Advantage Fund		Money Market Fund		Dollar Abundance Fund		GS Fund	
	2006	2005	2006	2005	2006	2005	2006	2005
<i>Statutory income tax rate</i>	35.00%	32.50%	35.00%	32.50%	35.00%	32.50%	35.00%	32.50%
Tax effects of:								
Net operating loss carry-over (NOLCO)	-	-	7.56	7.26	-	11.55%	6.45	40.77
Non-deductible expenses	1.22	-	4.01	-	-	-	1.63	-
Dividend income	-	-	-	-	-	-	-	-
Income subjected to final tax	(1.99)	(2.23)	(19.96)	(14.10)	(0.65%)	(12.64%)	(8.4)	(28.18)
Unrealized fair value gains	(22.26)	(16.02)	-	-	(23.21%)	(27.49%)	(22.71)	-
Non-taxable income	-	-	-	-	-	-	(0.77)	-
Effective income tax rate	11.97%	14.25%	26.61%	25.66%	11.14%	3.92%	11.20%	45.09%

Details of the Companies' NOLCO are as follows:

Bond Fund

Year of Incurrence	Year of Expiry	2005 Balance	Additions	Expired	2006 Balance
2003	2006	P37,224,687	P -	P37,224,687	P -
2004	2007	16,010,500	-	-	16,010,500
2005	2008	17,819,281	-	-	17,819,281
2006	2009	-	9,515,557	-	9,515,557
		P71,054,468	P9,515,557	(P37,224,687)	P43,345,338

Balanced Fund

Year Incurred	Year of Expiry	2005 Balance	Additions	Expired	2006 Balance
2003	2006	P 812,023	P -	(P812,023)	P -
2004	2007	1,564,858	-	-	1,564,858
2005	2008	10,973,495	-	-	10,973,495
2006	2009	-	32,896,826	-	32,896,826
		P13,350,376	P32,896,826	(P812,023)	P45,435,179

Phil. Equity Fund

Year Incurred	Year of Expiry	2005 Balance	Additions	Expired	2006 Balance
2003	2006	P 4,641,187	P -	(P4,641,187)	P -
2004	2007	4,174,662	-	-	4,174,662
2005	2008	6,190,860	-	-	6,190,860
2006	2009	-	14,986,718	-	14,986,718
		P15,006,709	P14,986,718	(P4,641,187)	P25,352,240

Money Market Fund

Year of Incurrence	Year of Expiry	2005 Balance	Additions	2006 Balance
2004	2007	P 683,955	P -	P 683,955
2005	2008	1,457,406	-	1,457,406
2006	2009	-	3,140,716	3,140,716
		P2,141,361	P3,140,716	P5,282,077

GS Fund

Year Incurred	Year of Expiry	2005 Balance	Additions	Expired	2006 Balance
2005	2008	P1,536,608	-	-	P1,536,608
2006	2009	-	P1,617,689	-	1,617,689
		P1,536,608	P1,617,689	-	P3,154,297

A substantial portion of the Companies' income is interest income arising from treasury notes and special savings accounts which are already subjected to final withholding tax and therefore excluded in the computation of taxable income. Thus, with the exception of the Dollar Advantage and the Dollar Abundance Funds, the Companies usually incur net operating losses.

The Bond Fund and Balanced Fund are liable to pay the minimum corporate income tax (MCIT) of 2% of gross income.

Deferred income tax on NOLCO were not recognized because tax benefit is not likely to be realized in the future.

The carry forward benefit of the Bond Funds MCIT of P1,841,399 and P1,440,408 in 2006 and 2005, respectively, which is included as part of "Other non-current assets" account, is valid until 2009 and 2008, respectively.

On the other hand, the carry forward benefit of the Balanced Funds MCIT amounting to P82,042 and P42,994 in 2006 and 2005, is valid until 2009 and 2008, respectively.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by Management and authorized for issue on March 7, 2007. The Companies did not grant anyone the power to amend the financial statements once issued to the public.

CURRICULUM VITAE OF THE DIRECTORS AND EXECUTIVES



Esther C. Tan
Chairperson, Sun Life Prosperity Funds

Mrs. Tan, Filipino, is the Chairperson of Sun Life of Canada (Philippines), Inc. and used to be the president as well of Sun Life of Canada (Philippines), Inc. prior to her promotion to her current position in Sun Life Financials Asia as Senior Vice-President, Agency - Asia. She was appointed in May 1995 as Vice-President for Philippine Operations and in 1997 as Vice-President and General Manager (Philippines) of Sun Life Assurance Company of Canada.



Feliciano L. Miranda, Jr.
Independent Director, Sun Life of Canada Prosperity Bond Fund, Inc.
Independent Director, Sun Life Prosperity Money Market Fund, Inc.

Mr. Miranda, Filipino, is the Chairman of the Board of PNB Forex, Inc., PNB Remittance Center, Inc., Japan-PNB Leasing & Finance Corporation, PNB (Europe) Plc, Bulawan Mining Corporation, PNB Capital Investment Corporation, PNB Remittance Center Ltd., Hongkong, PNB International Finance Corporation (HK). He is also a Director of the PNB, PNB Holdings Corporation, Beneficial-PNB Life Insurance Co., Citra Metro Manila Tollways Corporation, Amtrust Holdings, Inc., and PNB International Investment Corporation.



Caesar P. Altarejos, Jr.
President, Sun Life Prosperity Funds

Mr. Altarejos, Filipino, Certified Public Accountant, is the Senior Vice-President for Finance of Sun Life of Canada (Philippines), Inc. and has had many years of experience in managerial capacity with both multinational and local companies in all phases of financial management. Mr. Altarejos obtained his B.S.B.A. in Accounting at the University of the East in 1972, graduating Magna Cum Laude, and went on to complete his Master in Business Administration at the De La Salle University.



Nilo B. Peña
Director, Sun Life of Canada Prosperity Balanced Fund, Inc.
Director, Sun Life of Canada Prosperity Phil. Equity Fund, Inc.

Atty Peña, Filipino, is a Senior Partner at one of the top law firms in the country, the Quasha, Ancheta, Pena, & Nolasco Law Firm. He is a member of the Board of Trustees of St. Luke's Medical Center, Inc.; Chairman, Board of Trustees of Standard Chartered Bank Employees' Retirement Fund; Trustee-Corporate Secretary of the Philippine-Australian Business Council and director or officer of several corporations engaged in various business activities.



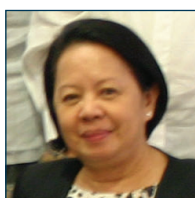
Raoul Antonio E. Littaua
Director, Sun Life of Canada Prosperity Bond Fund, Inc.
Director, Sun Life Prosperity Money Market Fund, Inc.

Mr. Littaua, Filipino, is the Senior Vice-President for Marketing of Sun Life of Canada (Philippines), Inc. Except for a short stint as Regional Manager, National Capital Region at East Asiatic Co., Ltd in 1993, Mr. Littaua worked his way up to his current position by holding different positions at various times in Sun Life Assurance Company of Canada since 1991. He also worked as Staff Development Assistant, Sales, Marketing and International Business Operations in San Miguel Corporation, Beer Division.



Rafael M. Alunan III
Independent Director, Sun Life of Canada Prosperity Balanced Fund, Inc.

Mr. Alunan, Filipino, has had extensive experience in government service as well as in the private sector. He served in the cabinets of Pres. Fidel V. Ramos and Pres. Corazon C. Aquino, as Secretary of Interior and Local Government and Secretary of Tourism, respectively. He has been President of the Manila Hotel, Director of Coca-Cola Amatil (Australia), President of General Reliance Corporation, and consultant on Government Relations for San Miguel Corporation, among others. He is now President of Maynilad Water Services, Inc. and of Kybernan Group, Inc. consultant of Benpres Holdings Corporation, and Director of First Philippine Infrastructure Development Corporation and of Manila North Tollways Corporation.



Aleli Angela G. Quirino
Independent Director, Sun Life of Canada Prosperity Bond Fund, Inc.
Independent Director, Sun Life Prosperity Money Market Fund, Inc.

Atty. Quirino, Filipino, is a senior partner of Abello Concepcion Regala & Cruz Law Offices (ACCRA Law). She heads the Intellectual Property Department, and is also a member of the Corporate and Special Projects Department. She is a member of the Integrated Bar of the Philippines, the Philippine Bar Association, Director and Vice President (AIPPI) of the Intellectual Property Association of the Philippines, Director and Treasurer of the Intellectual Property Foundation, a member of the Asean Law Association, Member and Vice-Chair for Women Business Lawyers of the Inter-Pacific Bar Association, Trademark Committee Member of the Asian Patent Attorneys Association, and Executive Committee Member of the Association Internationale pour la Protection de Propriete Industrielle.



Erlinda S. Echanis
Independent Director, Sun Life of Canada Prosperity Balanced Fund, Inc.
Independent Director, Sun Life Prosperity GS Fund, Inc.

Dr. Echanis, Filipino, is a distinguished member of the academe, having taught in the University of the Philippines, and written a score of published and unpublished articles on business management. She is a Certified Public Accountant, professor at the College of Business Administration (CBA), University of the Philippines in Diliman. She is the current dean of the CBA, UP. Her involvement in the private sector includes her being consultant for the Philippine National Oil Company, the Home Development Mutual Fund, Metrobank, Bangko Sentral ng Pilipinas, the Department of Budget and Management, the Board of Investments and the Asian Development Bank, among others.

CURRICULUM VITAE OF THE DIRECTORS AND EXECUTIVES



Jose M. Faustino
Independent Director, Sun Life of Canada
Prosperity Phil. Equity Fund, Inc.
Independent Director, Sun Life
Prosperity GS Fund, Inc.

Professor Faustino, Filipino, is the Goodyear Professor of Business Management, and the Program Director of AIM's Marketing Strategy Course. He teaches and provides management consultancy in the fields of marketing management, strategic planning and strategy formulation, and organizational behavior in development. In 1991, he received the Agora Award for excellence in Marketing Education, bestowed by the Philippine Marketing Association. His twenty years of work experience as professional manager and entrepreneur were in the areas of marketing, operation, and general management.



Ponciano S. Intal, Jr.
Independent Director, Sun Life
Prosperity Dollar Advantage Fund, Inc.
Independent Director, Sun Life
Prosperity Dollar Abundance Fund, Inc.

Dr. Intal, Filipino, is a Professor of Economics at the Department of Economics of the College of Business and Economics of the De La Salle University and Executive Director of the Angelo King Institute for Economic and Business Studies, De La Salle University. Dr. Intal holds a PhD in Economics from Yale University, two Master of Arts in Economics Degrees from Yale University and the University of the Philippines, and a Bachelor of Science degree in Business Administration from the Mindanao State University. He held progressively responsible positions in government including Deputy Director-General at the National Economic and Development Authority and as President of the Philippine Institute of Developmental Studies.



Oscar M. Orbos
Independent Director, Sun Life of Canada
Prosperity Phil. Equity Fund, Inc.

Atty. Orbos, Filipino, obtained his Bachelor of Laws and his degree in Economics from the University of the Philippines. He has also earned some units in Masters of Laws also from the same university. He has been elected as Congressman and as Governor of the Province of Pangasinan, and has also served the Philippine Government as the Secretary of the Department of Transportation and Communication, and Executive Secretary. Atty. Orbos, likewise, has been a member of various law firms in his career.



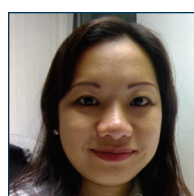
Oscar Reyes
Independent Director, Sun Life
Prosperity Dollar Advantage Fund, Inc.
Independent Director, Sun Life
Prosperity Dollar Abundance Fund, Inc.

Mr. Reyes, Filipino, was the chairman and Chief Executive Officer of the Shell Companies in the Philippines and remains a Director of Pilipinas Shell Petroleum, Shell Philippines Exploration B.V., and various other Philippine corporations. Mr. Reyes held various progressively responsible positions with Shell Philippines and the Philippine Petroleum Corporation.



Roy Emil S. Yu
Director, Sun Life Prosperity GS Fund, Inc.

Mr. Yu, Filipino, is the Senior Vice-President for Sales of Sun Life of Canada (Philippines), Inc. He is also a member of the Direct Selling Association of the Philippines. Prior to this, he was connected with Avon Cosmetics, Inc., his last position being National Sales Director. Mr. Yu is a graduate of the University of San Carlos where he obtained his Bachelor of Science in Business Administration.



Jemilyn S. Camania
Corporate Secretary of the Sun Life
Prosperity Funds
Corporate Secretary of Sun Life
Asset Management, Company, Inc.

Atty. Camania, is presently Assistant Counsel for Sun Life of Canada (Philippines), Inc. and Assistant Corporate Secretary of Sun Life Financial Plans, Inc. She had obtained her Bachelor of Arts in Psychology from the University of the Philippines, Diliman (1996) and her Bachelor of Laws from the College of Law, University of the Philippines, Diliman (2001). She had worked as an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices before joining Sun Life.



Tony Tan Caktiong
Independent Director, Sun Life Prosperity
Dollar Advantage Fund, Inc.
Independent Director, Sun Life Prosperity
Dollar Abundance Fund, Inc.

Mr. Tan Caktiong, Filipino, is the Chairman, President and CEO of Jollibee Foods Corporation. He holds a degree in BS Chemical Engineering from the University of Sto. Tomas and has attended the Owner/President Management (OPM) Program at Harvard University and the Top Management Program at the Asian Institute of Management (AIM).

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Sun Life of Canada Prosperity Balanced Fund, Inc.
Sun Life Prosperity Dollar Advantage Fund, Inc.
Sun Life Prosperity Money Market Fund, Inc.
Sun Life Prosperity Dollar Abundance Fund, Inc.
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Sun 
Life Financial

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a member of the Sun Life Financial
group of companies

