COVER SHEET

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SEC Identification Number

SUN LIFE PROSPERITY DOLLAR
WELLSPRING FUND, INC.

(Company's Full Name)

SUN LIFE CENTRE 5TH AVE.
COR. RIZAL DRIVE, BONIFACIO
GLOBAL CITY, TAGUIG CITY

(Business Address: No. Street City/Town/Province)

ANNA KATRINA C. KABIGTING-IBERO
(Contact Person)

555-8888
(Company Telephone Number)

DEFINITIVE INFORMATION SHEET
(Form Type)

12 (Month) 31 (Day)
(Fiscal Year)

4th Wednesday of June
Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.

NOTICE OF SPECIAL SHAREHOLDERS' MEETING

To all shareholders:

NOTICE IS HEREBY GIVEN that the special meeting of the shareholders of the Sun Life Prosperity Dollar Wellspring Fund, Inc. shall be held on **07 October 2019 (Monday) at 1:00 p.m. at the A. Wood Training Room, 2/F Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634** to consider the following:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of Dividend Declaration of 0.50% to stockholders of record as of 08 October 2019
5. Adjournment

The Board of Directors has, in accordance with the By-Laws, fixed the close of business on **05 September 2019** as the date for the determination of the shareholders entitled to notice of and to vote as such in the special shareholders' meeting and any adjournment thereof.

To avoid inconvenience in registering attendance at the meeting and for their own protection, shareholders and/or their proxies are requested to bring identification papers containing a photograph and signature, e.g. passport, driver's license, or credit card. Attendees unable to present identification document upon registration shall not be admitted to the meeting.

Taguig City, Metro Manila, 29 August 2019

ATTY. ANNA KATRINA C. KABIGTING-IBERO
Assistant Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE COMMISSION
Corporate Governance and Finance Department
RECEIVED
08-29-19
By: Vilma Time: 2:35 pm

1. Check the appropriate box:

[ ] Preliminary Information Statement [X] Definitive Information Statement

2. Name of Registrant as specified in its charter: **Sun Life Prosperity Dollar Wellspring Fund, Inc.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **CS201517778**

5. BIR Tax Identification Code: **008-123-698-000**

6. Address of Principal Office: **Sun Life Center, 5th Avenue cor Rizal Drive, Bonifacio Global City, Taguig City 1634**

7. Registrant's telephone number, including area code: **(632) 555-8888**

8. Date, time, place of the meeting of security holders:

07 October 2019 (Monday), 1:00 p.m.
A. Wood Training Room, 2/F Sun Life Centre
5th Avenue corner Rizal Drive
Bonifacio Global City, Taguig City 1634

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **05 September 2019**

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **Lyza D. Placido**

Address and Telephone Number: **6th Floor Sun Life Center, 5th Avenue cor Rizal Drive, Bonifacio Global City, Taguig City 1634; (632) 849-9452 or 849-9495**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of shares of Common Stock Outstanding
Common Shares, PHP1.00 par value	**5,931,353 shares (as of 31 July 2019)**

12. Are any or all of the Company's securities listed on the Philippine Stock Exchange ("PSE")?

[ ] Yes [X] No

PART I.
INFORMATION REQUIRED IN THE INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

a. The special shareholders' meeting of Sun Life of Canada Prosperity Dollar Wellspring Fund, Inc. (the "Company") will be held on **07 October 2019 (Monday) at 1:00 p.m., at the A. Wood Training Room, 2/F Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634.** The principal office of the Company is located at Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634.

b. The approximate date on which the information statement and proxy form ("SSHM materials") will be sent to all shareholders is on 05 September 2019. Shareholders will receive the SSHM materials personally, by mail (by physical or electronic transmission). Further, shareholders will also receive an advance copy via e-mail and will have access to the SSHM materials via the Sun Life Asset Management Company, Inc. ("SLAMCI") website.

Item 2. Dissenter's Right of Appraisal. The Corporation Code of the Philippines, specifically its Sections 80 to 85 of Title X, gives a dissenting shareholder or a shareholder who votes against certain corporate actions specified by law, the right to demand payment of the fair market value of his/her shares, commonly referred to as Appraisal Right. There is no matter or item to be submitted to a vote or acted upon in the special shareholders' meeting of the Company which falls under the instances provided by law when dissenting shareholders can exercise their Appraisal Right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a. No current director or officer of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon.

b. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. The Company has 5,931,353 outstanding common shares as of 31 July 2019. Each common share shall be entitled to one (1) vote with respect to all matters to be taken up during the special shareholders' meeting.

b. The record date for determining shareholders entitled to notice of and to vote during the special shareholders' meeting is **05 September 2019.**

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 5. Authorization or Issuance of Securities Other than for Exchange. No action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

Item 6. Modification or Exchange of Securities. No action is to be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 7. Financial and Other Information.

a. **Management's Discussion and Analysis (MD&A) or Plan of Operation.**

1. **Plan of Operation.** For the next twelve (12) months, management will continue its current plan of operation, with a focus on improving cost efficiency.

2. **Management's Discussion and Analysis.** The performance of the Company could be measured by the following indicators:

2.1 **Increase/Decrease in Net Assets Value Per Share (NAVPS)** NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding plus the total number of units outstanding due to deposit for future subscriptions (DFFS) and for conversion to shares, if any, as of the end of the reporting day. Any increase or decrease in NAVPS translates to a prospective capital gain or capital loss, respectively, for the Company's shareholders.

2.2 **Net Investment Income.** Represents the total earnings of the Company from its investment securities, less operating expenses and income tax. This gauges how efficiently the Company has utilized its resources in a given time period.

2.3 **Assets under Management (AUM).** The assets under the Company's disposal. This measures the profitability of the Company (increase/decrease brought about by its operational income) as well as investor confidence (increase/decrease brought about by investor subscriptions/redemptions).

2.4 **Cash Flow.** Determines whether the Company was able to achieve the optimal level of liquidity by being able to meet all its scheduled payments while at the same time maintaining the maximum level of investments and minimum level of cash.

Accounting Policies on Financial Assets

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Classification and subsequent measurement

From January 1, 2018, the Company has applied PFRS 9 and classifies its financial assets in the following measurement categories:

- FVTPL, and
- amortized cost.

As at June 30, 2019 and December 2018, the Company does not have financial assets classified at FVTOCI.

Classification of financial assets will be driven by the entity's business model for managing the financial assets and the contractual cash flows of the financial assets. A financial asset is to be measured at amortized cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument represent SPPI.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of comprehensive income, except for equity investments that are not held for trading, which may be recorded in the statement of comprehensive income or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option, entities will need to recognize the part of the fair value change that is due to changes in their own credit risk in OCI rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- Amortized cost. Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVTPL. Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of comprehensive income within other gains(losses) in the period in which it arises. Interest income from these financial assets is included in finance income.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Amortized cost and 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.

For financial instruments other than POCI financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial instruments other than POCI financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity instrument at FVTOCI. The Company's policy is to designate equity investments as FVTOCI when those investments are held for the purposes other than to generate investment returns. When the election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at FVTPL are recognized in net realized gains (losses) on investments in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

As at June 30, 2019 and December 2018, the Company does not have financial assets at FVTOCI.

Impairment of financial assets

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

With the exception of POCI financial assets, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 1 day on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

The Company opted to use the practical expedient for financial assets with low credit risk in assessing the ECL since the financial assets of the Company pertain to cash in banks, due from brokers and accrued interest receivable, which meet the following requirements:

- it has a low risk of default;
- the borrower is considered, in the short term, to have a strong capacity to meet its obligations; and
- the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

3. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.** There have been no changes in and/or any disagreement with accountants on any accounting and financial disclosures and/or on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

b. Registrant's Common Equity and Related Stockholder Matters

1. **Market Information.** Being an investment company that is not listed with the PSE and required to follow rules specific to mutual funds, shares are distributed through its principal distributor, SLAMCI.

The following data are the range of high and low prices (NAVPS) of the Fund's common shares for each quarter within the last three calendar years:

	2019		2018		2017	
	High	Low	High	Low	High	Low
Q1	$1.0838	$1.0100	$1.1463	$1.1010	$1.0435	$1.0080
Q2	$1.1128	$1.0808	$1.1201	$1.0827	$1.0751	$1.0423
Q3	-	-	$1.1000	$1.0828	$1.0966	$1.0665
Q4	-	-	$1.0958	$1.0056	$1.1122	$1.0910

2. Holders. There are approximately 518 stockholders as of 31 July 2019.

FINANCIAL STATEMENT ANALYSIS

30 June 2019 and 31 December 2018

For the Period Ended	30-Jun-19 Unaudited	31-Dec 18 Audited	Movement	Percentage (%)	MDAS
Cash and cash equivalents	$ 177,451	$ 186,678	$ (9,227)	-4.94%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	6,408,174	5,778,245	629,929	10.90%	The increase was due to acquisition of investments in equity securities and impact of favorable market condition during the period.
Due from brokers	-	60,001	(60,001)	-100.00%	This account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three (3) days after the transaction date.
Other current assets	2,226	139	2,087	1501.44%	This account pertains to prepaid expenses to be amortized until end of the accounting period.
Total Assets	6,587,851	6,025,063	562,788	1407.40%	
Accrued expenses and other payables	5,403	5,300	103	1.94%	2018 outstanding proceeds payable to investors settled in 2019 was partially offset by increase in accrual of various expenses.
Payable to Fund Manager	10,220	9,456	764	8.08%	Slight increase in fees payable to the Fund Manager was due to higher redemption fees during the period.
Total Liabilities	15,623	14,756	867	10.02%	
Share capital	131,999	131,994	5	0.00%	
Additional paid in capital	5,908,402	5,908,559	(157)	0.00%	
Retained earnings	610,317	22,413	587,904	2623.05%	Net income for the second quarter of 2019.
Treasury Shares	(78,490)	(52,659)	(25,831)	49.05%	
Net Assets	$ 6,572,228	$6,010,307	$ 561,921	9.35%	The increase was mainly from net income due to unrealized gains on investments during the quarter of 2019 compared to unrealized losses from investments recognized at the end of 2018.
Net Assets Value per Share	$ 1.1086	$ 1.0100	$ 0.0986	9.76%	

The Company was able to meet all its monetary obligations to its shareholders (for redemption) and creditors for the period covered. It 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 Comprehensive Income For six months ended – June 30, 2019 vs. June 30, 2018

For the Period Ended	30-Jun-19 Unaudited	30-Jun-18 Unaudited	Movement	Percentage (%)	MDAS
Investment Income	$ 122,668	$ 207,649	$ (84,981)	-40.93%	The decrease was mainly due to lower realized trading gains from disposal of investments during the period compared to gains recognized from same period last year.
Investment Expenses	581	96	485	505.21%	Higher commission expenses during the period.
Operating Expenses	66,955	91,183	(24,228)	-26.57%	The decrease was mainly due to lower miscellaneous expense during the period which was partially offset by higher directors fees as of second quarter.
Net Unrealized Gains (Losses) on Investments	532,782	(319,710)	852,492	266.65%	Increase due to impact of favorable market condition during the period.
Provision for Income Tax	10	28	(18)	-64.29%	Final taxes of interest income earned from fixed income investment.
Net Investment Income (Loss)	$ 587,904	$ (203,368)	$ 791,272	389%	

Average daily net asset value from January to June 2019 and January to June 2018 is $6,416,961 and $ 8,098,416, respectively.

The capital structure of the Fund consists of issued capital. The $1,500,000 subscription represents seed capital from Sun Life Asset Management Company Inc. The Fund manages capital and Net Asset Value per Share (NAVPS) to ensure that the Company's net asset value remains competitive and appealing to prospective investors.

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

The Fund manages its capital to ensure that the Fund will be able to continue as a going concern while maximizing returns to stakeholders through the optimization of the mix of high-quality debt and equity securities from domestic issuers.

There are no other significant events and transactions from the last annual reporting period that is required for disclosure in this quarter.

c. **Dividends**. Each shareholder has a right to any dividends declared by the Board of Directors. Dividends must be declared out of surplus. Except for the condition prescribed for the declaration of stock dividends, there are no restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future. The Company has not declared cash dividends to date.

Each shareholder is entitled to vote on matters taken up in the special shareholders' meeting. Shares held by a shareholder can be redeemed anytime at the shareholder's discretion. However, the shareholders do not enjoy pre-emptive rights.

There are no provisions in the charter or by-laws that would delay, defer or prevent a change in control of the registrant.

D. OTHER MATTERS

Item 8. Approval of Dividend Declaration and Payout. Management requests the approval of the declaration of stock dividends amounting to up to 0.50% of the outstanding shares with Record Date of 08 October 2019, and Payout Date of 09 October 2019, or any reasonable date after approval of SEC on the stock dividend declaration has been obtained.

Item 9. Other Proposed Action. Aside from the foregoing, there is no other proposed action.

Item 10. Voting Procedures. The approval of the 0.50% stock dividends to stockholders of record requires 2/3 vote of the outstanding capital stock.

In case of balloting, only shareholders and proxies who register at the door will be given ballots to be distributed at the registration counter. Upon being given a ballot, a shareholder/proxy should sign the shareholder/proxy registration list beside his/her signature placed earlier during the registration.

After casting his/her vote, the shareholder/proxy may place his/her ballot inside a ballot box clearly marked as such and located at a designated area at the place of the meeting. Shareholders/proxies will be given a sufficient period of time to vote. Thereafter, the Corporate Secretary will proceed to collect the ballot box and manually canvass the votes.

PART II.
INFORMATION REQUIRED IN A PROXY FORM

Item 11. Identification. The solicitation of proxies is made for and on behalf of Ms. Castillo, President of the Company, and the proxy given will be voted in accordance with the authority contained therein. Atty. Jemilyn S. Camania, Corporate Secretary, will cast the votes in case of her absence.

Item 12. Instruction. Proxy forms attached to the notice of the special shareholders' meeting appoint Ms. Castillo, President of the Company, to represent and vote all shares registered in the name of the shareholder. The following need to be indicated by the shareholder on the form: a. Date and place the form was signed; b. Shareholder's complete name; and c. Signature.

Upon receipt of a duly completed proxy form through courier, regular mail, or fax, the Company will ensure that the forms are in order and that the above requirements have been complied with. Shareholder names and signatures appearing on the proxy form that are irreconcilable against Company records will be considered void.

Should defects be noted on a duly completed proxy form with regard to items (a) and (b) above, the Company has the option to determine ways and means by which the defect could be corrected, in which case the proxy form would be considered valid. Proxy forms not meeting the above requirements would not be counted.

Item 13. Revocability of Proxy. A shareholder giving a proxy has the power to revoke it at any time prior to its exercise by voting in person at the Special Meeting, by giving written notice to the Corporate Secretary prior to the Special Meeting, or by giving another proxy with a later date provided it is received by the office of the Corporate Secretary not later than ten (10) days prior to the Special Meeting.

Item 14. Persons Making the Solicitation.

a. The proxy solicitation is conducted on behalf of the Company by SLAMCI as part of its management services and is to be made through registered mail and courier service. No director of the Company has informed the Company in writing that he intends to oppose any action intended to be taken.

b. Proxies may also be solicited by SLAMCI employees assigned to Investor Services, without additional compensation, personally or by written communication, telephone or other electronic means. **Ms. Placido** has been designated as the contact person for all inquiries related hereto at contact numbers **(632) 849-9452 or 849-9495** with address at 8th Floor Sun Life Center, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634.

c. Likewise, no especially engaged employee or paid solicitors are to be involved in this exercise.

d. The Company will bear the cost of preparing and mailing this proxy statement and other materials furnished to shareholders in connection with the proxy solicitation. The foregoing is estimated to cost about PHP20,000.00 for the Sun Life Prosperity Dollar Wellspring Fund, Inc.

Item 15. Interest of Certain Persons in Matters to be Acted Upon. As of 31 July 2019, records show that SLAMCI owns 12.66% of the Company's outstanding capital stock. Ms. Valerie N. Pama, President of SLAMCI, has the power to vote of the shares or direct the voting of the shares.

SHAREHOLDERS OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING SHALL BE FURNISHED WITHOUT CHARGE WITH A COPY OF THE COMPANY'S ANNUAL REPORT OR SEC FORM 17-A, UPON WRITTEN REQUEST ADDRESSED TO:

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
OFFICE OF THE CORPORATE SECRETARY
6TH FLOOR SUN LIFE CENTER, 5TH AVENUE COR RIZAL DRIVE
BONIFACIO GLOBAL CITY, TAGUIG CITY 1634

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

<u>Sun Life Prosperity Dollar Wellspring Fund, Inc.</u>
Issuer

Date: 29 August 2019

Atty. Anna Katrina C. Kabigting-Ibero
Assistant Corporate Secretary

PROXY FORM

I/we, hereby nominate, constitute and appoint Ms. MA. JOSEFINA A. CASTILLO, President, with right of substitution and revocation, to represent and vote all shares registered in my/our name or owned by me/us and/or such shares as I am/we are authorized to represent and vote in my/our capacity as administrator, executor or attorney-in-fact for any and all matters presented during the special shareholders' meeting on 07 October 2019, and all adjournments and postponements thereof, of the Sun Life Prosperity Dollar Wellspring Fund, Inc.

A vote "FOR" the following items is recommended.

For	Against	
☐	☐	Declaration of 0.50% stock dividends to stockholders of record as of 08 October 2019

This proxy revokes all proxies which I/we may have previously executed concerning the above matters. This proxy shall be effective until withdrawn by me through notice in writing, or superseded by subsequent proxy, delivered to the Corporate Secretary at least ten (10) days before the special shareholders' meeting or any adjournments and postponements thereof, but shall cease to apply in instances where I personally attend the meeting.

EXECUTED ON ______________________ AT ______________________.

____

Printed Name and Signature

108192019002160

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931 to 39 Fax.(632)725-5293 Email: mis@sec.gov.ph

Barcode Page (Other Docs)
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Document Type	Letter
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COVER SHEET

CS201517778
S.E.C. Registration Number

SUN LIFE PROSPERITY DOLLAR
WELLSPRING FUND INC.

5TH FLR., SUNLIFE CENTRE 5TH
AVE BONIFACIO GLOBAL FORT
BONIFACIO TAGUIG CITY

(Business Address : No Street City / Town / Province)

Jeanemar S. Talaman
Contact Person

555-8888
Company Telephone Number

12 31
Month Day
Fiscal Year

SEC FORM 17Q
FORM TYPE

Month Day
Annual Meeting

Mutual Fund Company
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC Number: CS201517778
File Number: ________

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
(Company's Full Name)

8th Floor Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City, Philippines

(Company's Address)

555-88-88

(Telephone No.)

December 31

(Fiscal Year Ending)
(Month & Day)

SEC FORM 17-Q

Form Type

Amendment Designation (If applicable)

June 30, 2019

Period Ended Date

OPEN-END INVESTMENT COMPANY

Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: June 30, 2019

2. Commission identification number: CS201517778. BIR Tax Identification No: 009-123-698

4. Exact name of issuer as specified in its charter

Sun Life Prosperity Dollar Wellspring Fund, Inc.

5. Province, country or other jurisdiction of incorporation or organization

Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office: PostalCode
8F Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634

8. Issuer's telephone number, including area code
(02) - 555-8888

9. Former name, former address and former fiscal year, if changed since last report
N.A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares (Unclassified)	**5,928,254 shares** (as of June 30, 2019)

11. Are any or all of the securities listed on a Stock Exchange?

Yes [ ] No [x]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

________________ ________________

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

PART A - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED JUNE 30, 2019 AND DECEMBER 31, 2018

In US Dollars			(Unaudited)		(Audited)
	NOTE		2019		2018
ASSET					
Cash and cash equivalents	4	$	177,451	$	186,678
Financial assets at fair value through profit or loss	5		6,408,174		5,778,245
Due from Broker	6		-		60,001
Other current assets	7		2,226		139
Total Assets			6,587,851		6,025,063
LIABILITIES					
Current Liabilities					
Accrued expenses and other payables	8		5,403		5,300
Payable to fund manager	9		10,220		9,456
Due to Broker	6		-		-
Total Current Liabilities			15,623		14,756
EQUITY					
Share capital	10		131,999		131,994
Deposit for future stock subscription	10		-		-
Additional paid-in capital	11		5,908,402		5,908,559
Retained earnings			610,317		22,413
Treasury shares	10		(78,490)		(52,659)
Total Equity	12		6,572,228		6,010,307
		$	6,587,851	$	6,025,063
Net Asset Value Per Share	12	$	1.1086	$	1.0100

Total Equity		6,572,228	6,010,307
Capital Stock - Php 1.00 par value			
Authorized - 10,000,000 shares			
Issued and Fully Paid Shares		5,928,254	5,950,513
Total Number of Shares		5,928,254	5,950,513
NET ASSET VALUE PER SHARE	$	1.1086 $	1.0100

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2019 AND JUNE 30, 2018

	NOTE		(Unaudited) 2019		(Unaudited) 2018
Investment Income - net					
Net realized gains on investments	5	$	122,209	$	201,947
Interest income	13		67		5,701
Others			392		1
			122,668		207,649
Investment Expenses					
Commission			581		96
Net Investment Income			122,087		207,553
Operating Expenses					
Management fees			52,024		67,462
Taxes and Licenses			842		6,730
Directors and Audit Fees			3,959		1,775
Custodian and Transfer Fees			8,429		8,674
Miscellaneous			1,701		6,542
			66,955		91,183
Profit Before Net Unrealized Gains (Loss) on Investments			55,132		116,370
Unrealized Gain (Loss) on Investments	5		532,782		(319,710)
NET INVESTMENT INCOME BEFORE TAX			587,914		(203,340)
PROVISION FOR INCOME TAX			10		28
NET PROFIT / (LOSS)	14	$	587,904	$	(203,368)
EARNINGS / LOSS PER SHARE	14	$	0.099	$	(0.034)

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED JUNE 30, 2019 AND JUNE 30, 2018

		(Unaudited) 2019		(Unaudited) 2018
Investment Income - net				
Net realized gains on investments	$	72,875	$	34,877
Interest income		29		2,710
Others		169		1
		73,073		37,588
Investment Expenses				
Commission		447		-
Net Investment Income		72,626		37,588
OPERATING EXPENSES				
Management fees		26,592		33,248
Taxes and Licenses		254		306
Directors and Audit Fees		2,569		591
Custodian and Transfer Fees		4,145		4,300
Miscellaneous		1,014		1,239
		34,574		39,684
PROFIT BEFORE UNREALIZED GAIN/LOSS ON INVESTMENT		38,052		(2,096)
Unrealized Gain (Loss) on Investments		135,541		(214,343)
NET INVESTMENT INCOME BEFORE TAX		173,593		(216,439)
PROVISION FOR INCOME TAX		5		13
NET PROFIT	$	173,588	$	(216,452)
EARNINGS PER SHARE (EPS)	$	0.0291	$	(0.0362)

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2019 AND JUNE 30, 2018

	NOTE	Share Capital	Additional Paid-in Capital	Deposit for future stock subscription	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2019		$ 131,994	$ 5,908,559	$ -	$ 22,413	$ (52,659)	$ 6,010,307
Profit for the period					587,904		587,904
Transactions with owners:							
Issuance of shares during the period	10	5	230				235
Acquisition of Treasury shares during the period	10	-		-	-	(184,617)	(184,617)
Reissuance of Treasury shares during the period	10	-	(387)	-	-	158,787	158,400
Receipts(Redemptions) of Deposits for Future Subscriptions	10	-	-	-	-	-	-
Total Transactions with owners		5	(157)	-	-	(25,831)	(25,983)
Balance, June 30, 2019	10, 11	$ 131,999	$ 5,908,402	$ -	$ 610,317	$ (78,490)	$ 6,572,228

	Share Capital	Additional Paid-in Capital	Deposit for future stock subscription	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2018	$ 131,993	$ 5,949,055	$ 2,093,638	$ 636,321	$ -	$ 8,811,007
Profit for the period				(203,368)		(203,368)
Transactions with owners:						
Acquisition of Treasury shares during the period					(1,613,264)	(1,613,264)
Reissuance of Treasury shares during the period	1	(55,829)			1,604,996	1,549,168
Receipts(Redemptions) of Deposits for Future Subscripitons			(693,783)			(693,783)
Total Transactions with owners	1	(55,829)	(693,783)	-	(8,267)	(757,878)
Balance, June 30, 2018	$ 131,994	$ 5,893,226	$ 1,399,855	$ 432,953	$ (8,267)	$ 7,849,761

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2019 AND JUNE 30, 2018

	NOTE	(Unaudited) 2019	(Unaudited) 2018
Cash Flows from Operating Activities			
Profit (Loss) before tax		$ 587,914	$ (203,340)
Adjustments for:			
Net unrealized (gains) loss on investments	5	(532,782)	319,710
Net realized gains on investments	5	(122,209)	(201,947)
Interest income	13	(67)	(5,701)
Operating cash flows before working capital changes		(67,144)	(91,278)
Decrease (Increase) in:			
Other current assets	7	(2,087)	(12,939)
Increase (Decrease) in:			
Accrued expenses and other payables	8	103	11,884
Payable to fund manager	9	764	6,333
Cash used in operations		(68,364)	(86,000)
Acquisition of financial assets at fair value through profit or loss		(3,466,341)	(11,492,126)
Proceeds from disposal of financial assets at fair value through profit or loss		3,551,403	12,467,276
Interest received		67	8,801
Income taxes paid		(10)	(33)
Net cash generated operating activities		16,755	897,918
Cash Flows from Financing Activities			
Issuance of shares during the period	10	235	-
Payments on acquisition of treasury shares	10	(184,617)	(1,613,264)
Proceeds from reissuance of treasury shares	10	158,400	1,549,168
Receipt/Payments of deposit for future stock subscriptions	10	-	(693,783)
Net cash generated from (used in) financing activities		(25,983)	(757,878)
Net Increase in Cash and Cash Equivalents		(9,227)	140,040
Cash and Cash Equivalents, Beginning	4	186,678	149,530
Cash and Cash Equivalents, End	4	$ 177,451	$ 289,570

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRESENTATION

The Company's financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which include all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial Reporting Standards Council (FRSC) and the Board of Accountancy (BOA), and adopted by the SEC.

The financial statements of the Company have been prepared on the historical cost basis, except for certain financial assets measured at fair value and certain financial instruments carried at amortized cost.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional Currency

These financial statements are presented in United States Dollar (USD), the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest dollar, except when otherwise indicated.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2018

The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed to be applicable to the Company's financial statements, are as follows:

PFRS 9, *Financial Instruments (2014)*

The Company has applied PFRS 9 Financial Instruments (2014) and the related consequential amendments to other PFRS Standards.

The Company has elected to apply the modified retrospective restatement. Consequently, the Company did not restate comparatives in respect of the classification and measurement of financial instruments, impairment of financial assets and general hedge accounting.

Additionally, the Company adopted consequential amendments to PFRS 7, *Financial Instruments: Disclosures* that were applied to the disclosures for 2018.

PFRS 9 introduced new requirements for:

<u>(a) Classification and measurement of financial assets and financial liabilities</u>

All recognized financial assets that are within the scope of PFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- debt instruments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, are measured subsequently at amortized cost (net of any write down for impairment), unless the asset is designated at FVTPL under the fair value option;
- debt instruments that (i) are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and (ii) have contractual cash flows that are SPPI on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI), unless the asset is designated at FVTPL under the fair value option;
- all other debt investments and equity investments are measured subsequently at FVTPL.

Despite the aforegoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income; and

- the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

This standard also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. Specifically, PFRS 9 requires that changes in the fair value of the financial liability attributable to changes in the credit risk of that liability be presented in other comprehensive income (OCI), unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized.

There were no changes to the classification and measurement of financial liabilities, as the new requirements affect the accounting for financial liabilities that are designated at FVTPL and the Company does not have any such liabilities. The derecognition rules have been transferred from PAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed.

The measurement category and the carrying amounts of financial assets and liabilities in accordance with PAS 39 and PFRS 9 at January 1, 2018 are as follows:

	PAS 39		PFRS 9	
Financial Assets	Measurement category	Carrying amounts	Measurement category	Carrying amounts
Cash and cash equivalents	Loans and receivables	$149,530	Amortized cost	$289,530
Financial assets at FVTPL				
Held for trading				
Global mutual funds	FVTPL	7,979,392	FVTPL	7,979,392
Global exchange traded funds	FVTPL	360,932	FVTPL	360,932
Investments in fixed income securities	FVTPL	195,742	FVTPL	195,742
Designated				
Special savings deposit	FVTPL	140,000	FVTPL	-
Total financial assets at FVTPL		8,676,066		8,536,066
Other financial assets				
Accrued interest receivable	Loans and receivables	3,100	Amortized cost	3,100
Total financial assets		$8,828,696		$8,828,696

The Company performed a detailed analysis of its business models for managing financial assets and analysis of their cash flow characteristics.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with PAS 39 to their new measurement categories upon transition to PFRS 9 on January 1, 2018:

Financial Assets	PAS 39 carrying amounts as at December 31, 2017	Reclassifications	PFRS 9 carrying amounts as at January 1, 2018
Cash and cash equivalents			
Opening balance under PAS 39 and closing balance under PFRS 9	$149,530	$140,000	$289,530
Financial assets at fair value through profit or loss			
Opening balance under PAS 39	$8,676,066	-	$8,676,066
Less: Reclassification to amortized cost	-	($140,000)	(140,000)
Closing balance under PFRS 9	$8,676,066	($140,000)	$8,536,066

No remeasurement gain or loss was recognized in the balance of retained earnings at January 1, 2018 since special savings account was reclassified at face value from FVTPL to amortized cost.

The Company holds time deposits or special savings accounts amounting to $140,000 which had previously been designated at FVTPL. The Company has chosen to designate these financial assets upon transition to PFRS 9 and measure them at amortized cost as cash equivalents provided that the maturity of the deposit from the date of purchase is 3 months or less, otherwise, it will be measured at FVTPL.

The effective interest rate of the time deposit is 0.5% per annum and $3.89 of interest income has been recognized in 2017.

(b) Impairment of financial assets

The impairment model under this standard reflects expected credit losses (ECL), as opposed to incurred credit losses under PAS 39. Under the impairment approach of this standard, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for ECL and changes in those ECL. The amount of ECL should be updated at each reporting date to reflect changes in credit risk since initial recognition.

In particular, PFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired (POCI) financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a POCI financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

No loss allowance is to be remeasured upon transition to PFRS 9 from PAS 39 since the financial assets measured at amortized cost do not indicate any possibility of impairment or default of payment.

(c) General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the Company's risk management activities have also been introduced.

The new hedge accounting rules did not have an impact to the Company as there are currently no qualifying transactions.

PFRS 15, *Revenue from Contracts with Customers*

The standard combines, enhances, and replaces specific guidance on recognizing revenue with single standard. An entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

It defines a new five-step model to recognize revenue from customer contracts:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment.

The adoption of the standard did not have a significant impact on the Company's financial statements since the Company's revenue is earned from interest income, dividend income, realized gains or losses and fair value gains or losses which do not arise from contracts with customers.

Amendments to PFRS 15, *Clarifications to PFRS 15*

The amendments in the standard address three topics namely identifying performance obligations, principal versus agent considerations, and licensing and provide some transition relief for modified contracts and completed contracts.

- Added a clarification that the objective of the assessment of a promise to transfer goods or services to a customer is to determine whether the nature of the promise, within the context of the contract, is to transfer each of those goods or services individually or, instead, to transfer a combined item or items to which the promised goods or services are inputs.
- Clarification on how to assess control in determining whether a party providing goods or services is a principal or an agent.
- Clarification on when an entity's activities significantly affect the intellectual property by amending the application guidance.

The adoption of the amendments did not have a significant impact on the Company's financial statements since the Company's revenue is earned from interest income, dividend income, realized gains or losses and fair value gains or losses which do not arise from contracts with customers.

Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration*

The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability.

The interpretation did not have a significant impact on the Company's financial statements. This is because the Company already accounts for the transactions involving the payment or receipt of advance consideration in a foreign currency in a way that is consistent with the interpretation.

New Accounting Standards Effective in 2019

PFRS 16, *Leases*

This standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less (i.e. short-term lease) or the underlying asset has a low value (i.e. lease of low-value assets).

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.
Lessors continue to classify leases as operating or finance, with PFRS 16's approach to lessor accounting substantially unchanged from its predecessor, PAS 17.

The future adoption of the standard will have no significant impact on the Company's financial statements as the Company does not have any existing contract that is, or contains, a lease.

Amendment to PFRS 9, *Prepayment Features with Negative Compensation*

The amendments include:

Changes regarding symmetric prepayment options

Under the amendments, the sign of the prepayment amount is not relevant, i.e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favor of the contracting party effecting the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have financial instruments with prepayment features with negative compensation.

Clarification regarding the modification of financial liabilities

The final amendments also contain a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortized cost that does not result in the derecognition of the financial liability. The IASB clarifies that an entity recognizes any adjustment to the amortized cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortized cost amount.

The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have modification of financial liabilities transactions.

PAS 28, *Long-term Interests in Associates and Joint Ventures*

The amendment clarify that an entity applies PFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendment is effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The future adoption of the amendments will have no impact on the Company's financial statements as the Company does not have any long-term interest in associates and in joint ventures.

New Accounting Standards Effective After the Reporting Period Ended December 31, 2018 - Adopted by FRSC but pending for approval by the BOA

The Company will adopt the following standards when these become effective.

Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*

This interpretation applies in determining the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12, *Income Taxes*.

An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

- If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.
- If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

An entity has to reassess its judgments and estimates if facts and circumstances change.

The interpretation is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

The Company is still evaluating the impact of the new accounting standards on the Company's determination of taxable profit/loss, unused tax credit and tax rate.

Amendments to PAS 19, *Plan Amendment, Curtailment or Settlement*

The amendments in Plan Amendment, Curtailment or Settlement are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company has no existing employees.

Annual Improvements to PFRSs 2015-2017 Cycle

Amendments to PFRS 3 and PFRS 11, *Previously held interest in a joint operation*

The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

Amendments to PAS 12, *Income tax consequences of payments on financial instruments classified as equity*
The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

Amendments to PAS 23, *Borrowing costs eligible for capitalization*

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.
The amendments are effective for periods beginning on or after January 1, 2019. Earlier application is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company has no interest in a joint operation, financial instruments classified as equity and borrowing cost transactions.

PFRS 17, *Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognize and measure;
- recognizes and measures groups of insurance contracts at:
    i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
    ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance and cash flows of an entity.

PFRS 17 includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts.

The standard is effective for periods beginning on or after January 1, 2022. Earlier application is permitted.

The future adoption of the standard will have no effect on the Company's financial statements as the Company does not issue insurance contracts.

Amendments to PAS 1 and PAS 8, *Definition of Material*

The amendments relate to a revised definition of 'material':

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Three new aspects of the new definition include (i) obscuring; (ii) could reasonably be expected to influence; and (iii) primary users.

The amendments stress especially five ways material information can be obscured:

- if the language regarding a material item, transaction or other event is vague or unclear;
- if information regarding a material item, transaction or other event is scattered in different places in the financial statements;
- if dissimilar items, transactions or other events are inappropriately aggregated;
- if similar items, transactions or other events are inappropriately disaggregated; and
- if material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for periods beginning on or after January 1, 2020. Earlier application is permitted.

The Company will continue its assessment and will finalize the same upon the effectivity of this standard.

Amendments to PFRS 3, *Definition of Business*

The amendments are to:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

The Company will continue its assessment and will finalize the same upon the effectivity of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Classification and subsequent measurement

From January 1, 2018, the Company has applied PFRS 9 and classifies its financial assets in the following measurement categories:

- FVTPL, and
- amortized cost.

As at June 30, 2019 and December 2018, the Company does not have financial assets classified at FVTOCI.

Classification of financial assets will be driven by the entity's business model for managing the financial assets and the contractual cash flows of the financial assets. A financial asset is to be measured at amortized cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument represent SPPI.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of comprehensive income, except for equity investments that are not held for trading, which may be recorded in the statement of comprehensive income or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option, entities will need to recognize the part of the fair value change that is due to changes in their own credit risk in OCI rather than profit or loss.

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- Amortized cost. Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVTPL. Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of comprehensive income within other gains(losses) in the period in which it arises. Interest income from these financial assets is included in finance income.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Amortized cost and 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.

For financial instruments other than POCI financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial instruments other than POCI financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity instrument at FVTOCI. The Company's policy is to designate equity investments as FVTOCI when those investments are held for the purposes other than to generate investment returns. When the election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at FVTPL are recognized in net realized gains (losses) on investments in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

As at June 30, 2019 and December 2018, the Company does not have financial assets at FVTOCI.

Impairment of financial assets

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

With the exception of POCI financial assets, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 1 day on any material credit obligation to the Company; or

- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

The Company opted to use the practical expedient for financial assets with low credit risk in assessing the ECL since the financial assets of the Company pertain to cash in banks, due from brokers and accrued interest receivable, which meet the following requirements:

- it has a low risk of default;
- the borrower is considered, in the short term, to have a strong capacity to meet its obligations; and
- the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

Financial liabilities
A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company's financial liabilities classified under this category include accrued expenses and other payables, due to brokers and payable to fund manager.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital

Share capital consisting of ordinary shares is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. Any excess of proceeds from issuance of shares over its par value is recognized as additional paid-in capital.

Retained earnings

Retained earnings represent accumulated profit attributable to equity holders of the Company after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Repurchase, disposal and reissuance of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable cost, net of any tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognized as increase in equity, and the resulting surplus or deficit on the transaction is presented as additional paid-in capital.

Deposits for future stock subscriptions

Deposits for future stock subscriptions are recorded at historical cost. According to Financial Reporting Bulletin (FRB) No. 6 as issued by SEC, these are classified as equity when all of the following criteria are met:

a. the unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
b. there is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the Company);
c. there is stockholders' approval of said proposed increase; and
d. the application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

Deposits for future stock subscriptions are classified as liability, when any of the above criteria are not met.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as these are consumed in operations or expire with the passage of time.
Prepayments are classified in the statements of financial position as current asset when the cost of services related to the prepayments are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Revenue Recognition

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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 asset to that asset's net carrying amount.

Realized gains or losses

Gains or losses arising on the disposal of investments are determined as the difference between the sales proceeds and the carrying amount of the investments and is recognized in profit or loss.

Fair value gains or losses

Gains or losses arising from changes in fair values of investments are disclosed under the policy on financial assets.

Other income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or, (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the function of expense method. Investment expenses are transaction costs incurred in the purchase and sale of investments. Operating expenses are costs attributable to administrative and other business expenses of the Company including management fees and custodianship fees.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Related Party Transactions

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post-employment benefit plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

Taxation

Income tax expense represents the sum of the current tax, final tax and deferred tax expense.

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income 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. The Company's current tax expense is calculated using 30% regular corporate income tax (RCIT) rate or 2% minimum corporate income tax (MCIT) rate, whichever is higher.

Final tax

Final tax expense represents final taxes withheld on interest income from cash in banks, special savings deposits and fixed-income securities and final taxes withheld on proceeds from sale of listed equity securities.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and these relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred taxes are also recognized in OCI or directly in equity, respectively.

Foreign Currency

Transactions in currencies other than functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustments to interest costs on those foreign currency borrowings.
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Earnings (Loss) per Share

The Company computes its basic earnings per share by dividing profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings (loss) per share, profit or loss for the year attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of deposits for future stock subscriptions which are dilutive potential ordinary shares.

Net Asset Value per Share (NAVPS)

The Company computes its NAVPS by dividing the total net asset value as at the end of the reporting period by the number of issued and outstanding shares and shares to be issued on deposit for future stock subscriptions.

Events After the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

4. CASH AND CASH EQUIVALENTS

	June 30, 2019	December 2018
Cash in Bank	$ 177,451	$ 186,678

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2019	December 2018
Global mutual funds	$ 5,924,645	$5,446,422
Global exchange traded funds	289,901	160,268
Investment in mutual fund	193,628	171,555
	$ 6,408,174	$ 5,778,245

Net gains on investments recognized in profit or loss arising from held-for-trading financial assets are as follows:

	June 30, 2019	December 2018
Net unrealized gains (losses) on investments	$ 532,782	($ 556,899)
Net realized gains on investments	122,209	220,818
	$ 654,991	($ 336,081)

6. DUE FROM/TO BROKERS

Due from brokers account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three (3) days after the transaction date.

Counterparties to the contract are not allowed to offset payable and receivable arising from the purchase and sell of investments.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

	June 30, 2019	December 2018
Prepaid Expenses	$ 2,226	$ 139

8. ACCRUED EXPENSES AND OTHER PAYABLES

	June 30, 2019	December 2018
Due to investors	$ -	$ 1,977
Professional fees	1,143	1,621
Custodianship fees	1,444	1,005
Withholding and documentary stamp taxes	732	697
Others	2,084	-
	$ 5,403	$ 5,300

Due to investors pertains to cash deposited by investors for subscription to the mutual funds which are yet to be processed at period end.

Other accrued expenses refers to accrual of taxes and licenses and printing and supplies for the period. These payables are non-interest bearing and are normally settled within the year.

9. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with entities which are considered related parties under PAS 24, *Related Party Disclosures*.

The details of transaction with related parties and the amounts paid or payable are set out below:

Nature of Transaction	Transactions as of end of the Quarter	Outstanding Balances		Terms	Condition	Notes
	Q2 2019	Q2 2019	December 2018			
SLAMCI - Fund Manager Management Distribution and Transfer fees	$ 57,370	$ 10,220	$ 9,456	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; Unguaranteed	a
Key Management Personnel Directors' Fees	$ 2,794	$ -	$ -	Payable on demand; Settled in cash	Unsecured	b

As of June 30, 2019, below is the outstanding investment of the Company in Sun Life Prosperity Dollar Starter Fund, Inc. to comply with the liquidity requirement rule of SEC ICA-IRR as amended.

	Shares	Amount
Sun Life Prosperity Dollar Starter Fund, Inc.	188,354	$ 193,628

10. EQUITY

	2019	
	Shares	Amount
Authorized:		
at P1.00 par value		
At January 1	6,000,000	P 6,000,000
Increase in authorized shares	4,000,000	4,000,000
	10,000,000	P10,000,000
Issued and fully paid:		
At January 1	5,999,706	$ 131,994
Issuance during the period	220	5
At June 30	5,999,926	$ 131,999
Treasury shares.		
At January 1	49,193	$ 52,659
Acquisition	169,865	184,617
Reissuance	(147,386)	(158,787)
At June 30	71,672	$ 78,490
Deposits for future subscriptions		
At January 1	-	$ -
Receipts of DFFS	5,002	5,391
Redemption of DFFS	(5002)	(5,391)
At June 30	-	$ -

Incorporation

The Company was incorporated on September 4, 2015 with 6,000,000 authorized shares with a par value of 1.00. The SEC approved the registration on March 22, 2016.

Approved changes

On September 7, 2015, the shareholders approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares with a par value of P1.00 per share. The increase will be implemented by the Chairman of the Board of Directors and President of SLAMCI acting jointly in tranches.

On September 21, 2017, the Chairman of the Board of Directors of the Company and the President of SLAMCI jointly authorized the increase in Authorized Capital Stocks by Four Million Pesos (P4,000,000) divided into Four Million (4,000,000) shares at a par value of P1 per share. This increases the authorized capital stock from P6,000,000 divided into 6 million shares to P10,000,000 divided into 10 million shares.

All Deposits for Future Stock Subscriptions (DFFS) received in 2017 amounting to $2,093,638 were classified as equity since the Company has met the conditions required for such recognition.

On July 25, 2018, SEC approved the additional Four Million (4,000,000) shares increase in ACS, from Six Million (6,000,000) shares to Ten Million (10,000,000) shares at a par value of P1.00 per share.

Pending Application

On September 18, 2018, the SEC received the registration statement filed by the Company to register the approved Four Million (4,000,000) shares.

In October 2018, the Company received a letter from SEC via fax directing the Company to amend the filed registration statement based on SEC comments. The Company's response was received by SEC on the same month.

In March 2019, the Company received a letter from SEC via email directing the Company to submit explanation to OGA findings in connection with the registration of approved Four Million (4,000,000) shares.

On May 30, 2019, SEC received the Company's revised registration statement and responses to OGA's comments in relation to the registration of approved 4,000,000 shares increase.

In June 2019, the Company received a letter from SEC via email directing the Company to submit explanation to OGA findings in connection with the registration of approved Four Million (4,000,000) shares. The Company's response was received by SEC on July 26, 2019.

Currently, the Company is awaiting the SEC approval of the registration statement for the 4,000,000 shares increase.

Stock Dividend

On March 13, 2018, the Board of Directors approved the declaration of stock dividends amounting to up to 2% of the outstanding shares with record date of April 30, 2018, and payout date of July 20, 2018. Said declaration is conditional on the shareholders' approval during the stockholders' meeting on July 18, 2018.

Subsequently, on June 29, 2018, the Board of Directors approved the amendment of the dates of the declaration of stock dividends equivalent to 2% of the outstanding shares for stockholders of record to July 31, 2018, for payout on September 28, 2018.

On September 21, 2018, it was reported to the SEC that a declaration of stock dividends amounting to up to 2% of the outstanding shares with record date of July 31, 2018, and payout date of September 28, 2018, or any reasonable date after approval of SEC on the stock dividend declaration has been obtained.

On October 26, 2018, 4,001,401 shares or 69.48% of the outstanding capital stock as at September 28, 2018 were present in person or by proxy; and by majority of the Board of Directors present, the declaration of 2% stock dividends to shareholders of record as of September 28, 2018 has been approved. The Board unanimously approved to move the dividend payout date from December 21, 2018 to October 26, 2018.

Current state

As at June 30, 2019, the Company has authorized capital of Ten Million (10,000,000) shares each with a par value of P1 per share.

The following table shows the number of institutional and retail investors and the percentage of their investments, and the geographic concentration of investments as of June 30, 2019.

% Ownership of Institutional Investors	% Ownership of Retail Investors
20.54%	79.46%

Area	Percentage of Investments
LUZON	91%
VISAYAS	7%
MINDANAO	2%
TOTAL	100%

11. ADDITIONAL PAID-IN CAPITAL

	June 30, 2019	December 2018
APIC	$ 5,908,402	$ 5,908,559

12. NET ASSET VALUE PER SHARE

	June 30, 2019	December 2018
Total equity	$ 6,572,228	$ 6,010,307
Issued and Fully paid Shares	5,928,254	5,950,513
NAVPS	$ 1.1086	$ 1.0100

Net Asset Value Calculation

The net asset value shall be calculated by adding:

- The aggregate market value of the portfolio securities and other assets;
- The cash on hand;
- Any dividends on stock trading ex-dividend; and
- Any accrued interest on portfolio securities,

And subtracting:

- Taxes and other charges against the fund not previously deducted;
- Liabilities
- Accrued expenses and fees; and
- Cash held for distribution to investors of the fund on a prior date.

Price Determination Of The Assets Of The Investment Company

The value of the assets of the Investment Company shall be determined based on the following:

a. If quoted in an organized market, based on official closing price or last known transacted price;

b. If unquoted or quoted investments where the transacted prices are not represented or not available to the market, based on fair value; Provided 'further that in determining the fair value of investments, the Fund Manager shall, with due care and good faith:

- Have reference to the price that the Investment Company would reasonably expect to receive upon the sale of the investment at the time the fair value is determined;
- Document the basis and approach for determining the fair value.

Below table shows the investment company return information of the Fund in the last five (5) recently completed fiscal years:

	Yields	NAVPS	NAVPS date
Year on year yield (1-year)	4.46%	$1.0827	June 29, 2018
3 Year - Simple	13.47%	$0.9967	June 30, 2016
5Year - Simple	-	-	June 30, 2014

The Company was incorporated on September 4, 2015 and started its commercial operations on May 5, 2016.

13. INTEREST INCOME

	June 30, 2019	June 30, 2018
Fixed-income securities	$ -	$ 5,527
Special Savings deposit	-	121
Cash in banks	67	53
	$ 67	$ 5,701

14. EARNINGS (LOSS) PER SHARE

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

	June 30, 2019	June 30, 2018
Net Profit/(Loss) for the period	$ 587,904	$ (203,368)
Weighted average number of outstanding shares for the purpose of computing earnings / loss per share	5,968,334	5,914,336
Basic and diluted earnings/loss per share	$ 0.099	$ 0.034

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the inputs to fair value are observable.

	Note	Level 1	Level 2	Total
June 30, 2019				
Financial assets at fair value through profit or loss:				
Global mutual funds	5	$5,924,645	$ -	$5,924,645
Global exchange traded funds	5	289,901	-	289,901
Investment in mutual fund	5	193,628	-	193,628
		$6,408,174	$ -	$6,408,174
December 31, 2018				
Financial assets at fair value through profit or loss:				
Global mutual funds	5	$5,446,422	$ -	$5,446,422
Global exchange traded funds	5	160,268	-	160,268
Investment in mutual fund	5	171,555	-	171,555
		$5,778,245	$ -	$5,778,245

In 2018, the fair value of special savings deposits is based on discounted cash flow analysis using prevailing market interest rates. Investments in mutual funds are valued at their published NAVPS as at reporting date.

There were no transfers to other levels during the period. Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period are presented separately in the statements of comprehensive income.

Financial assets and liabilities not measured at fair value

The carrying amounts and fair values of the Company's financial assets and financial liabilities are shown below:

		2019		2018	
	Notes	Carrying Amounts	Carrying Amounts	Carrying Amounts	Fair Values
Financial Assets					
Cash in banks	4	$177,451	$186,678	$186,678	$186,678
Due from brokers	6	-	-	60,001	60,001
		$246,679	$246,679	$246,679	$246,679
Financial Liabilities					
Accrued expenses and other payables	8	$ 4,671	$ 4,671	$ 4,603	$ 4,603
Payable to fund manager	9	10,220	10,220	9,456	9,456
		$ 14,891	$ 14,891	$14,059	$14,059

The difference between the carrying amount of accrued expenses and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to withholding and documentary stamp taxes that are not considered financial liabilities.

Due to the short-term maturities of cash in banks, due from brokers, accrued interest receivable, accrued expenses and other payable

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Performance of the Company could be measured by the following indicators:

1. **Increase/Decrease in Net Assets Value Per Share (NAVPS).** NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding plus the total number of units outstanding due to deposit for future subscriptions (DFFS) and for conversion to shares, if any, as of the end of the reporting day. Any increase or decrease in NAVPS translates to a prospective capital gain or capital loss, respectively, for the Fund's shareholders.

2. **Net Investment Income.** Represents the total earnings of the Fund from its investment securities, less operating expenses and income tax. This gauges how efficiently the Fund has utilized its resources in a given time period.

3. **Assets Under Management (AUM).** These are the assets under the Fund's disposal. This measures investor confidence (increase/decrease brought about by investor subscriptions/redemptions) as well as the growth of the Fund (increase/decrease brought about by its operational income and market valuation of its assets and liabilities).

4. **Cash Flow.** Determines whether the Fund was able to achieve the optimal level of liquidity by being able to meet all its scheduled payments, while maintaining at the same time the maximum investments level and minimum cash level.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Material Changes in the 2nd Quarter Financial Statements

Statement of Financial Position and Statements of Changes in Equity-June 30, 2019 vs. Dec.31, 2018

For the Period Ended	30-Jun-19 Unaudited	31-Dec-18 Audited	Movement	Percentage (%)	MDAS
Cash and cash equivalents	$ 177,451	$ 186,678	$ (9,227)	-4.94%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	6,408,174	5,778,245	629,929	10.90%	The increase was due to acquisition of investments in equity securities and impact of favorable market condition during the period.
Due from brokers	-	60,001	(60,001)	-100.00%	This account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three (3) days after the transaction date.
Other current assets	2,226	139	2,087	1501.44%	This account pertains to prepaid expenses to be amortized until end of the accounting period.
Total Assets	**6,587,851**	**6,025,063**	**562,788**	**1407.40%**	
Accrued expenses and other payables	5,403	5,300	103	1.94%	2018 outstanding proceeds payable to investors settled in 2019 was partially offset by increase in accrual of various expenses.
Payable to Fund Manager	10,220	9,456	764	8.08%	Slight increase in fees payable to the Fund Manager was due to higher redemption fees during the period.
Total Liabilities	**15,623**	**14,756**	**867**	**10.02%**	
Share capital	131,999	131,994	5	0.00%	
Additional paid in capital	5,908,402	5,908,559	(157)	0.00%	
Retained earnings	610,317	22,413	587,904	2623.05%	Net income for the second quarter of 2019.
Treasury Shares	(78,490)	(52,659)	(25,831)	49.05%	
Net Assets	**$ 6,572,228**	**$6,010,307**	**$ 561,921**	9.35%	The increase was mainly from net income due to unrealized gains on investments during the quarter of 2019 compared to unrealized losses from investments recognized at the end of 2018.
Net Assets Value per Share	**$ 1.1086**	**$ 1.0100**	**$ 0.0986**	9.76%	

The Company was able to meet all its monetary obligations to its shareholders (for redemption) and creditors for the period covered. It 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 Comprehensive Income for the Six months ended – June 30, 2019 vs. June 30, 2018

For the Period Ended	30-Jun-19 Unaudited	30-Jun-18 Unaudited	Movement	Percentage (%)	MDAS
Investment Income	$ 122,668	$ 207,649	$ (84,981)	-40.93%	The decrease was mainly due to lower realized trading gains from disposal of investments during the period compared to gains recognized from same period last year.
Investment Expenses	581	96	485	505.21%	Higher commission expenses during the period.
Operating Expenses	66,955	91,183	(24,228)	-26.57%	The decrease was mainly due to lower miscellaneous expense during the period which was partially offset by higher directors fees as of second quarter.
Net Unrealized Gains (Losses) on Investments	532,782	(319,710)	852,492	266.65%	Increase due to impact of favorable market condition during the period.
Provision for Income Tax	10	28	(18)	-64.29%	Final taxes of interest income earned from fixed income investment.
Net Investment Income (Loss)	$ 587,904	$ (203,368)	$ 791,272	389%	

Average daily net asset value from January to June 2019 and January to June 2018 is $6,416,961 and $ 8,098,416, respectively.

The capital structure of the Fund consists of issued capital. The $1,500,000 subscription represents seed capital from Sun Life Asset Management Company Inc. The Fund manages capital and Net Asset Value per Share (NAVPS) to ensure that the Company's net asset value remains competitive and appealing to prospective investors.

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

The Fund manages its capital to ensure that the Fund will be able to continue as a going concern while maximizing returns to stakeholders through the optimization of the mix of high-quality debt and equity securities from domestic issuers.

There are no other significant events and transactions from the last annual reporting period that is required for disclosure in this quarter.

PART II -RISK MANAGEMENT

Item 1. Financial Risk Exposures of the Company

1. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: Market risk, which includes fair value interest rate risk and equity price risk; credit risk; and liquidity risk. The Fund Manager exerts best efforts to anticipate events that would negatively affect the value of the Company's assets and takes appropriate actions to counter these risks. However, there is no guarantee that the strategies will work as intended. The policies for managing specific risks are summarized below:

Interest Rate Risk: Bonds are bought and sold continuously at various interest rates. Market conditions and prevailing interest rates may cause the prices at which the Funds can sell their assets to go down, selling their assets for a price lower than for what they purchased it and incurring losses in the process. These would be reflected as a lower NAVPS, possibly resulting in a decrease in the value of an investment. It is possible that the Funds may sell their assets at a price lower than acquisition cost because the Fund Manager needs cash to pay redemptions or would like to use the money to take advantage of better investment opportunities.

The Funds will manage interest rate risk by actively monitoring the prevailing interest rate environment. During periods of rising rates, falling prices, and widening of credit spreads, the Fund Manager will reduce the duration of the portfolio. During periods of falling rates, rising prices, and narrowing credit spreads, the Fund Manager will increase the duration of the portfolios.

Credit Risk: Investments in bonds carry the risk that the issuer of the bonds might not be able to meet its interest and principal payments. In which case, the value of the bonds will be adversely affected and may result in a write-off of the concerned asset held by the Fund, resulting to a significant decrease in its NAVPS. To mitigate this risk, each Issuer/Borrower/Counterparty passes through a stringent credit process to determine whether its credit quality complies with the prescribed standards of the Fund. The credit quality of the Issuer/Borrower/Counterparty is reviewed periodically to ensure that excellent credit standing is maintained. Moreover, a 15% exposure limit to a single entity is likewise observed.

Equity Risk: Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks should rise. The opposite is also true. The value of a Fund is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to interest rate risk.

Foreign Investment Risk: The Fund invests in securities issued by corporations in, or governments of, countries other than the Philippines. Investing in foreign securities can be beneficial in expanding your investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- companies outside of the Philippines may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in the Philippines;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
- foreign governments may impose currency exchange controls that prevent a Fund from taking money out of the country.

Fund Manager Risk: The performance of the Funds is also dependent on the Fund Manager's skills. Hence, the Fund may underperform in the market and/or in comparison with similar funds due to investment decisions made by the Fund Manager, and may also fail to meet the Fund's investment objectives. The Board of Directors of the Funds, however, shall ensure that all investment policies and restrictions enumerated in this Prospectus are strictly followed.

Geographic Concentration Risk: Some Funds may invest a relatively large portion of their assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of these Funds could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in such countries or region, and could be more volatile than the performance of funds with more geographically-diversified holdings.

Passive Management Risk: Some Funds may invest in other mutual funds that are not actively managed, such as index funds. Passively managed funds would not sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. As a result, the performance of a passively managed fund may differ significantly from the performance of an actively managed fund. This may in turn affect the performance of a Fund that invests in such passively managed fund.

Underlying Fund Risk: Some Funds may pursue its investment objectives indirectly by investing in shares of other mutual funds, including exchange-traded funds, in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a Fund will be unable to value part of its portfolio and may be unable to redeem shares. Underlying funds that are traded on an exchange are subject to the following risks that do not apply to conventional mutual funds: (i) an exchange-traded fund's units often trade on the exchange at a premium or discount to the net asset value of such units; (ii) an active trading market for an exchange-traded fund's units may not develop or be maintained, and (iii) there is no assurance that the exchange-traded fund will continue to meet the listing requirements of the exchange.

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

Dilution Risk: Being an open-end mutual fund, various investors may effectively subscribe to any amount of shares of the Fund. You then face the risk of your investments being diluted by the shares of the other investors of the Fund. The influence that the investors can exert over the control and management of the Fund decreases proportionately.

Large Transaction Risk: If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of shares of a Fund, that Fund may be forced to sell securities at unfavorable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the net asset value of the Fund.

Non-Guarantee: Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the PDIC. You carry the risk of losing the value of your investment, without any guarantee in the form of insurance. Moreover, as with any investment, it is important to note that past performance of the Fund does not guarantee its future success.

Not Insured: You should be aware that your investment in the Funds is not insured with the Philippine Deposit Insurance Corporation ("PDIC"). The Fund Manager is prevented by law to guarantee any return.

Regulatory Risk: The Funds' operations are subject to various regulations, such as those affecting accounting of assets and taxation. These regulations do change, and as a result, investors may experience lower investment returns or even losses depending on what such a regulatory change entails. For example, higher taxes would lower returns, and a mandated precautionary loan loss provisions could result in the Fund experiencing a loss in the value of assets

The above risk factors are by no means exhaustive. New and/or unidentified risks may arise given the fast changing financial markets and economic environment.

Classification of the Fund into high, moderate or low risk investment: Given its investment objective - provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities – the Fund is classified as a moderate-risk investment.

Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing returns to stakeholders through the optimization of the mix of high-quality debt and equity securities from domestic issuers.

The Company is guided by its Investment Policies and Legal Limitations. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid-in capital, is held by the pertinent custodian banks.
The capital structure of the Company consists of issued capital.

The Company manages capital and NAVPS to ensure that the Company's net asset value remains competitive and appealing to prospective investors.

The Company is also governed by the following fundamental investment policies:

a. It does not issue senior securities;
b. It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings;
c. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
d. It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;
e. It does not invest more than twenty percent (20%) of its net assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any.
f. It does not purchase or sell commodity futures contracts;
g. It does not make any loan to other persons, or to other interested persons such as the members of the Board of Directors, officers of the Fund and any affiliates, or affiliated corporations of the Fund. However, it shall engage in legally permissible lending operations considered by its Board of Directors to be financially solid and sound.
h. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions;
i. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
j. The Fund may use various techniques to hedge investment risks, and;
k. It does not change its investment objectives without the prior approval of a majority of its shareholders.

The Investment Policies refer to the following:

a. Investment Objective – to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

b. Benchmark –65% JP Morgan Global Aggregate Bond Index (JPM GABI) + 30% MSCI All Country World Index (MSCI ACWI) + 5% 30-day USD Deposit Rate.

c. Asset Allocation Range – the Company allocates its funds available for investments among cash and other deposit substitute, fixed-income securities and equity securities based on certain proportion as approved by Management.

their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company measures its financial assets at amortized cost if the financial asset qualifies for both SPPI and business model test. The Company's business model is to hold the asset and to collect its cash flows which are solely payments of principal and interest. All other financial assets that do not meet the SPPI and business model test are measured at FVTPL.

Significant increase of credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the qualitative and quantitative criteria have been met.

As at June 30, 2019, the Company's financial instrument measured at amortized cost has not experienced a significant increase in its credit risk.

Models and assumptions used

The Company uses various models and assumptions in measuring the fair value of financial assets. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the US dollar (USD). The USD is the currency of the primary economic environment in which the Company operates. It is the currency being used to report the Company's results of operations.

Puttable shares designated as equity instruments

The Company designated its redeemable share capital as equity instruments when the Company adopted the amendments in PAS 32, *Financial Instruments: Presentation*, and PAS 1, *Presentation of Financial Statements: Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation*, effective for annual reporting periods beginning on or after January 1, 2009. The Company's share capital met the specified criteria to be presented as equity.

A puttable financial instrument includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset on exercise of the put. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has met all the following features:

a. it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets;

b. it is in the class of instruments that is subordinate to all other classes of instruments;

c. all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

d. apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments; and

e. the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument (excluding any effects of the instrument).

As at June 30, 2019 and December 31, 2018, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to $131,999 and $131,994, respectively.

Key Sources of Estimation Uncertainty

The following are the Company's key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Probability of default (PD)

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As at June 30, 2019, the Company assessed a nil probability of default for all of its financial assets measured at amortized cost.

Loss Given Default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The Company uses portfolio averages from external estimates sourced out from Standard and Poor's (S&P) as the LGD estimates.

Estimating loss allowance for ECL

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

Estimating allowances for doubtful accounts

The Company estimates the allowance for doubtful accounts related to its receivables based on assessment of specific accounts when the Company has information that certain counterparties are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship with the counterparty and the counterparty's current credit status based on credit reports and known market factors. The Company uses judgment to record specific reserves for counterparties against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated.

The amounts and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in the allowance for doubtful accounts would increase the recognized operating expenses and decrease current assets.

Deferred tax assets

The Company reviews the carrying amount at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit that will allow all or part of its deferred tax assets to be utilized.

Based on Management's expectation of the Company's future taxable income, the Company did not recognize the deferred tax assets as at June 30, 2019 and December 31, 2018.

Determining fair value of investments in debt securities classified as financial assets at FVTPL

The Company carries its investments in traded debt securities and special savings deposits at fair value, which requires the use of accounting estimates and judgment. Since market interest rate is a significant component of fair value measurement, fair value would differ if the Company applied a different set of reference rates in the valuation methodology. Any change in the fair value of these financial assets would affect profit or loss and equity.

Compliance with Foreign Account Tax Compliance Act (FATCA)

In accordance with the requirements of the US Internal Revenue Service ("IRS") and the Intergovernmental Agreement ("IGA") between the Government of the United States of America and the Government of the Republic of the Philippines to Improve International Tax Compliance and to Implement FATCA which was signed last July 13, 2015, the Fund has registered with the Internal Revenue Service (IRS) and has obtained its own Global Intermediary Identification Number ("GIIN") as a sponsored entity. Sun Life Asset Management Company, Inc. ("SLAMCI") continues to assume responsibilities for the Fund's FATCA compliance as the Sponsoring Entity and has implemented FATCA onboarding processes and procedures as well as system enhancements to monitor its new and pre-existing account holders who are U.S. Persons and have U.S. Indicia.

The Fund, together with its Sponsoring Entity, SLAMCI, is preparing to comply for FATCA reporting on the date which will be set by the Bureau of Internal Revenue as soon as the IGA has been ratified by the Senate.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **Sun Life Prosperity Dollar Wellspring Fund, Inc.**

Principal Financial/Accounting Officer/Comptroller:

Signature and Title : Treasurer

Candy S. Esteban

Date : **August 19, 2019**

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.

Schedule of Financial Soundness Indicators and Financial Ratios
June 30, 2019 and December 31, 2018

	2019	2018
Current/ Liquidty Ratios		
a. Current ratio	421.68:1	408.31:1
b. Quick ratio	421.68:1	408.31:1
c. Cash ratio	11.36:1	12.65:1
d. Days in receivable	N/A	N/A
e. Working capital ratio	1.00:1	1.00:1
f. Net working capital to sales ratio	55.58:1	25.76:1
g. Defensive Interval Ratio	8,855.30:1	12700.53:1
Solvency Ratios		
a. Long-term debt to equity ratio	N/A	N/A
b. Debt to equity ratio	0.002:1	0.002:1
c. Long term debt to total asset ratio	N/A	N/A
d. Total debt to asset ratio	0.002:1	0.002:1
Asset to equity ratio	1.00:1	1.00:1
Interest rate coverage ratio	N/A	N/A
Profitability Ratio		
a. Earnings before interest and taxes (EBIT) mar	4.79	-2.12
depreciation and amortization (EBITDA) margin	4.79	-2.12
c. Pre-tax margin	4.79	-2.12
d. Effective tax rate	0.00%	-0.01%
e. Post-tax margin	479.26%	-211.94
f. Return on equity	9.34%	-6.67%
g. Return on asset	9.32%	-6.66%
Capital intensity ratio	53.70:1	25.82:1
Dividend payout ratio	N/A	N/A

SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
Schedule Required under SRC Rule 68

i. Percentage of Investment in a Single Enterprise to Net Asset Value
As of June 30, 2019 and December 31, 2018

	2019			2018		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
Treasury Notes (ISIN)						
US718286BQ07	-	6,572,228	0.00%	-	-	-
Equities						
FRANKLIN TEMPLETON INVESTMENT FUNDS - US OPPORTUNITIES FUND	-	6,572,228	0.00%	-	-	-
SCHRODER INTERNATIONAL SELECTION FUND-JAPANESE OPPORTUNITIES	-	6,572,228	0.00%	-	-	-
FRANKLIN TEMPLETON INVESTMENT FUNDS - US OPPORTUNITIES FUND	-	6,572,228	0.00%	-	-	-
SCHRODER INTERNATIONAL SELECTION FUND-US LARGE CAP	-	6,572,228	0.00%	177,311	6,010,307	2.95%
SCHRODER INTERNATIONAL SELECTION FUND-EMERGING MARKETS	-	6,572,228	0.00%	-	-	-
SCHRODER INTERNATIONAL SELECTION FUND-ASIAN EQUITY YIELD	-	6,572,228	0.00%	-	-	-
SCHRODER INTERNATIONAL SELECTION FUND-GLOBAL BOND	640,830	6,572,228	9.75%	-	-	-
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	302,477	6,572,228	4.60%	262,302	6,010,307	4.36%
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	56,470	6,572,228	0.86%	146,711	6,010,307	2.44%
MFS MERIDIAN FUNDS-US TOTAL RETURN BOND FUND	-	6,572,228	0.00%	-	-	-
MFS MERIDIAN FUNDS-EMERGING MARKETS DEBT FUND	-	6,572,228	0.00%	-	-	-
MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	-	6,572,228	0.00%	-	-	-
BLACK ROCK GLOBAL FUNDS-US DOLLAR HIGH YIELD BOND FUND	-	6,572,228	0.00%	-	-	-
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG-WELLINGTON GLOBAL QUALITY GROWTH FUND	929,902	6,572,228	14.15%	872,113	6,010,307	14.51%
MFS MERIDIAN FUNDS-ASIA PACIFIC EX-JAPAN FUND	-	6,572,228	0.00%	-	-	-
MORGAN STANLEY US ADVANTAGE FUND	363,464	6,572,228	5.53%	183,735	6,010,307	3.06%
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	676,758	6,572,228	10.30%	838,478	6,010,307	13.95%
SCHRODER INTERNATIONAL SELECTION FUND-GLOBAL HIGH YIELD	-	6,572,228	0.00%	-	-	-
SPDR MSCI ACWI UCITS ETF	289,901	6,572,228	4.41%	160,268	6,010,307	2.67%
PINEBRIDGE JAPAN SMALL CAP EQUITY FUND	32,511	6,572,228	0.49%	62,804	6,010,307	1.04%
JPMORGAN FUNDS-INCOME FUND	494,443	6,572,228	7.52%	850,050	6,010,307	14.14%
NOM FI I USD US HIGH YIELD	434,710	6,572,228	6.61%	299,410	6,010,307	4.98%
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC	193,628	6,572,228	2.95%	171,555	6,010,307	2.85%
PIMCO GLOBAL INVESTORS SERIES PLC-DIVERSIFIED INCOME DURATION HEDGED FUND	-	6,572,228	0.00%	837,069	6,010,307	13.93%
PIM FI I USD INCOME INSTI ACC	432,280	6,572,228	6.58%	824,843	6,010,307	13.72%
PBR EQ Y USD ASI SMALL CAP	183,066	6,572,228	2.79%	91,398	6,010,307	1.52%
INV FI H USD US SENIOR LOAN	199,342	6,572,228	3.03%	-	-	-
BFG FI I USD NEW CAP WLTH) NTN	237,108	6,572,228	3.61%	-	-	-
ISH FI USD GL AGG BOND	854,136	6,572,228	13.00%	-	-	-
FUND	86,945	6,572,228	1.32%	-	-	-

ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company
As of June 30, 2019 and December 31, 2018

	2019			2018		
	Total Investment	Outstanding Securities of an Investee Company	% over Investee	Total Investment	Outstanding Securities of an Investee Company	% over Investee
Equities						
SCHRODER INTERNATIONAL SELECTION FUND-US LARGE CAP	-	-	-	1,125	2,117,654,000	0.00%
SCHRODER INTERNATIONAL SELECTION FUND-GLOBAL BOND	45,288	2,191,302,000	0.00%	-	-	-
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	7,106	2,662,051,000	0.00%	6,671	2,317,410,000	0.00%
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	270	***	0.00%	833	1,793,745,000	0.00%
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG-WELLINGTON GLOBAL QUALITY GROWTH FUND	31,707	***	0.00%	36,429	3,869,551,000	0.00%
MORGAN STANLEY US ADVANTAGE FUND	3,477	***	0.00%	2,287	7,746,959,000	0.00%
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	14,006	679,331,000	0.00%	18,629	592,698,000	0.00%
SPDR MSCI ACWI UCITS ETF	2,170	1,622,372,000	0.00%	1,420	1,463,358,000	0.00%
PINEBRIDGE JAPAN SMALL CAP EQUITY FUND	389	574,101,000	0.00%	905	707,120,000	0.00%
JPMORGAN FUNDS-INCOME FUND	3,943	766,892,000	0.00%	7,360	311,360,000	0.00%
NOMURA FUNDS IRELAND-NOMURA US HIGH YIELD BOND FUND	1,416	4,626,080,000	0.0%	1,061	4,663,038,000	0.00%
SUN LIFE PROSPERITY DOLLAR STARTER FUND INC	188,354	5,798,386	3.25%	168,920	5,784,954	2.92%
PIMCO GLOBAL INVESTORS SERIES PLC-DIVERSIFIED INCOME DURATION HEDGED FUND	-	-	0.00%	63,704	1,331,103,000	0.00%
PIMCO GIS INCOME FUND	28,365	73,241,563,000	0.00%	57,800	61,373,406,000	0.00%
PINEBRIDGE ASIA EX JAPAN SMALL CAP EQUITY FUND	273	783,860,000	0.00%	157	653,600,000	0.00%
INV FI H USD US SENIOR LOAN	1,159	6,165,276,000	0.00%	-	-	-
EFG FI I USD NEW CAP WLTHY NTN	1,737	1,106,860,000	0.00%	-	-	-
ISH FI USD GL AGG BOND	165,900	2,352,805,000	0.01%	-	-	-
MFS MERIDIAN FUNDS - CONTINENTAL EUROPEAN EQUITY	6,004	***	0.00%	-	-	-

iii. Total Investment in Liquid or Semi-Liquid Assets to Total Assets
As of June 30, 2019 and December 31, 2018

	2019	2018
Total Liquid and Semi-Liquid Assets	6,587,851	6,025,063
TOTAL ASSETS	6,587,851	6,025,063
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%

iv. Total Operating Expenses to Total Net Worth
As of June 30, 2019 and December 31, 2018

	2019	2018
Total Operating Expenses	66,955	170,782
Average Daily Net Worth	6,416,961	7,496,833
Total Operating Expenses to Average Daily Net Worth	1.04%	2.28%

v. Total Assets to Total Borrowings
As of June 30, 2019 and December 31, 2018

	2019	2018
Total Assets	6,587,851	6,025,063
Total Borrowings	15,623	14,756
Total Assets to Total Borrowings	42168%	40831%

SUN LIFE OF PROSPERITY DOLLAR WELLSPRING FUND, INC.
Schedule of Investments
Financial assets at fair value through profit and loss

Name of Issuing Entity and Association of Each Issue	June 30, 2019			December 31, 2018	
	Number of Shares / Principal Amount of Bonds and Notes	Market Value	Aggregate Cost	Number of Shares / Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet
Equities					
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG-WELLINGTON GLOBAL QUALITY GROWTH FUND	31,707	$ 929,902	$ 729,235	36,429	$ 872,112
SCHRODER INTERNATIONAL SELECTION FUND-US LARGE CAP	-	-	-	1,125	177,311
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	7,105	302,477	283,404	6,671	262,302
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	270	56,470	51,842	833	146,711
MORGAN STANLEY US ADVANTAGE FUND	3,477	363,664	322,159	2,287	183,735
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	14,006	676,758	639,846	18,629	838,478
SPDR MSCI ACWI UCITS ETF	2,170	289,901	273,760	1,420	160,268
PINEBRIDGE JAPAN SMALL CAP EQUITY FUND	389	32,511	43,759	805	62,804
JPMORGAN FUNDS-INCOME FUND	3,947	494,447	453,888	7,360	850,050
NOM FI I USD US HIGH YIELD	1,416	434,710	416,261	1,061	299,610
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC	188,354	193,628	191,225	168,920	171,555
PIMCO GLOBAL INVESTORS SERIES PLC-DIVERSIFIED INCOME DURATION HEDGED FUND	-	-	-	63,704	837,069
PIM FI I USD INCOME INSTI ACC	28,365	432,280	402,389	57,803	824,843
PBR EQ Y USD AXJ SMALL CAP	273	183,066	175,999	157	91,398
SCHRODER INTERNATIONAL SELECTION FUND-GLOBAL BOND	45,288	640,830	615,376		
INV FI H USD US SENIOR LOAN	1,159	199,342	199,806		
EFG FI I USD NEW CAP WLTHY NTN	1,737	237,108	230,000		
ISH FI USD GL AGG BOND	165,900	854,136	845,253		
MFS MERIDIAN FUNDS - CONTINENTAL EUROPEAN EQUITY FUND	6,004	86,945	72,985	-	-
GRAND TOTAL	501,569	$ 6,408,174	$ 5,947,186	367,203	$ 5,778,245

Asset Management

FUND FACTS

Sun Life Prosperity Dollar Wellspring Fund

April 30, 2019

This document contains key information clients of Sun Life Prosperity Dollar Wellspring Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc., at 849-9888 or Phil-MF-Products@sunlife.com or visit www.sunlifefunds.com.

Launch Date	May 5, 2016	Minimum Holding Period	180 days	Fund Structure	Mutual Fund (Shares)
Fund Size	USD 6,576,541.10	Management and Distribution Fee	1.50%	Minimum Subscription	USD 1,000
Net Asset Value Per Share	1.0956	Transfer Agency Fee	0.15%	Minimum Subsequent	USD 200
Benchmark	65% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 5% 30-day USD Dep Rate	Early Redemption Fee	1.00%	Risk Classification	Moderate

What does the Fund invest in?

The Sun Life Prosperity Dollar Wellspring Fund aims to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a moderate risk tolerance and medium to long-term investment horizon. This is for investors who want higher yields compared to traditional fixed income securities (e.g. savings accounts, time deposits, bonds) but a lower amount of risk relative to equities.

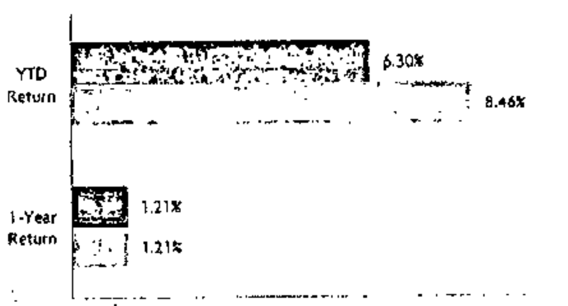
Top Offshore Mutual Fund Holdings

1. Wellington - Global Quality Growth, 14.58%
2. JP Morgan Income Fund, 10.73%
3. Morgan Stanley - Global Bond, 10.58%
4. Schroders - Global Bond, 10.5%
5. PIMCO - GIS Income Fund, 8.7%

Investment Mix

Geographical Allocation

How has the Fund performed?



■ Benchmark: 65% Bloomberg Barclays Global Aggregate Total Return Index* + 30% MSCI ACWI + 5% 30-day USD Dep Rate
Sun Life Prosperity Dollar Wellspring Fund

*Benchmark Effectivity Date

JP Morgan Global Aggregate Bond Index: May 5, 2016 to December 31, 2017
Bloomberg Barclays Global Aggregate Total Return Index: January 1, 2018 to present

Disclaimer: The underlying funds of the Sun Life Prosperity Dollar Wellspring Fund are valued using their respective NAVPS as of previous day due to the time difference between the Philippines and the domicile countries of these funds. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

Market Review

- Global equities rose 3.20% in April, while global bonds declined -0.30%, as the ten-year U.S. Treasury yield rose nine basis points to 2.50% to end the month.
- The 10-year yield averaged 2.5294% in April, down from the 2.5751% in March.
- U.S. 1Q19 GDP came in at an annualized rate of +3.2%, beating market expectations. Observers note that the one-off gain in inventories and lower imports during the period could be masking weaker data in consumer spending, durable goods and private investment.
- U.S. President Trump considers imposing tariffs on approximately $11bn worth of European Union exports. The move is seen as a retaliatory action stemming from European firms providing subsidies to Airbus SE, the primary rival of America's Boeing Co.
- Iran threatens to 'close' the Strait of Hormuz, a key shipping corridor for roughly one-third of global seaborne traded oil. This follows U.S. removal of waivers which temporarily allowed select nations to purchase oil from Iran.
- The Fund has returned 8.46% YTD, outperforming the benchmark by 216 basis points, primarily due to its global and U.S. large-cap equities.

Asset Management

FUND FACTS

Sun Life Prosperity Dollar Wellspring Fund

May 31, 2019

This document contains key information clients of Sun Life Prosperity Dollar Wellspring Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc., at 849-9888 or Phil-MF-Products@sunlife.com or visit www.sunlifefunds.com.

Launch Date	May 5, 2016	Minimum Holding Period	180 days	Fund Structure	Mutual Fund (Shares)
Fund Size	USD 6,455,257.88	Management and Distribution Fee	1.50%	Minimum Subscription	USD 1,000
Net Asset Value Per Share	1.0820	Transfer Agency Fee	0.15%	Minimum Subsequent	USD 200
Benchmark	65% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 5% 30-day USD Dep Rate	Early Redemption Fee	1.00%	Risk Classification	Moderate

What does the Fund invest in?

The Sun Life Prosperity Dollar Wellspring Fund aims to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

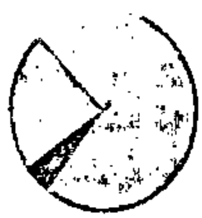
The Fund is suitable for investors with a moderate risk tolerance and medium to long-term investment horizon. This is for investors who want higher yields compared to traditional fixed income securities (e.g. savings accounts, time deposits, bonds) but a lower amount of risk relative to equities.

Top Offshore Mutual Fund Holdings

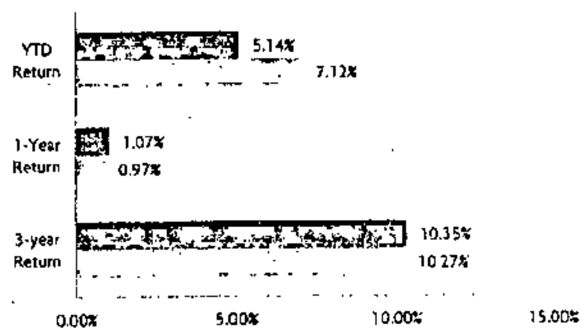
1. Wellington - Global Quality Growth, 14.34%
2. JP Morgan Income Fund, 10.95%
3. Morgan Stanley - Global Bond, 10.19%
4. Schroders - Global Bond, 9.62%
5. PIMCO - GIS Income Fund, 8.92%

Investment Mix

Geographical Allocation



How has the Fund performed?



■ Benchmark: 65% Bloomberg Barclays Global Aggregate Total Return Index* + 30% MSCI ACWI + 5% 30-day USD Dep Rate
◆ Sun Life Prosperity Dollar Wellspring Fund

*Benchmark Effectivity Date
JP Morgan Global Aggregate Bond Index: May 5, 2016 to December 31, 2017
Bloomberg Barclays Global Aggregate Total Return Index: January 1, 2018 to present

Disclaimer: The underlying funds of the Sun Life Prosperity Dollar Wellspring Fund are valued using their respective NAVPS as of previous day due to the time difference between the Philippines and the domicile countries of these funds. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

Market Review

- Global equities declined in May falling -5.86%, while global bonds provided a safe haven and returned +1.35%. The ten-year U.S. Treasury yield declined by 38 basis points to close the month at 2.12%.
- The 10-year yield averaged 2.39% in May, 14 bps down from the 2.53% in April.
- Trade tensions between the U.S. and China escalated, despite recent negotiations going well. The U.S. imposed 25% tariffs on $200bn worth of imports from China, and is considering increasing the coverage to an additional $325bn worth of goods. China retaliated by imposing 25% tariffs on $60bn worth of American goods.
- Theresa May stepped down as U.K. Prime Minister, following failed attempts at securing parliament's support for her withdrawal agreement from the European Union, increasing the uncertainty for an orderly Brexit.
- European Parliamentary elections resulted in quite some gains for anti-EU and nationalist parties, but still not enough to outnumber the pro-EU majority and push forth radical changes.
- China's NBS Manufacturing PMI fell into contraction territory at 49.4 in May, due to slowing growth, heightened trade tensions with the U.S. and lower commodity prices.
- The Fund has returned 7.12% YTD, outpacing the benchmark by 198 basis points, primarily due to its global and U.S. large-cap equities.

Sun Life
Asset Management

FUND FACTS

Sun Life Prosperity Dollar Wellspring Fund

June 28, 2019

This document contains key information clients of Sun Life Prosperity Dollar Wellspring Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc. at 849-9888 or Phil-MF-Products@sunlife.com or visit www.sunlifefunds.com

Launch Date	May 5, 2016	Minimum Holding Period	180 days	Fund Structure	Mutual Fund (Shares)
Fund Size	USD 6,572,950.92	Management and Distribution Fee	1.50%	Minimum Subscription	USD 1,000
Net Asset Value Per Share	1.1087	Transfer Agency Fee	0.15%	Minimum Subsequent	USD 200
Benchmark	65% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 5% 30-day USD Dep Rate	Early Redemption Fee	1.00%	Risk Classification	Moderate

What does the Fund invest in?

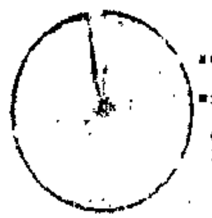
The Sun Life Prosperity Dollar Wellspring Fund aims to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a moderate risk tolerance and medium to long-term investment horizon. This is for investors who want higher yields compared to traditional fixed income securities (e.g. savings accounts, time deposits, bonds) but a lower amount of risk relative to equities.

Top Offshore Mutual Fund Holdings

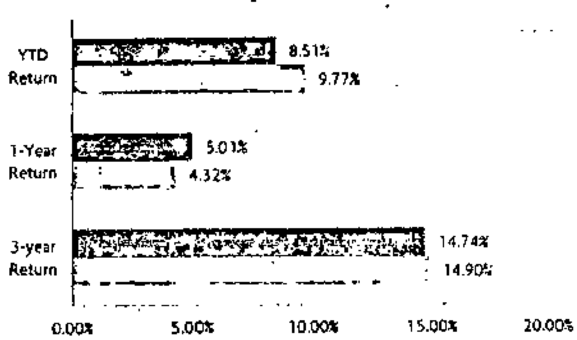
1. Wellington - Global Quality Growth, 14.15%
2. Blackrock - iShares Core Global Aggregate Bond UCITS ETF, 12.99%
3. Morgan Stanley - Global Bond, 10.3%
4. Schroders - Global Bond, 9.75%
5. JP Morgan Income Fund, 7.52%

Investment Mix



Geographical Allocation

How has the Fund performed?



*Benchmark Effectivity Date
JP Morgan Global Aggregate Bond Index, May 5, 2016 to December 31, 2017
Bloomberg Barclays Global Aggregate Total Return Index, January 1, 2018 to present

Disclaimer: The underlying funds of the Sun Life Prosperity Dollar Wellspring Fund are valued using their respective NAVPS as of previous day due to the time difference between the Philippines and the domicile countries of these funds. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

Market Review

- Global equities rose 6.59% in June, more than recouping the weakness last month. Global bonds continued the strong performance seen in May, adding 2.22% on the month. The ten-year U.S. Treasury yield declined by 12 basis points to 2.00%.
- The 10-year yield averaged 2.07% in June, down 32 bps from the 2.39% average in May.
- At the G-20 summit in Japan, U.S. President Donald Trump announced he would delay the implementation of tariffs on an additional $300 billion of Chinese goods, and re-start trade talks with China.
- FOMC officials kept policy rates steady at the 2.25% to 2.50% range, while acknowledging market headwinds in the form lingering trade tensions and incrementally tighter financial conditions.
- China's Caixin Markit manufacturing purchasing managers' index (PMI) declined to 49.4 in June, down from 50.2 in May. This brings the index into contraction territory, below the 50-point mark, which signals expansion.
- The Fund has returned 9.77% YTD, outpacing the benchmark by 126 basis points, primarily due to its global large-cap equities and short duration diversified bond outlets.

Disclaimer: Mutual Fund performance depends on various market and economic conditions. Past performance is not a guarantee or an indication of future results. Thus, returns are not guaranteed and may differ from the original investment. Information contained in this Fund Fact Sheet do not constitute investment advice. For more information on our mutual funds, please consult a Sun Life Financial Advisor.