

# COVER SHEET

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S.E.C. Registration Number

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T A G U I G   C I T Y

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

Jeanemar S. Talamon

Contact Person

8555-8888

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-A

FORM TYPE

Month

Day

Annual Meeting

Mutual Fund Company

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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Remarks = pls. use black ink for scanning purposes

EC Number: A200202061  
File Number: \_\_\_\_\_

**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

(Company's Full Name)

**8<sup>th</sup> Floor Sun Life Centre 5<sup>th</sup> Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City, Philippines**

-----  
(Company's Address)

**8555-8888**

-----  
(Telephone No.)

**December 31**

-----  
(Fiscal Year Ending)  
(Month & Day)

**SEC FORM 17-A ANNUAL REPORT**

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Form Type

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Amendment Designation (If applicable)

**December 31, 2022**

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Period Ended Date

**OPEN-END INVESTMENT COMPANY**

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Secondary License Type and File Number

**SECURITIES AND EXCHANGE COMMISSION**

**AMENDED SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2022**
2. SEC Identification Number **A200202061**
3. BIR Tax Identification No. **216-214-876-000**
4. Exact name of registrant as specified in its charter

**Sun Life Prosperity Dollar Advantage Fund, Inc.**

5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6. (SEC Use Only)  
Industry Classification Code:
7. **Sun Life Centre 5<sup>th</sup> Avenue cor Rizal Drive, Bonifacio Global City, Taguig City, 1634**  
Address of principal office Postal Code
8. **(02) 8555-8888**  
Registrant's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<b>Title of Each Class</b>	<b>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of December 31, 2022)</b>
<b><u>Common Shares, PHP0.01 Par Value</u></b>	<b><u>7,115,870 shares</u></b>

10. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes  No

11. Check whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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 that the registrant was required to file such reports).

Yes  No

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

Yes  No

## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

The Sun Life Prosperity Dollar Advantage Fund, Inc. (the "Fund") is a registered open-end investment company under the Investment Company Act (R.A. 2629) and the Securities Regulation Code (R.A.8799). It was incorporated on February 13, 2002 under SEC Registration No. A200202061.

Sun Life Asset Management Company, Inc. (SLAMCI), a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), acts as the Fund Manager. The Fund is designed to engage in the sale of its shares of stocks and in the investment of the proceeds of these sales in foreign exchange denominated fixed income investments issued by the Philippine, United States (U.S.) and other foreign governments and corporations; common stocks and related securities, such as preferred stocks, convertible securities, depository receipts issued by Philippine and global corporations; and US Dollar (USD) denominated deposits. For 2022, income of the Fund is composed of the following:

Interest income from Fixed-income securities	2.72%
Dividend income	1.87%
Interest income from Cash and cash equivalents	0.58%
Miscellaneous income	0.06%
Trading losses	-105.24%

Except obligations of the Philippine Government and its instrumentalities, the Fund does not invest more than fifteen percent (15%) of its net assets in any single enterprise or company. Neither does the total investment of the Fund exceed ten percent (10%) of the outstanding voting securities of any one (1) investee company.

The Fund was incorporated on February 13, 2002 with 2,000,000 authorized shares with a par value of P1.00 per share.

On February 14, 2002, the shareholders approved the blanket increase in the Fund's authorized share capital up to 22,000,000 shares with a par value of P1.00 per share.

On October 29, 2003, the Board of Directors approved the first tranche of the share capital increase of 2,200,000 shares (from 2,000,000 shares to 4,200,000 shares both with a par value of P1.00), which was approved by the SEC on August 4, 2004.

On February 17, 2006, the Board of Directors approved the second tranche of the share capital increase of 2,000,000 shares (from 4,200,000 shares to 6,200,000 shares both with a par value of P1.00), which was also approved by the SEC on July 13, 2006.

On October 6, 2011, the Board of Directors approved the third tranche of the share capital increase of 12,000,000 shares (from 6,200,000 shares to 18,200,000 shares both with a par value of P1.00), which was approved by the SEC on May 10, 2013.

On April 29, 2014, the Board of Directors approved the increase in authorized shares of 15,000,000 (from 18,200,000 shares to 33,200,000 shares both with a par value of P1.00).

The SEC approved the increase of authorized share capital on October 2, 2014 and the registration statements on March 18, 2015.

As at December 31, 2022, the Fund has 7,115,870 issued and outstanding shares out of 33,200,000 authorized shares with a par value of P1.00 per share.

The Fund's common shares are available through SLAMCI's registered representatives and eligible securities dealers that have entered into an agreement with SLAMCI to sell shares.

The Fund is part of the sixteen (16) Sun Life Prosperity Funds which offer excellent value to investors as a result of SLAMCI's collective experience in fund management, strong investment philosophy, remarkable investment performance and strong organizational structure. However, it should be noted that past performance of any fund manager is no guarantee of future results. It is only an indication of their capabilities to deal with rapid changes in the economy and market conditions in the future.

The Sun Life Prosperity Funds make investing simple, accessible and affordable. The Sun Life Prosperity Funds offer a unique "family of funds" to choose from. The "family of funds" concept allows investors to modify their investment strategies over time, by letting them transfer from one fund to another, as their needs dictate, as much as ten times a year without paying documentary stamp taxes.

The financial statements have been prepared on the historical cost basis, except for financial assets carried either at fair value or at amortized cost. Fair value movements on financial assets are taken through the statement of comprehensive income. The change to marked-to-market thus provides equitable treatment between investors coming in and out of the Fund.

The Fund participates in the mutual funds sector which is a sub-sector of the financial services industry. There are no national geographical boundaries as the nature of the industry and prevailing technology make it possible for the various players to offer their services to almost any place in the country.

The Fund principally competes directly with the Unit Investment Trust Funds ("UITFs") offered by commercial banks and other mutual funds in the Philippines, namely:

- PRUInvest Global Market Balanced Fund-of-Funds (Class A)
- Sun Life Prosperity Dollar Wellspring Fund, Inc.
- UnionBank USD Capital Accumulation Global Fund of Funds

However, the Fund does not have any knowledge on the relative size, financial and market strengths of the Fund's competitors. The Fund principally competes in terms of returns and the associated risks of the return. The principal methods of competition are the over-all returns on the investment product, the after-sales service support provided by the administration, and the various fees levied by the Fund.

The Fund's market strength is its wide distribution network that provides strategic distribution of Fund shares and the financial stability and reputation of its Investment Company Adviser. The Fund intends to compete principally based on the reputation of SLAMCI for superior investment performance and corporate governance coupled with its distribution network and superior backroom operations.

The Fund does not employ personnel. Day-to-day operations of the Fund are carried out by SLAMCI governed by the terms and conditions of the Management Agreements between SLAMCI and the Funds.

There are many potential advantages to investing in mutual funds. However, in deciding to invest, the investor is strongly advised to also consider the risks involved, as well as the risks that the Fund faces, given that the respective values of its underlying assets essentially affect the Fund's overall net asset value.

The Fund's Risk Officer is responsible for overseeing the management of risks resulting from the Fund's business activities. He reports to the Audit and Compliance Committee of the Board of Directors. His duties and responsibilities include, among others: monitoring the investments of the Fund to ensure that all identified gaps in management's risk and management processes are resolved on a timely basis; provide leadership to facilitate management's understanding of the risk management framework, policies and processes; ensuring that the Philippine risk management organization is appropriately staffed with individuals who have the requisite skills and competencies, and that the organization structure and reporting relationships are appropriate and sufficiently independent; organizing and participating in the risk workshops of the annual risk identification process; ensuring that business units identify plausible risk scenarios; ensuring that risk-based measurement and reporting metrics, including risk limits and exception reporting are established; assigning risk category to the final risk lists; providing expertise in the development of action plans to address the risks identified; reviewing and updating the risk report quarterly; identifying and escalating as appropriate any missed target dates for key risk

action plans; and providing documented quarterly status updates on key risks to the Audit and Compliance Committee.

Pursuant to the foregoing, the Risk Officer has identified the risks enumerated below in order of importance:

**Market Risk:** Market risk is the risk of possible decline in the value of the Fund due to fluctuations in prices of the fund's assets. Since the Fund may invest in both equity and fixed income securities, it is subject to two types of market risks: (1) Interest Rate Risk applicable to fixed income investments of the Fund; and (2) Equity Price Risk applicable to the equity investments of the Fund.

**Interest Rate Risk:** Interest Rate Risk is a type of Market Risk which is applicable to the Fund's investments in bonds, if any. This refers to the increase/decrease of a bond price due to movement in market factors such as changes in interest rates. A change in interest rates is the period when interest rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund.

**Equity Price Risk:** For equity investments, changes in prices of equity refer to the equity investments held by the Fund either for strategic or trading purposes. These equity investments, if any, are subject to the daily price fluctuations, as determined by market forces. Hence, prices may vary as a result of the general economic and political conditions, as well as developments in the Fund's operations and overall profitability. To manage this risk, the equity investments included in the Fund's portfolio are carefully selected based on their fundamental soundness.

**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 the 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.

**Foreign Currency Risk:** The investments of the fund will be held in fixed income securities denominated in US Dollars. The value of the USD fluctuates constantly against the Philippine peso due to a myriad of factors, principally interest rates and inflation rates in their respective domiciles. These in turn will affect the value of the fixed income instruments, ultimately impacting the NAVPS of the fund.

**Fund Manager Risk:** The performance of the Fund 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 Issuer, however, shall ensure that all investment policies and restrictions enumerated in the Prospectus are strictly followed.

**Liquidity Risk:** The Fund is usually able to service redemptions of investors within seven (7) banking 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 sufficient cash from its sale of assets to meet the redemptions within the normal seven (7) banking day period. To mitigate this, the Fund maintains adequate highly liquid assets in the form of cash, cash equivalents and near cash assets in its portfolio.

**Dilution Risk:** Being an open-end mutual fund, various investors may effectively subscribe to any amount of shares of the Fund. As such, investors face the risk of their investments being diluted as more investors subscribe to shares of the Fund. The influence that the investors can exert over the control and management of the Fund decreases proportionately. To mitigate this risk, the Fund may

impose single investor limits to the ownership of the fund, when necessary. This limits the extent to which any single investor can exercise control of the Fund. The Fund may also impose an anti-dilution levy or fee for significant orders, to protect the interest of the remaining investors of the Fund, when necessary.

**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. To mitigate this risk, the Fund may impose single investor limits to the ownership of the fund, when necessary. This limits the extent to which redemptions from any single investor can impact the Fund's cash flow. The Fund may also impose an anti-dilution levy or fee for significant orders, to protect the interest of the remaining investors of the Fund, when necessary.

**Non-guarantee:** Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the Philippine Deposit Insurance Corporation ("PDIC"). Hence, investors carry the risk of losing the value of their investment, without any guaranty 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.

**Regulatory Risk:** The Fund's investments and operations are subject to various regulations affecting among others, accounting of assets and taxation. These regulations occasionally change and may result in lower returns or even losses borne by the investors. For example, a higher tax imposed on the sale or purchase of underlying assets of the Fund may result in lower net asset value of the Fund. To mitigate this risk, SLAMCI adopts global best practices. Further, it maintains regular communications with the relevant government agencies to keep itself abreast of the issues giving them concern, and to have the opportunity to help them set standards for good governance. SLAMCI also takes an active participation in the Philippine Investment Funds Association, Inc. ("PIFA"), an association of mutual fund companies in the Philippines.

**Operational Risk:** This is the risk of loss resulting from inadequate or failed internal processes, controls, people and systems. Categories of operational risks may fall under: sales and distribution, human resources, information technology, processes and people, accounting and finance, model risk, legal and regulatory and third party relationships. The Fund ensures that internal controls and practices are consistent with enterprise wide policies supporting the management of operational risks. The Fund has established business specific guidelines. Comprehensive investment program, including appropriate levels of self-insurance, is maintained to provide protection against potential losses.

**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.

**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, and geopolitical or other conditions in such countries or region, and could be more volatile than the performance of funds with more geographically-diversified holdings.

**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.

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:** The Fund aims to provide moderate growth and a steady income stream through investments in US dollar-denominated fixed income securities issued by the Philippine government, other major economies, or corporations operating therein, and in high quality common stocks and related securities issued by Philippine and foreign corporations, or through diversified investment companies invested in such securities. Given this investment objective, the Fund is for retail and corporate investors, and is classified as a growth investment.

## **Item 2. Properties**

The Fund has financial assets in the form of cash and cash equivalents and fixed income securities only. As prescribed by SEC Rules, all of its assets are held by its custodian bank, Citibank, N.A..

Office space of the Fund is provided by SLAMCI pursuant to the Management Agreement. The Fund does not intend to acquire any real property in the course of its business.

## **Item 3. Legal Proceedings**

There is no material pending legal proceeding to which the Fund or any of its affiliates is a party, or of which any of their property is the subject.

## **Item 4. Submission of Matters to a Vote of Security Holders**

The Fund held its Annual Stockholders' Meeting on 13 July 2022 and the continuation thereof on 09 September 2022. Due to the failure to meet the required quorum of at least 2/3 of the outstanding capital stock, the Amendment of Article VI of the Articles of Incorporation to increase the number of directors to six (6) was not approved. Furthermore, due to the failure to meet the required quorum of majority of the outstanding capital stock, the Fund failed to elect members of the Board of Directors. Thus, the current set of directors shall continue to serve on a holdover capacity for the term 2022 – 2023.



**PART II - OPERATIONAL AND FINANCIAL INFORMATION**

**Item 5. Market for Registrant's Common Equity and Related Stockholder Matters**

**1. Market Information**

The shares of the Fund are traded over-the-counter. The Fund's common stocks are available through registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund's Principal Distributor, SLAMCI.

Following are the ranges of high and low prices of the NAVPS of the Fund's shares for each quarter within the last two calendar years:

	2022		2021	
	High	Low	High	Low
Q1	4.8005	4.2424	4.7950	4.4399
Q2	4.4736	3.8873	4.7668	4.5343
Q3	4.1495	3.6812	4.8653	4.6886
Q4	3.9889	3.6304	4.8806	4.6391

The Fund's NAVPS is published daily through Business World, the PSE website, Business Mirror, and Sun Life websites.

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

Year on year yield (1-year)	-20.0496%
3 Year - Simple	-1.4149%
5Year - Simple	5.1028%

**2. Holders**

The Fund has approximately 4,131 shareholders as of December 31, 2022.

On 7 March 2013, SEC *en banc* approved the confidential treatment of the list of Top 20 shareholders of the Fund, including the 5% and 10% beneficial owners. This is to protect the investors' privacy, which is a privilege they enjoy when they invest in other shared investment vehicles, such as unit investment trust funds, and when they invest in bank deposits.

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 December 31, 2022.

% Ownership of Institutional Investors	% Ownership of Retail Investors
18.31%	81.69%

Area	Percentage of Investments
LUZON	94%
VISAYAS	4%
MINDANAO	2%
TOTAL	100%

### 3. Dividends

The Fund has not declared cash dividends to date. Stock dividends of two percent (2%) as of record date were declared in 2006 and 2007. It has no restrictions that may limit its ability to pay stock or cash dividends in the future.

The Board of Directors of the Fund has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from the Fund's unrestricted retained earnings. The amount of such dividends (either in cash, stock, property or a combination of the foregoing) will depend on the Fund's profits, cash flows, capital expenditure, financial condition, and other factors, and will follow SEC's guidelines on determining retained earnings available for dividend declaration. The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings or profits. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, which are considered not available for dividend declaration. Taking into account the Fund's cash flows, capital expenditure, investment objective and financial condition, at least 10% of the actual earnings or profits may be declared by the Board of Directors as dividends.

Cash dividends and property dividends may be declared by the Board of Directors and no stockholder approval is required. Stock dividends are subject to approval by both the Board of Directors and the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Fund at a stockholders' meeting called for such purpose.

Under the Revised Corporation Code, Corporations with surplus profit in excess of 100% of its paid-in capital stock are required to declare dividends (cash or stock) and distribute it to its stockholders.

Dividends so declared will be automatically reinvested in additional shares on behalf of the shareholders, without sales charges, at the NAVPS on the payment date established for such dividends. Shareholders may also elect not to have dividends reinvested and receive payment in cash, net of tax.

#### **Item 6. Management's Discussion and Analysis of Plan of Operation.**

The performance of the Fund can be measured based on the following indicators:

1. **Increase/Decrease in NAVPS.** NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding and for conversion to shares 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).** The assets under the Fund's disposal. This measures the profitability of the Fund (increase/decrease brought about by its operational income) as well as investor confidence (increase/decrease brought about by investor subscriptions/redemptions).
4. **Cash Flow.** This 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.

## Accounting Policies on Financial Assets through Profit or Loss

### 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 Fund commits to purchase or sell the asset.

At initial recognition, the Fund 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 fair value through profit or loss, 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 fair value through profit or loss are expensed in profit or loss.

#### Classification and subsequent measurement

The Fund classifies its financial assets in the following measurement categories:

- FVTPL,
- Fair Value through other comprehensive income (FVTOCI); and
- Amortized cost

As at December 31, 2022 and 2021, the Fund does not have financial assets classified as 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 solely payment of principal and interest (SPPI).

All other debt and equity instruments 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).

#### Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the group 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 are measured at fair value through profit or loss. 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 period in which it arises. Interest income from these financial assets is included in finance income.

The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund'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 Fund 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 Fund assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Fund 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 Fund subsequently measures all equity investments at FVTPL, except where the Fund's Management has elected, at initial recognition, to irrevocably designate an equity instrument at FVTOCI. The Fund'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 Fund'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 profit or loss as applicable.

## **FINANCIAL MARKETS REVIEW (2022)**

### **INVESTMENT APPROACH**

The Sun Life Prosperity Dollar Advantage Fund is a multi-asset fund that aims to provide capital growth through a mix of high-quality common stocks and related securities issued by Philippine, foreign or diversified investment companies and a steady stream of income through investments in fixed income securities/funds issued by governments, international organizations and multinational corporations.

The fund ended 2022 with an equity exposure of 59.65% while 40.35% was in cash and fixed income. For the equity sleeve, preferred geographical positions were developed and emerging Asia. For the fixed income sleeve, duration was kept underweight versus benchmark.

### **PERFORMANCE REVIEW**

Global equities performed poorly in 2022. It ended the year with a total return of -17.84%, as inflation continued to accelerate, and global central banks shifted monetary policy. Initially, the market believed the transitory inflation narrative. But as price pressures persisted and commodity prices worsened because of the Russia-Ukraine war, major central banks were forced to pivot. The Federal Reserve had to execute an aggressive monetary policy raising the fed funds rate from 0 - 4.5% in a span of a year. This pushed rates higher by around 250-400 bps across the US treasury curve. With the sudden increase in bond volatility, risk assets sold off. All equity markets were deeply in the red led by the NASDAQ 100 (-33.08%), S&P 500 (-18.10%), MSCI Asia Pacific ex Japan (-18.53%). Europe and Japan were slightly more resilient with the Stoxx Europe 600 and TOPIX losing only (-14.89%) and (-14.71%) respectively. Emerging Markets (EMs) were not spared as they were battered by fund outflows despite raising interest rates as well. Developed Market yields were now more attractive, and this prompted investors to recalibrate their EM exposures. The higher rate regime also paved the way for a stronger dollar as it gained ~10% versus other developed market currencies.

Global fixed income (Bloomberg Global Aggregate) also suffered a similar fate, sliding -16.06% for the year. Inflation was also the main catalyst as speculation on how fast and tight monetary policy pushed bond yields higher. The abrupt move impacted bond prices and caused credit spreads to widen. Other central banks followed suit as they had to contend with similar bouts of inflationary pressures in their respective markets.

For the year, the Fund registered a -20.05% return with its NAVPS falling to \$3.8393/share.

### **OUTLOOK**

Moving into 2023, we see a slowdown in the global economy, sticky inflation and geopolitical tensions as key headwinds driving the market. Growth is forecasted to soften as the lagged effects of the global central banks tightening have yet to be fully transmitted and absorbed in the economy. While inflation might have peaked already, economic output could be challenged as various leading indicators point to an increasing likelihood of a global recession. If a hard landing materializes, the market will take this as a cue to dial back risk-taking and flock to the traditional safe-haven assets. As a result, global asset flows may continue towards the defensive and value sectors in the market. Traditional safe haven assets such as US treasuries, Developed Market currencies could benefit.

In Emerging Markets, sentiment has shifted positively as China lifted aggressively its zero COVID policy. This move has unleashed investors back into the mainland and triggered a wave of inflows. While Developed Markets start to feel the lag effects of tightening, we expect Emerging Markets to deliver solid growth and above trend earnings. Coupled with their outsized multiple derating a year ago, we see potential upside for this market should earnings upgrades reaccelerate, and China reopening gain more traction.

Taking these things into consideration, we expect global equities (MSCI ACWI) to end the year at ~640. For global bonds, the bell weather 10-year U.S. Treasury yield is expected to hit 3.5% as the FED's rate hike cycle winds down and effects of this tightening are felt by its economy.

## FINANCIAL STATEMENTS ANALYSIS

### Material Changes in the 2022 Financial Statements

#### Statement of Financial Position and Statements of Changes in Equity – 31 December 2022 and 31 December 2021

	31-Dec-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash and cash equivalents	\$ 1,015,040	\$ 2,150,281	(\$ 1,135,241)	-52.80%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	26,437,125	35,183,933	(8,746,808)	-24.86%	The decrease was due to unrealized losses coupled with net disposals of investments during the period.
Accrued interest receivable	9,413	8,319	1,094	13.15%	Collection of interest depends on the scheduled interest payments of each asset.
Due from brokers	-	150,000	(150,000)	-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 days after the transaction date.
Other current assets	-	215	(215)	-100.00%	This pertains to prepaid expenses to be amortized until end of the accounting period.
<b>Total Assets</b>	<b>27,461,578</b>	<b>37,492,748</b>	<b>(10,031,170)</b>	<b>-26.75%</b>	
Accrued expenses and other payables	53,025	26,150	26,875	102.77%	The increase was due to outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled four (4) days after the transaction date.
Payable to fund manager	41,308	53,220	(11,912)	-22.38%	Decrease in this account was due to lower AUM compared to prior period.
Income tax payable	115	-	115	100.00%	Income tax payable for the year of 2022.
<b>Total Liabilities</b>	<b>94,448</b>	<b>79,370</b>	<b>15,078</b>	<b>19.00%</b>	
Share capital	427,393	427,393	-	0.00%	
Additional paid in capital	64,797,510	59,680,740	5,116,770	8.57%	
Retained earnings	14,906,571	22,147,832	(7,241,261)	-32.70%	Net loss for the period.
Treasury Shares	(52,764,344)	(44,842,587)	(7,921,757)	17.67%	Due to net acquisition of treasury shares during the period.
<b>Net Assets</b>	<b>27,367,130</b>	<b>37,413,378</b>	<b>(10,046,248)</b>	<b>-26.85%</b>	Due to net loss and acquisition of treasury shares.
<b>Net Assets Value per Share</b>	<b>\$ 3.8459</b>	<b>\$ 4.8008</b>	<b>P (0.9549)</b>	<b>-19.89%</b>	

There were no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Fund's liquidity in any material way.

There was no contingent liability reflected in the accompanying audited financial statements.

The Fund does not anticipate having any cash flow or liquidity problems as it complies with the liquidity requirements per ICA-IRR 6.10. The Fund 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.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons created during the reporting period. Likewise, there are no material commitments for capital expenditures, known trends, events, or uncertainties that have had or that are reasonably expected to have a material impact on net income/revenue from the continuing operations of the Fund.

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

## Statement of Comprehensive Income for the Years Ended – 31 December 2022 and 31 December 2021

	31-Dec-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Investment Income (Loss)	(\$ 1,640,210)	\$ 7,596,860	(\$ 9,237,070)	-121.59%	The decrease pertains to trading losses incurred upon disposal of securities partly netted the increase in interest and dividend income earned during the period.
Investment Expense	4,981	2,037	2,944	100.00%	Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
Operating Expenses	595,656	725,597	(129,941)	-17.91%	This is mainly due to the decrease in management and distribution fees brought by lower AUM for the period partly offset with the increase of taxes and licenses incurred for the period.
Net Unrealized Losses on Investments	(4,998,282)	(4,659,703)	(338,579)	7.27%	Due to impact of unfavorable market condition during the period.
Provision for Income Tax	2,132	161	1,971	1224.22%	Income tax under MCIT and final taxes of interest income earned from bank deposits.
<b>Net Investment Income (Loss)</b>	<b>(\$ 7,241,261)</b>	<b>\$ 2,209,362</b>	<b>(9,450,623)</b>	<b>-427.75%</b>	

Average daily net asset value in 2022 and 2021 are US\$ 30,623,266 and US\$ 37,692,185, respectively.

The Fund has no unusual nature of transactions or events that affect assets, liabilities, equity, net income or cash flows.

There were no commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Fund which are not reflected in the accompanying audited financial statements. The management of the Fund is of the opinion that there were no income or losses from these items that will have any material effect on its audited financial statements.

There were no known material events subsequent to the end of the annual reporting period that have not been reflected in the Fund's audited financial statements as at the period ended December 31, 2022. There were no significant elements of income or loss that did not arise from the Fund's continuing operations.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Fund.

The Fund is governed by the following fundamental investment policies:

1. As a **Fund-of-Funds**, the Fund shall be subject to the following:
  - a. The Fund shall invest more than fifty percent (50%) of net assets in more than one (1) collective investment scheme;
  - b. The Target Fund shall not be a Feeder Fund;
  - c. The Target Funds are CIS established by another fund manager/s, asset management company/ies or fund operator/s;
  - d. The Target Fund shall provide ample protection to the investors of the Fund-of-Funds. If the Target Fund is a foreign fund, it shall have assessed to have broadly implemented the IOSCO Principles relevant to collective investment schemes;
  - e. The Target Fund publishes Quarterly/Semi-Annual and Annual Reports
  - f. Investment limit of fifteen percent (15%) in non-collective investment scheme or entity;
  - g. The investment objectives of the Target Fund is aligned with that of the Fund-of-Funds;
  - h. The Fund-of-Funds is compliant with Rule 6.10 of the Implementing Rules and Regulations of the Investment Company Act;

- i. The Target Fund is supervised by a regulatory authority, as follows:
    - i. A local Target Fund shall either be registered with the Commission or approved by the Bangko Sentral ng Pilipinas;
    - ii. A Target Fund constituted in another economy shall be registered/authorize/approved, as the case may be in its home jurisdiction by a regulatory authority that is an ordinary or associate member of the IOSCO
  - j. Investments in Target Funds shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority to act as third party custodian.
2. The Fund shall not issue senior securities.
  3. The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).
  4. The Fund shall not participate in any underwriting or selling group in connection with the public distribution of securities, except its own capital stock.
  5. The Fund will generally maintain a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects.
  6. The Fund shall 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.
  7. The Fund shall not purchase or sell commodity futures contracts.
  8. The proportion of the Fund's assets that shall be invested in each type of security shall be determined from time to time, as warranted by economic and investment conditions.
  9. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
  10. The Fund may use various techniques to hedge investment risks.
  11. The Fund will not change its investment objectives without the prior approval of a majority of its shareholders and prior notice to the SEC.

#### **Item 7. Financial Statements**

Copies of the following audited financial statements are attached as Exhibits:

1. Statements of Financial Position, 2022, 2021
2. Statements of Comprehensive Income, 2022, 2021, 2020
3. Statements of Changes in Equity, 2022, 2021, 2020
4. Statements of Cash Flows, 2022, 2021, 2020
5. Notes to Financial Statements

#### **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Navarro Amper & Co./Deloitte Touche Tohmatsu, with address at 19/F Net Lima Plaza, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City, Philippines, has acted as external auditor of the Fund since the reporting year ended December 31, 2003.

There has been no disagreement with the accountants on any accounting and financial disclosures.



## External Audit Services/Audit and Audit-Related Fees

For 2022 and 2021, aggregate fees billed for professional services rendered by the external auditor for the audit of the Fund's annual financial statements and services normally provided by external auditors in connection with statutory and regulatory filings amounted to US\$ 3,280 and US\$ 3,787, respectively inclusive of VAT and out-of-pocket expenses. There were no other payments made to the auditor for any other service, including assurance, tax, and related services.

External auditors of the Fund are designated in accordance with Section 29 of the ICA subject to ratification at the annual stockholders' meeting by the vote of a majority of the outstanding voting securities attending.

The Fund's Board of Directors has an Audit and Compliance Committee, which is composed of Mr. Oscar Reyes (Committee Chairperson and independent director), Mr. Cesar Luis F. Bate (independent director), and Mr. Cielito F. Habito (independent director) as members. The Audit and Compliance Committee has considered and endorsed for the approval of the Board of Directors the external auditor's service fees, which were so approved.

## PART III - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers

#### 1. Directors and Executive Officers

The Board of Directors is responsible for conducting all businesses of the Fund. It exercises general supervision over the duties performed by the Fund Manager, Distributor, Administrator, Transfer Agent and Custodian of the Fund.

The following are the incumbent Directors and Executive Officers of the Fund:

Name	Citizenship	Position	Age	Term of Office	Period Served
Benedicto C. Sison	Filipino and American	Director/Chairman	62	July 2018 – present	5 terms
Valerie N. Pama	Filipino	Director/ President	59	March 2022 - present	1 term
Cesar Luis F. Bate	Filipino	Independent Director	62	November 2021 – present	2 terms
Oscar S. Reyes	Filipino	Independent Director	76	2002 - present	21 terms
Cielito F. Habito	Filipino	Independent Director	69	April 2019 – present	4 terms
Jeanemar S. Talaman	Filipino	Treasurer	41	September 2022 - present	
Jemilyn S. Camania	Filipino	Compliance Officer	47	April 2020 - present	3 terms
Anna Katrina C. Kabigting-Ibero	Filipino	Corporate Secretary	43	April 2020 – present	3 terms
Frances Ianna S. Canto	Filipino	Assistant Corporate Secretary	34	September 2020 – present	3 terms
Ria V. Mercado	Filipino	Risk Officer	47	2015-present	8 terms

A brief write-up on the business experience of the incumbent directors and executive officers of the Fund follows:

**BENEDICTO C. SISON**

Chairman (2018 to present)

Mr. Benedicto C. Sison is the CEO and Country Head of the Sun Life group of companies in the Philippines from 01 July 2018. He is also the President of Sun Life Financial Philippine Holding Company, Inc. (December 2015 to present) and serves as the Director and Chairman of the eighteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., (September 2015 to present), Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc. (2017 to present), and Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., and Sun Life Prosperity Achiever Fund 2048, Inc. (2018 to present), Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022) and Sun Life Prosperity World Income Fund, Inc. (August 2022 to present). He is also the Director and Chairman of the Grepalife Funds such as Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation (September 2015 to present). He is the Vice President of Sun Life Financial – Philippines Foundation, Inc., (September 2015 to present) where he also served as Trustee (September 2010 to September 2013). He is currently a Senior Advisor to the Board of Trustees of the Philippine Investment Funds Association (PIFA) and Treasurer of the Philippine Life Insurance Association (PLIA).

Prior to his current role, Mr. Sison served as the Chief Strategy and Financial Management Officer of Sun Life of Canada (Philippines), Inc. (April 2015 to 2018). He also served as Chief Financial Officer of Sun Life Financial Asia (November 2012 to March 2015), Director of Sun Life Hong Kong Limited (December 4, 2012 to May 14, 2015), Commissioner of PT. Sun Life Indonesia Services (February 21, 2013 to July 5, 2013) and Commissioner of PT. Sun Life Indonesia (April 19, 2013 to April 23, 2015). He was also the Director/CFO and Treasurer of Sun Life Financial Philippine Holding Company, Inc. (September 2010 to December 2013), CFO and Treasurer of Sun Life Financial Plans, Inc. (September 2010 to December 2013), Director of Great Life Financial Assurance Corporation (July 2012 to September 2013) and Chief Financial Officer and Treasurer of Sun Life Asset Management Company, Inc. (September 2010 to June 2013) and Sun Life of Canada (Philippines), Inc. (September 2010 to October 2012). He also served as the Finance Director – Asia Pacific of Con-Agra International Food Group (September 2006 to August 2010).

He brings to the job a wealth of international finance experience gained primarily from ConAgra Brands, Inc., a multi-billion dollar global consumer products company. He held various positions with increasing responsibility in the areas of audit, financial control, planning and management in ConAgra's US, India and Asia-Pacific Operations. He was the Finance Director for the Asia Pacific Region, based in China, prior to joining Sun Life. Mr. Sison also worked in the academe as well as in the aerospace, defense and public transit industries in the USA.

Mr. Sison is a Magna Cum Laude graduate of BS Business Administration from the University of the Philippines (1983). He earned his Master's degree in Business Administration, Major in Finance/Accounting (1988) from the Graduate School of Management of the University of California Riverside. He is a Certified Public Accountant (CPA) and is a member of the American Institute of CPAs.

**VALERIE N. PAMA**

President / Director (March 2022 – present)

Ms. Valerie N. Pama is currently the Chief Asset Management Officer (“CAMO”) of Sun Life of Canada (Philippines), Inc. Since November 1, 2019, Ms. Pama, in her capacity as CAMO, has been responsible for the expansion and development of the various initiatives to drive the profitability and growth of Sun Life's overall asset management business providing strategic direction and development of long-term plans and policies.

Ms. Pama is also the Chairman and Director of Grepalife Asset Management Corporation (December 2021 to present). She is the President and Director of eighteen (18) Sun Life Prosperity Funds, i.e. Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life of Canada Prosperity Bond, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (March 2022 to present) and Sun Life Prosperity World Income Fund, Inc. (August 2022 to present).

Currently, Ms. Pama is a Trustee and Vice President of Sun Life Financial-Philippines Foundation, Inc. (October 2020 and December 2022, respectively, to present), Member and Trustee of Filipina CEO Circle (2015 and 2018, respectively to present), Member of Management Association of the Philippines (2015 to present), Financial Executives of the Philippines (2013 to present) and Makati Business Club (August 2019 to present).

Ms. Pama was previously the Director and President of Sun Life Investment Management and Trust Corporation (September 2020 to June 2021), responsible for its establishment and preparations for operations. She was a Director and President of Sun Life Asset Management Company, Inc. ("SLAMCI") and Director and/or President of thirteen (13) Sun Life Prosperity Funds (2011 to 2020). She was also a Director and/or President of three (3) Grepalife Funds i.e. Grepalife Dollar Bond Fund Corporation, Grepalife Balanced Fund Corporation (formerly, "Grepalife Bond Fund Corporation"), and Grepalife Fixed Income Fund Corporation (2011 to 2018). Ms. Pama was formerly the President of the Sun Life Prosperity Funds and the Grepalife Funds (2011 to 2013). She was also a Director of BESTSERVE Financial Ltd. (HKG) (2021 to 2022).

She also served as the Chief Operating Officer of SLAMCI (2011 to 2012) before being appointed as its President in 2013. With over seven years as President of SLAMCI, Ms. Pama has made tremendous contributions by leading it into becoming the number one non-bank asset management company. Under her vision and leadership, the company achieved great milestones: growing from three (3) mutual funds to sixteen (16) mutual funds to over Php100 Billion in Assets Under Management, launch of the Sun Life Prosperity Card, expanding the sales force into having the most number of Mutual Fund-licensed advisors in the industry and garnering numerous awards from the Philippine Investment Funds Association (PIFA). Another noteworthy recognition for SLAMCI under her management was being named the best asset management company for the Philippines from Euromoney's 2018 Private Banking and Wealth Management survey.

Ms. Pama is a veteran banker, having been in the industry for 20 years. She started her career with Citibank N.A. in 1990 as a Management Associate, wherein she obtained exposure in various segments of the business, assuming progressively senior roles over the years. She had worked in treasury/capital markets, loans, equity sales, customer funding sales, brokerage and money market sales. By the time she retired from Citibank N.A. in 2009, Ms. Pama was the President of Citicorp Financial Services and Insurance Brokerage Inc.

Prior to joining Sun Life, Ms. Pama was a Product Development consultant for ING Bank's Investment Management Group.

Ms. Pama was a member of the Board of Trustees of PIFA from 2011 to 2020 and served as its Chairman from 2013 to 2015. This enabled her to represent the mutual fund industry in advocating investor literacy, customer protection and regulatory advancements to government agencies, key market players and the general public.

Ms. Pama is a graduate of the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering. She obtained her Masters in Business Administration in International Business and Finance, with a minor in Business Economics from Katholieke Universiteit Leuven in Belgium. She was awarded With Distinction by the university for her exemplary academic performance on her final year.

**OSCAR S. REYES**

Independent Director (2002 to present)

Mr. Oscar S. Reyes is an Independent Director of Sun Life Prosperity Funds, namely: Sun Life Prosperity GS Fund, Inc. (2011 to present), Sun Life Prosperity Dynamic Fund, Inc. (2012 to present), Sun Life Prosperity Dollar Abundance Fund, Inc. (2006 to present), Sun Life Prosperity Dollar Advantage Fund, Inc. (2002 to present), Sun Life of Canada Prosperity Balanced Fund, Inc. (July 2018 to present), Sun Life of Canada Philippine Equity Fund, Inc. (July 2018 to present); Sun Life Prosperity World Equity Index Feeder Fund, Inc. (March 2018 to present); Sun Life Prosperity Achiever Fund 2028, Inc. (March 2018 to present); Sun Life Prosperity Achiever Fund 2038, Inc. (March 2018 to present); Sun Life Prosperity Achiever Fund 2048, Inc. (March 2018 to present); Sun Life Prosperity Dollar Starter Fund, Inc. (July 2021 to present); Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present); Sun Life Prosperity World Income Fund, Inc. (August 2022 to present) and Sun Life Prosperity Dollar Wellspring Fund, Inc. (September 2022 to present). He is also an Independent Director of the Grepalife Dollar Bond Fund Corporation, Grepalife Balanced Fund Corporation, and Grepalife Fixed Income Fund Corporation (2011 to present) and Sun Life Financial Plans, Inc. (2006 to present).

Mr. Reyes' other current positions are: member of the Advisory Board of Basic Energy Corporation, and Pioneer Life Inc., Member, Advisory Council of the Bank of the Philippine Islands; Chairman, Pepsi Cola Products Philippines, Inc., Director of PXP Energy Corp. and Independent Director of Cosco Capital Inc., D.M. Wenceslao & Associates Inc., Pioneer Insurance & Surety Corporation, Pioneer Intercontinental Insurance, Philippine Dealing System Holdings Corp., Philippine Dealing & Exchange Corporation, Philippine Depository & Trust Corporation, Philippine Securities Settlement Corporation, Team Energy Corporation, among other firms.

He completed his Bachelor of Arts degree in Economics at the Ateneo de Manila University in 1965 (Cum Laude) and did post-graduate studies at the Ateneo Graduate School of Business, Waterloo Lutheran University in Ontario, Canada and the Harvard Business School in Boston, Mass, USA.

**CIELITO F. HABITO**

Independent Director (April 2019 to present)

Dr. Cielito F. Habito, is an Independent Director of Sun Life Prosperity GS Fund, Inc.; Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Philippine Equity Fund, Inc.; Sun Life Prosperity Philippine Stock Index Fund, Inc.; Sun Life Prosperity Dollar Abundance Fund, Inc.; Sun Life Prosperity Dollar Advantage Fund, Inc.; Sun Life Prosperity World Voyager Fund, Inc.; and Sun Life Prosperity Achiever Fund 2048, Inc.; (2019 to present); Sun Life of Canada Prosperity Bond Fund, Inc. and Sun Life Prosperity Peso Starter Fund, Inc. (July 2021 to present) and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present).

He is a Professor of Economics at the Ateneo de Manila University, where he is also Senior Fellow of the Ateneo Center for Economic Research and Development. He also serves as Chairman of Brain Trust Inc., Operation Compassion Philippines, and the Board of Advisers of the TeaM Energy Center for Bridging Leadership at the Asian Institute of Management; Lead Independent Director of First Gen Corporation; Trustee of the Ramon Magsaysay Award Foundation and the Ramos Peace and Development Foundation; and Member of the Board of Governors of the Management Association of the Philippines, JICA-Philippines Advisory Committee, and the World Bank-Philippines Civil Society Advisory Group.

He had also previously served in the Boards of Manila Water Company, Metropolitan Bank & Trust Company, Metrobank Card Corporation, Frontier Oil Corporation, Mutual Fund Company of the Philippines, One Wealthy Nation (OWN) Fund, Steel Corporation of the Philippines, Philsteel Holdings, Solidbank and Lepanto Consolidated Mining Co.

He served in the Cabinet of former President Fidel V. Ramos throughout his presidency in 1992-1998 as Secretary of Socioeconomic Planning, and Director-General of the National Economic and Development Authority (NEDA). Before joining government, he was Professor and Chairman at the Department of Economics of the University of the Philippines-Los Baños (UPLB). He also worked as Visiting Fellow of the Asian Development Bank Institute in Tokyo, Visiting Professor at the Asian Institute of Management

and De La Salle Graduate School of Business, Visiting Research Fellow at the Center for Southeast Asian Studies in Kyoto University, Teaching Fellow at Harvard University and Research Consultant at the World Bank.

Dr. Habito is the recipient of numerous awards including the Presidential Award (2019) and Most Outstanding Alumnus Award (1993) of the UPLB Alumni Association, Philippine Legion of Honor (1998), The Outstanding Young Men (TOYM) of 1991, and the Gawad Lagablab (Outstanding Alumnus Award) of the Philippine Science High School (1991).

He graduated with a Bachelor of Science in Agriculture, Summa cum laude from the University of the Philippines-Los Baños in 1975. He earned a Master of Economics from the University of New England (Australia) in 1978 and Master of Arts in Economics (1981) and Ph.D. in Economics (1984) from Harvard University.

#### **CESAR LUIS F. BATE**

Independent Director (November 2021 to present)

Mr. Cesar Luis F. Bate, is an Independent Director of ten (10) Sun Life Prosperity Funds namely: Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., and Sun Life Prosperity World Equity Index Feeder Fund, Inc.

Currently, Mr. Bate is the Managing Director of LMN Advisors/Partners Inc. (“LMN”). He established the consultancy firm LMN in October 2006 after being a stockbroker for 20 years. Prior to LMN, Mr. Bate was head of the Philippine operations of Macquarie Securities Philippines from 2004 to 2006. From 1995 to 2004, he was President of Dutch-owned ING Securities Philippines which was the country’s largest stock brokerage house for years under his ten-year tenure. Mr. Bate started his career as a stockbroker with the local house A&A Securities in 1987 and joined British-owned Baring Securities as Head of Philippine sales in 1992.

Mr. Bate is the President of the Celisons Property Co. Inc. (2018 to present), an Independent Director of RM Commercial REIT, Inc. (2021 to present) and Director of Acacia Lane, Inc. (1980 to present). He was also a Member of the Board of Trustees of Jose Rizal University (2007 to 2016).

Mr. Bate graduated with a Bachelor of Science in Management Engineering from Ateneo de Manila University in 1983.

#### **JEANEMAR S. TALAMAN**

Treasurer (September 2022 to present)

Ms. Jeanemar S. Talaman is the Treasurer of Sun Life Prosperity Funds. She was the Treasurer and Head of Finance of Sun Life Investment Management and Trust Corporation (SLIMTC) (2020 to 2022). In that role, she was responsible for the overall finance function of the Company which covers Accounting, Financial Reporting, Internal Controls and Capital Management among others.

Prior to joining SLIMTC, Ms. Talaman was the Financial Accounting and Reporting Manager of Sun Life Philippines where she handled financial reporting requirements of the Sun Life Asset Management Company, Inc. (SLAMCI), Sun Life Prosperity Funds (Funds managed by SLAMCI), Sun Life Grepa Financial, Inc. and Sun Life Financial Philippine Holding Company, Inc. Concurrent to her role as Financial Reporting Manager, Ms. Talaman was also the Finance System Administration Manager responsible for ensuring the security and efficiency of finance system applications for all Sun Life Philippine entities. She has held various roles in Finance, including, Manager of Financial Planning and Analysis (May 2014 to July 2015), Manager, Accounts Reconciliation (June 2012 to April 2014) and she has been instrumental in setting up the Accounts Reconciliation team of Sun Life Malaysia in 2013. Ms. Talaman has more than 15 years of extensive experience in asset management industry, financial reporting for insurance business, taxation and regulatory reporting, treasury operations, project management, financial planning and management reporting.

Ms. Talaman is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. She earned her Bachelor of Science in Accountancy degree from the University of San Agustin (Iloilo City) with academic distinction. She had satisfactorily completed the one-year course on Trust Operations and Investment Management from the Trust Institute Foundation of the Philippines.

**JEMILYN S. CAMANIA**

Compliance Officer, Money Laundering Reporting Officer,  
and Data Protection Officer (April 2020 to present)

Atty. Ma. Jemilyn S. Camania is the Compliance Officer, Money Laundering Reporting Officer, and Data Protection Officer of Sun Life Philippines, including the Sun Life Prosperity Funds, with effect on 01 April 2020. Atty. Camania has been with Sun Life since 2004, where she started as Assistant Counsel (2004 to 2007), Counsel (2007 to 2011), Senior Counsel (2011 to 2012), Deputy General Counsel (2012 to 31 March 2020), Head of General Corporate Services (2016 to 31 March 2020), and Corporate Secretary of its various Philippine companies (2005 to 2020). In addition to her work for Sun Life Philippines, she was a Senior International Counsel for Sun Life Asia (2016 to 31 March 2020), and as such has rendered legal and corporate secretary assistance to Sun Life's businesses in Malaysia, Indonesia, Hong Kong, and Vietnam, including its ROHQ. From 2014, she also provided legal and compliance support to Sun Life Vietnam Insurance Company Limited, including serving as its Interim General Counsel (2019 to 2020).

Prior to joining Sun Life, Atty. Camania was with Cayetano Sebastian Ata Dado & Cruz Law Offices (2001 to 2004). She graduated from the University of the Philippines (Diliman), with BA Psychology (1996) and LL B (2001) degrees. She passed the Bar Examinations in 2002. She is a Fellow, Life Management Institute (2010), Professional, Customer Service (with honors) (2011), and Associate, Insurance Regulatory Compliance (2014) of the Life Office Management Association (LOMA). Atty. Camania has also completed the Trust Operations & Investment Management course at the Trust Institute Foundation of the Philippines (2007, with distinction) and the Privacy Program Management course conducted by the International Association of Privacy Professionals (2022).

**ANNA KATRINA C. KABIGTING-IBERO**

Corporate Secretary (April 2020 to present)

Atty. Anna Katrina C. Kabigting-Ibero is the Corporate Secretary of the eighteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., (April 2020 to present), Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present), Sun Life Prosperity World Income Fund, Inc. (August 2022 to present).

Atty. Ibero is also the Corporate Secretary of Sun Life of Canada (Philippines), Inc., Sun Life Asset Management Company, Inc., Sun Life Financial Plans, Inc., Sun Life Financial Philippine Holding Company, Inc., Sun Life Financial – Philippines Foundation, Inc., Grepalife Asset Management Corporation, and the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation, (April 2020 to present), Sun Life Investment Management and Trust Corporation (September 2020 to present), and Assistant Corporate Secretary of Sun Life Grepa Financial, Inc. (April 2020 to present).

Prior to joining Sun Life in 2014, Atty. Ibero worked as an Associate Lawyer at the David Cui-David Buenaventura and Ang Law Offices (2006 to 2010). She later joined the Bank of the Philippine Islands as Legal and Compliance Officer of the Bank's Asset Management and Trust Group (2010 to 2014).

Atty. Ibero received her Bachelor of Arts Major in Legal Management (2000) and Bachelor of Laws (2005) from the University of Santo Tomas. She was called to the Bar in 2006.

**FRANCES IANNA S. CANTO**

Assistant Corporate Secretary (September 2020 to present)

Atty. Frances Ianna S. Canto is the Assistant Corporate Secretary of the eighteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present), Sun Life Prosperity World Income Fund, Inc. (August 2022 to present). She is also the Assistant Corporate Secretary of Sun Life Asset Management Company, Inc. and Sun Life Investment Management and Trust Corporation (September 2020 – present), and Sun Life of Canada (Philippines), Inc. and Sun Life Financial Philippines Foundation, Inc. (September 2022 to present).

Prior to joining Sun Life in May 2020, Atty. Canto worked as a Legal and Compliance Officer of Manulife Philippines (March 2017), where she also served as Assistant Corporate Secretary and Alternate Data Protection Officer. Before joining Manulife, Atty. Canto briefly worked as a consultant with the Office of the Secretary of the Climate Change Commission and prior to that, as an Associate Lawyer at the Medialdea Ata Bello and Suarez Law Office (2013-2016).

Atty. Canto received her Juris Doctor degree from the Ateneo de Manila University. She was admitted to the Bar in May 2014.

**RIA V. MERCADO**

Risk Officer (2015 to present)

Ms. Ria V. Mercado has been the Head of Risk Management of Sun Life Philippines since 2015. She is also the Risk Officer of the eighteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., (2015 to present), Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present), Sun Life Prosperity World Income Fund, Inc. (August 2022 to present) and the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation, (July 2019 to present). She is also the Risk Officer of Sun Life Asset Management Company, Inc., Grepalife Asset Management Corporation, Sun Life of Canada (Philippines), Inc., Sun Life Grepalife Financial, Inc. (July 2015 to present) and Sun Life Financial – Philippines Foundation, Inc. (December 2019 to present).

Prior to joining Sun Life in 2015, she was with Deutsche Knowledge Services (DKS), where she was Debt and Client Risk & Control Lead. In this capacity, she was responsible for risk and control initiatives and for proactively identifying and mitigating operations risks through quality assurance initiatives. Prior to DKS, she was with Standard Chartered Bank where she rose from Graduate Associate to AVP – Unit Operational Risk Manager.

Ms. Mercado holds a Master in Business Management degree from the Asian Institute of Management. She is a BS Business Administration graduate of the University of the Philippines (Diliman).

## **2. Incorporators**

The following are the incorporators of the Fund:

- Caesar P. Altarejos, Jr.
- Henry Joseph Herrera
- Raoul Littaua
- Rizalina G. Mantaring
- Esther C. Tan
- Rolando A. Robles

## **3. Significant Employees**

The Fund has no significant employees.

## **4. Family Relationships**

There are no family relationships up to fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated by the Fund to become its directors or executive officers.

## **5. Material Pending Legal Proceedings**

The Fund has no knowledge of any material pending legal proceedings to which any of the directors and executive officers of the Fund is a party of which any of their property is the subject.

The Fund has no knowledge of any material pending legal proceedings, for the past five (5) years and to date, to which any of the directors and executive officers of the Fund is a party of which any of their property is the subject.

There was no bankruptcy petition filed by or against any business of which any of the directors and executive officers of the Fund was a general partner or executive officer either at the time of bankruptcy or within 2 years prior to that time.

No director or executive officer of the Fund was convicted by final judgment in a criminal proceeding, domestic or foreign, and neither is any director or officer subject to any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.

No director or executive officer of the Fund is being subject to any order, judgment or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities.

No director or executive officer of the Fund is being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

## **Item 10. Executive Compensation**

### **1. Compensation of Executive Officers**

The executive officers of the Fund do not receive any form of compensation from their appointment up to the present.

### **2. Compensation of Directors**

The directors do not receive any form of compensation from inception up to the present other than a PHP20,000.00 per diem for meetings attended. Only the members of the Board who are "external directors", *i.e.*, those who are not officers and/or employees of SLOCPI, receive remuneration for their



attendance in regular or special meetings of the Board at the rate of PHP20,000.00 to each director for every meeting attended. Their contributed efforts to the Fund are on a voluntary basis only. Also, the directors or executive officers of the Fund will not participate in any bonus, profit sharing or other compensation plan, pension or retirement plan, contract or arrangement.

However, starting January 01, 2010, each external director, as defined above, also receives a retainer's fee not to exceed PHP15,000.00 per quarter. Payment of such retainer's fee is shared by the Fund with the other Sun Life Prosperity Funds which the external director also serves, provided that each external director receives only a maximum of PHP15,000.00 per quarter from all the Sun Life Prosperity Funds.

Total per diem received by the Fund's directors for the year 2022 and 2021 are US\$ 5,758 and US\$ 10,167, respectively.

The Board had four (4) regular quarterly meetings for 2022, including the organizational board meeting after the annual shareholders' meeting. For the four (4) meetings and with four (4) members of the Board who are external directors entitled to receive per diem, the Fund forecasts a total directors' per diem of PHP 240,000 (approximately US\$ 4,300) for the year 2023. The external directors are also forecasted to receive a total of PHP 15,740 (approximately US\$ 282) as retainer's fees for 2023.

**Item 11. Security Ownership of Certain Beneficial Owners and Management**

**1. Security ownership of more than 5% of the Fund's outstanding capital stock as of December 31, 2022:**

On 7 March 2013, SEC *en banc* approved the confidential treatment of the list of Top 20 shareholders of the Fund, including its 5% and 10% beneficial owners. This is to protect the investors' privacy, which is a privilege they enjoy when they invest in other shared investment vehicles, such as unit investment trust funds, and when they invest in bank deposits.

**2. Security Ownership of Management as of December 31, 2022:**

Title of Class	Name of Beneficial Owner	Number of Shares <sup>1</sup>	Nature of Ownership	Citizenship	Percent of Class
Common	Benedicto C. Sison	1	Beneficial (B) and Record ('R)	Filipino and American	0.00%
Common	Oscar S. Reyes	1	B & R	Filipino	0.00%
Common	Cesar Luis F. Bate	1	B & R	Filipino	0.00%
Common	Valerie N. Pama	1	B & R	Filipino	0.00%
Common	Cielito F. Habito	1	B & R	Filipino	0.00

The above individual owners can be reached at c/o the Corporate Secretary, 6<sup>th</sup> Floor, Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

**3. Voting Trust Holders of 5% or More**

No holder of 5% or more of the Fund's common shares has any voting trust or similar agreement that vest voting rights or other powers to a voting trustee.

**4. Change in Control**

The Fund has no knowledge of any arrangement that may result in a change of control of the Fund.

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<sup>1</sup> Number of shares held in their capacity as Director or Chairperson.

**Item 12. Certain Relationships and Related Transactions**

The Fund is not involved in any related transactions.

**PART IV - CORPORATE GOVERNANCE****Item 13. Compliance with Leading Practices on Corporate Governance**

The Fund is committed to performing its obligations following sound standards of business and financial practices and assesses the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance through the Corporate Governance Self-Rating Form.

Likewise, the Fund requires the directors to answer a Board Effectiveness Questionnaire to determine their outlook on current practices and further enhance their performance. Internal audit and compliance units of the Fund also actively ensure that the Fund meets its regulatory and moral obligations to the government agencies and the general public, respectively.

There has been no reported incident of any deviation from the Fund's Manual on Corporate Governance. A strong ethical business culture in the performance of duties is continuously upheld and promoted. Nonetheless, the Fund makes an effort to improve corporate governance of the company by holding training sessions for its Board and officers whenever possible.

**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.

**PART V – EXHIBITS AND SCHEDULES****A. Audited Financial Statements**

1. Statements of Financial Position, 2022, 2021
2. Statements of Comprehensive Income, 2022, 2021, 2020
3. Statements of Changes in Equity, 2022, 2021, 2020
4. Statements of Cash Flows, 2022, 2021, 2020
5. Notes to Financial Statements

**B. Reports on SEC Form 17-C**

**- SIGNATURE PAGE FOLLOWS –**

**SIGNATURES**

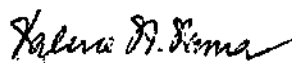
Pursuant to the requirements of Section 11 of the RSA and Section 177 of the Revised Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of \_\_\_\_\_ on \_\_\_\_\_, 2023.

**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

Issuer

Pursuant to the requirements of the Revised Securities Act, this annual report has been signed by the following persons in the capacities and on the dates indicated.

By:



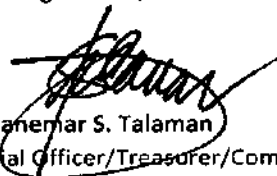
Valerie N. Pama

Principal Executive Officer/President



Gerald L. Bautista

Principal Operating Officer / SLAMCI President



Jeanemar S. Talaman

Principal Financial Officer/Treasurer/Comptroller



Candy S. Esteban

Principal Accounting Officer/CFO



Anna Katrina C. Kabigting-Ibero

Corporate Secretary

**APR 26 2023**

**MAKATI CITY**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2023, affiants exhibiting their government issued identification cards, as follows:

Name	Government ID No.	Date of issue	Place of issue
Valerie N. Pama	Passport No. P7158454B	07/08/2021	DFA Manila
Gerald L. Bautista	Passport No. P9687638B	04/20/2022	DFA Manila
Candy S. Esteban	Driver's License N02-95-277891	05/08/2018	Quezon City
Jeanemar S. Talaman	Driver's License F03-13-001744	06/05/2018	DLRC - Ayala
Anna Katrina C. Kabigting-Ibero	Driver's License N02-96-324358	08/19/2022	Paranaque City

Doc. No. 222  
Page No. 96  
Book No. 52  
Series of 2023.

**ATTY. ROMEO M. ANFORI**  
Notary Public of Makati  
Until December 31, 2023  
Appointment No. - 172 (2022-2023)  
PTR NO. 9563521 Jan. 3, 2023 Makati City  
IBP No. 1062634 - Jan. 3, 2018  
MCLE NO. VI-0023417 Roll No. 27932  
26 Amorsolo Street Legaspi Village  
Makati City

This document contains key information clients of Sun Life Prosperity Dollar Advantage 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 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

<b>Launch Date</b>	July 2, 2002	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 27,319,713.42	<b>Fund Classification</b>	Multi-Asset Fund-of-Funds	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	3.8393	<b>Minimum Subscription</b>	USD 500	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	60% MSCI ACWI + 38% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 2% 30-Day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 100	<b>Bloomberg Ticker</b>	SUNPDAA PM Equity
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

The **Sun Life Prosperity Dollar Advantage Fund** aims to provide moderate growth through high quality common stocks and related securities issued by Philippine and foreign corporations, or diversified investment companies invested in such securities, and a steady income stream through investments in US dollar-denominated fixed income securities issued by the Philippine government, other major economies, or corporations.

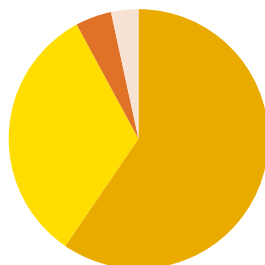
The Fund is suitable for investors with a **growth risk profile** and long-term investment horizon. This is for investors who want to enjoy the relative safety of fixed income securities without sacrificing the growth potential of equities.

### Top Offshore Mutual Fund Holdings

1. J.P. Morgan - Global Research Enhanced Index, 9.38%
2. Franklin Templeton - Franklin Mutual Global Discovery Fund, 7.67%
3. BlackRock - iShares Core Global Aggregate Bond UCITS ETF, 7.17%
4. J.P. Morgan - U.S. Select Equity Fund, 7.04%
5. Schroders - U.S. Large Cap, 7.01%

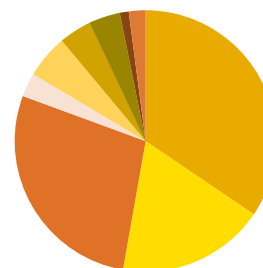
### Investment Mix

- Offshore Equity Funds, 59.56%
- Offshore Fixed Income Funds, 32.55%
- Government Bonds, 4.47%
- Time Deposits and Other Liquid Assets, 3.41%



### Geographical Allocation

- Global Equities, 34.47%
- U.S. Equities, 18.31%
- Global Fixed Income, 27.84%
- European Equities, 2.92%
- U.S. Fixed Income, 5.41%
- Japan Equities, 4.03%
- High-Yield Debt, 0.01%
- Asia ex-Japan Equities, 3.85%
- China Equities, 1.09%
- Asian Fixed Income, 2.08%



## How has the Fund performed?

NAVPS Since Inception



CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
Fund	-1.87%	-20.03%	-20.05%	-1.41%	5.10%
Benchmark	-1.66%	-18.39%	-18.47%	-0.63%	7.57%

**Note:** Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.

**\*Bond Benchmark Effectivity Date:**

JP Morgan Global Aggregate Bond Index: July 2, 2002 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 Advantage 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 and Outlook

- Global equities faltered after two straight months of positive results, returning -3.91% in December. Fixed income was stable, gaining 0.54%. Developed markets ex-U.S. outperformed the global benchmark, with Japan rising 1.52%, and Europe gaining 0.41%. Asia ex-Japan was flat -0.32% while the U.S. dropped 5.77%.
- U.S. CPI inflation sustained its downtrend with a 7.1% year-on-year reading in November. This is the second straight month that the print has fallen and came in below consensus expectations. Core numbers are also showing signs of slowing down with only cost of shelter registering meaningful price gains. Nonetheless, inflation figures remain elevated versus historic levels.
- The U.S. Federal Reserve (Fed) raised its policy rate by 50 basis points (bps) to a range of 4.25%-4.50%. This is the seventh rate increase for 2022 but is smaller than the previous four rounds of 75 bps rate hikes. Despite falling inflation, Fed language remained hawkish with Chairman Powell reiterating that monetary policy will remain restrictive until meaningful progress on inflation is made.
- Investor sentiment improved after the Chinese government relaxed its Zero Covid Policy. The Shanghai Stock Exchange Composite Index (SHCOMP) rose by 0.92% (USD terms) outperforming the global equity index (MSCI ACWI). Despite this development, regional flows remain tepid as domestic uncertainties persist.
- The Fund switched to a slight underweight duration call versus its benchmark as headwinds from a restrictive Fed monetary policy and recession threat spooked the markets. The equity sleeve has been recalibrated with a material increase Asia ex-Japan exposure.
- On a gross-of-fees basis, the Fund trails its benchmark due to its exposure in U.S. growth-oriented funds.

**Disclaimer:** Sun Life Asset Management Company, Inc. (SLAMCI) makes no representation as to the accuracy or completeness of the information contained herein. The information contained in this presentation is for information purposes only. It is not intended to provide professional, investment, or any other type of advice or recommendation in relation to purchases or sales of securities whether or not they are related to SLAMCI; it does not constitute any guarantee of performance; and neither does it take into account the particular investment objectives, financial situation or needs of individual recipients. Any opinions or estimates herein reflect our judgment as at the date of this presentation and are subject to change at any time without notice. This material is a copyrighted work. You may not share, distribute, revise, transform, or build upon this material without prior written consent of, and proper attribution to Sun Life. All trademarks are the properties of their respective owners.



This document contains key information clients of Sun Life Prosperity Dollar Advantage 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 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

<b>Launch Date</b>	July 2, 2002	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 27,933,438.02	<b>Fund Classification</b>	Multi-Asset Fund-of-Funds	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	3.9125	<b>Minimum Subscription</b>	USD 500	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	60% MSCI ACWI + 38% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 2% 30-Day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 100	<b>Bloomberg Ticker</b>	SUNPDA PM Equity
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

The **Sun Life Prosperity Dollar Advantage Fund** aims to provide moderate growth through high quality common stocks and related securities issued by Philippine and foreign corporations, or diversified investment companies invested in such securities, and a steady income stream through investments in US dollar-denominated fixed income securities issued by the Philippine government, other major economies, or corporations.

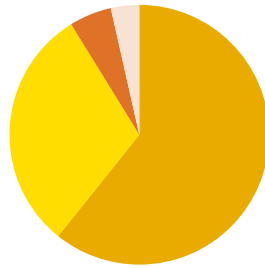
The Fund is suitable for investors with a **growth risk profile** and long-term investment horizon. This is for investors who want to enjoy the relative safety of fixed income securities without sacrificing the growth potential of equities.

### Top Offshore Mutual Fund Holdings

- Schroders - U.S. Large Cap, 9.81%
- J.P. Morgan - Global Research Enhanced Index, 8.70%
- J.P. Morgan - U.S. Select Equity Fund, 8.69%
- Franklin Templeton - Franklin Mutual Global Discovery Fund, 7.61%
- PIMCO - Global Investors Series Income Fund, 6.21%

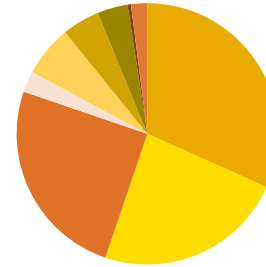
### Investment Mix

- Offshore Equity Funds, 60.75%
- Offshore Fixed Income Funds, 30.44%
- Government Bonds, 5.27%
- Time Deposits and Other Liquid Assets, 3.53%

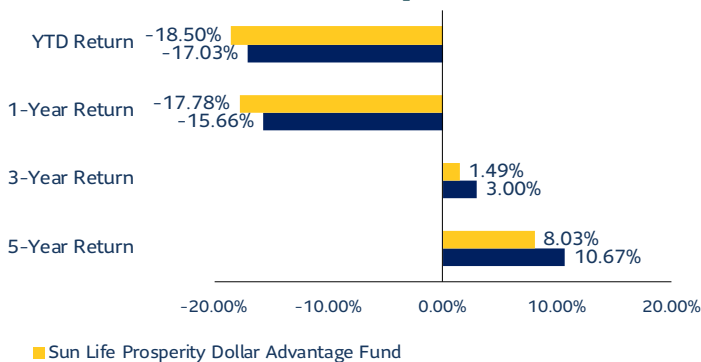


### Geographical Allocation

- Global Equities, 31.69%
- U.S. Equities, 23.51%
- Global Fixed Income, 25.02%
- European Equities, 2.60%
- U.S. Fixed Income, 6.34%
- Japan Equities, 4.63%
- High-Yield Debt, 0.01%
- Asia ex-Japan Equities, 3.76%
- China Equities, 0.43%
- Asian Fixed Income, 2.00%



## How has the Fund performed?



**Note:** Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.

#### \*Bond Benchmark Effectivity Date:

JP Morgan Global Aggregate Bond Index: July 2, 2002 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 Advantage 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 and Outlook

- Global equities rallied for the second consecutive month, climbing by 7.81% in November. Fixed income had a strong month as well with a 4.71% return. Europe (+11.54%) and Japan (+9.75%) led the way for equities while the U.S. (+5.59%) lagged its developed market (DM) peers. Meanwhile, Asia ex-Japan outperformed its DM counterparts with an 18.82% gain.
- U.S. CPI inflation fell below consensus expectations to 7.7% year-on-year in October. It has trended lower from June's 9.1% year-on-year print and is now at its lowest since January, though it remains elevated versus historic levels. Core CPI remains strong at 6.3% driven by the rising costs of shelter and vehicles.
- The U.S. Federal Reserve (Fed) raised its policy rate by 75 basis points (bps) for a fourth consecutive meeting in November to bring it to 3.75%. Fed Chairman Powell shared that smaller hikes may begin by December, but cuts are not on the immediate horizon and monetary policy will remain restrictive until more tangible progress is made on taming inflation.
- Chinese equities had a strong November with returns of 8.92% (CNY terms) and 12.19% (USD terms). The market was sparked by optimism that China's highly restrictive Zero-Covid policy will be eased in the near future.
- The Fund switched to a neutral duration call versus its benchmark as headwinds from a restrictive Fed monetary policy and inflation concerns abate. The equity sleeve has been recalibrated with a material increase Asia ex-Japan exposure.
- The Fund has decreased by 18.50% year-to-date closing below its benchmark (-17.03%) by 147 bps, due to its exposure to growth-centric funds.

**Disclaimer:** Sun Life Asset Management Company, Inc. (SLAMC) makes no representation as to the accuracy or completeness of the information contained herein. The information contained in this presentation is for information purposes only. It is not intended to provide professional, investment, or any other type of advice or recommendation in relation to purchases or sales of securities whether or not they are related to SLAMC; it does not constitute any guarantee of performance; and neither does it take into account the particular investment objectives, financial situation or needs of individual recipients. Any opinions or estimates herein reflect our judgment as at the date of this presentation and are subject to change at any time without notice. This material is a copyrighted work. You may not share, distribute, revise, transform, or build upon this material without prior written consent of, and proper attribution to Sun Life. All trademarks are the properties of their respective owners.



This document contains key information clients of Sun Life Prosperity Dollar Advantage 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 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

<b>Launch Date</b>	July 2, 2002	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 27,175,600.06	<b>Fund Classification</b>	Multi-Asset Fund-of-Funds	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	3.7504	<b>Minimum Subscription</b>	USD 500	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	60% MSCI ACWI + 38% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 2% 30-Day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 100	<b>Bloomberg Ticker</b>	SUNPDAA PM Equity
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

The Sun Life Prosperity Dollar Advantage Fund aims to provide moderate growth through high quality common stocks and related securities issued by Philippine and foreign corporations, or diversified investment companies invested in such securities, and a steady income stream through investments in US dollar-denominated fixed income securities issued by the Philippine government, other major economies, or corporations.

The Fund is suitable for investors with a **growth risk profile** and long-term investment horizon. This is for investors who want to enjoy the relative safety of fixed income securities without sacrificing the growth potential of equities.

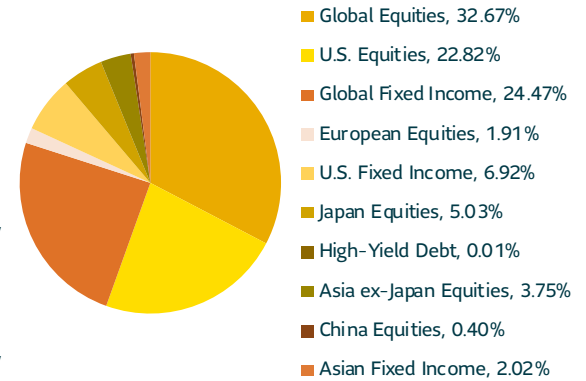
### Top Offshore Mutual Fund Holdings

- Schroders - U.S. Large Cap, 10.57%
- J.P. Morgan - Global Research Enhanced Index, 10.18%
- J.P. Morgan - U.S. Select Equity Fund, 9.54%
- J.P. Morgan - Income Fund, 8.87%
- PIMCO - Global Investors Series Income Fund, 8.38%

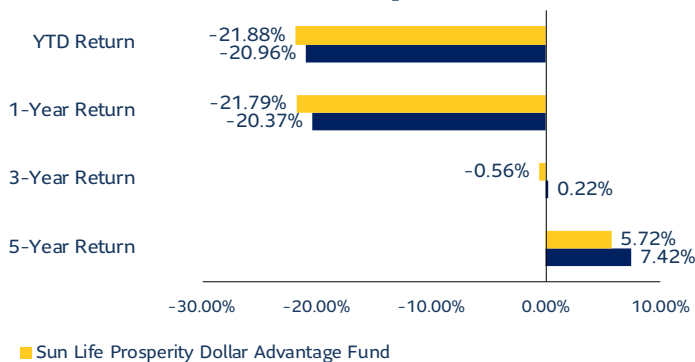
### Investment Mix



### Geographical Allocation



## How has the Fund performed?



## Market Review and Outlook

- Global equities rallied by 6.06% while fixed income ended flat, returning -0.69% in October. Most developed markets (DM) such as the U.S. (8.10%), Europe (7.42%) and Japan (2.33%) moved higher. Asia ex-Japan continued to lag its DM counterparts for a second straight month, retreating by 6.09%.
- U.S. headline CPI inched lower to 8.2% in September after reading 8.3% in August. While inflation has been softer in recent months, the pace of moderation has underwhelmed market expectations. Core CPI remains stubborn reaching 6.6%, well beyond the 2% target of the Federal Reserve. These price pressures were driven by sticky rents and services inflation.
- While there was no FOMC meeting last October, the market continues to take its cue from Fed guidance on monetary policy trajectory. In the past month, we saw growth remain buoyant. Earnings continue to be within expectations and unemployment low. Nonetheless, we see the Fed to continue hiking rates until inflation is comfortably on a downward trajectory.
- Chinese equities dropped by 4.29% (CNY terms) and 6.77% (USD terms) in October. China's Zero-Covid policy, weak property sector and geopolitical rift with Taiwan are risks that has capped its upside potential. We look at the predictability of its economic reopening and a stronger monetary/fiscal impulse as possible signposts for a reversal in sentiment.
- The Fund reverts to a slight underweight duration call versus its benchmark as headwinds from an accelerated Fed interest rate policy trajectory and recession fears weigh on the market sentiment. The equity sleeve has been recalibrated with the Fund tilted towards Japanese large-cap companies.
- The Fund has decreased by 21.88% year-to-date, closing below its benchmark (-20.96%) by 91 basis points, due to its exposure to growth-centric funds.

**Note:** Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.

#### \*Bond Benchmark Effectivity Date:

JP Morgan Global Aggregate Bond Index: July 2, 2002 to December 31, 2017  
Bloomberg Barclays Global Aggregate Total Return Index: January 1, 2018 to present

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**Disclaimer:** Sun Life Asset Management Company, Inc. (SLAMC) makes no representation as to the accuracy or completeness of the information contained herein. The information contained in this presentation is for information purposes only. It is not intended to provide professional, investment, or any other type of advice or recommendation in relation to purchases or sales of securities whether or not they are related to SLAMC; it does not constitute any guarantee of performance; and neither does it take into account the particular investment objectives, financial situation or needs of individual recipients. Any opinions or estimates herein reflect our judgment as at the date of this presentation and are subject to change at any time without notice. This material is a copyrighted work. You may not share, distribute, revise, transform, or build upon this material without prior written consent of, and proper attribution to Sun Life. All trademarks are the properties of their respective owners.

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	2	0	0	2	0	2	0	6	1
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Company Name

S	U	N	L	I	F	E	P	R	O	S	P	E	R	I	T	Y	D	O	L	L	A	R				
A	D	V	A	N	T	A	G	E	F	U	N	D	I	N	C	.										

Principal Office (No./Street/Barangay/City/Town)Province)

S	U	N	L	I	F	E	C	E	N	T	R	E	S	T	H	A	V	E	.	C	O	R	.		
R	I	Z	A	L	D	R	I	V	E	,	B	O	N	I	F	A	C	I	O	G	L	O	B	A	L
C	I	T	Y	,	T	A	G	U	I	G	C	I	T	Y											

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

N/A
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### COMPANY INFORMATION

Company's Email Address

<a href="mailto:sunlife_sec_communications@sunlife.com">sunlife_sec_communications@sunlife.com</a>
--

Company's Telephone Number/s

8555-8888
-----------

Mobile Number

0999-991-7178
---------------

No. of Stockholders

4,131
-------

Annual Meeting  
Month/Day

Every Fourth Wednesday of May
-------------------------------

Fiscal Year  
Month/Day

12/31
-------

### CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

JEANEMAR S. TALAMAN
---------------------

Email Address

<a href="mailto:Jeanemar.S.Talaman@sunlife.com">Jeanemar.S.Talaman@sunlife.com</a>
--

Telephone Number/s

8555-8888
-----------

Mobile Number

N/A
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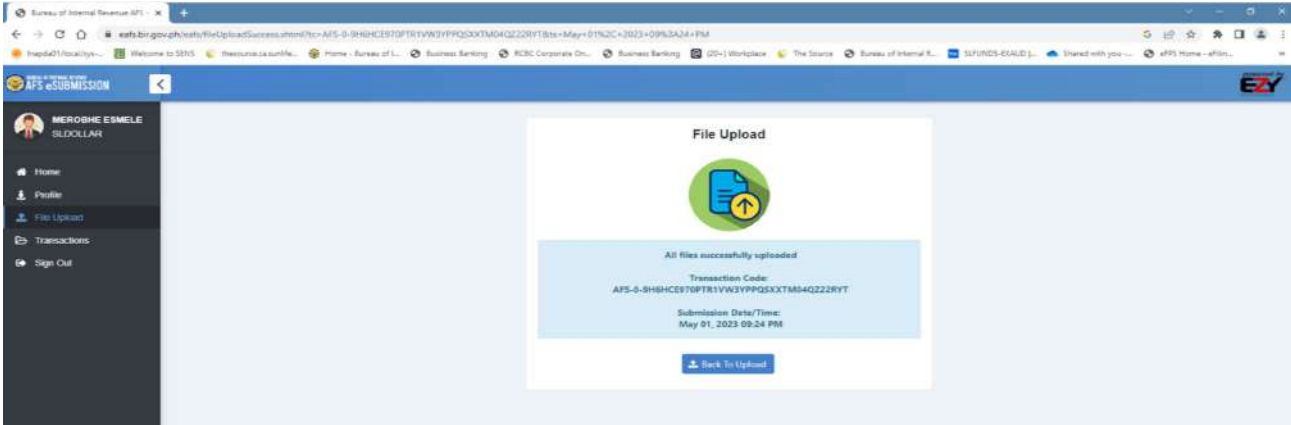
Contact Person's Address

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

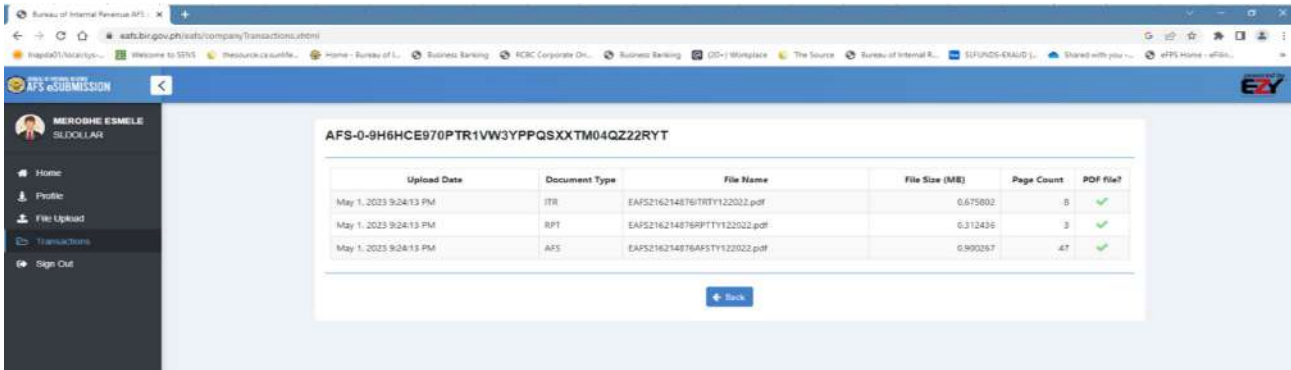
**Note 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated

**2:** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

2022 AFS filing in eAFS



The screenshot shows the 'File Upload' success page in the eAFS system. The page features a central white box with a green circular icon containing a document and an upward arrow. Below the icon, a blue box contains the text: 'All files successfully uploaded', 'Transaction Code: AFS-0-9H6HCE970PTR1VW3YPPQSXXTM04QZ22RYT', and 'Submission Date/Time: May 01, 2023 09:24 PM'. A blue button labeled 'Back To Upload' is positioned at the bottom of the box. The left sidebar shows the user profile 'MEROBHE ESEMELE SUDOLLAR' and navigation options: Home, Profile, File Upload, Transactions, and Sign Out. The browser address bar shows the URL: 'eafs.bir.gov.zh/eafs/fileUploadSuccess.shtml?tr=AFS-0-9H6HCE970PTR1VW3YPPQSXXTM04QZ22RYT&tr=May01\_2023+09%3A24+PM'.



The screenshot displays the 'Transaction List' for the transaction code 'AFS-0-9H6HCE970PTR1VW3YPPQSXXTM04QZ22RYT'. The list is presented in a table with columns for 'Upload Date', 'Document Type', 'File Name', 'File Size (MB)', 'Page Count', and 'PDF file?'. Three transactions are listed, all with a green checkmark in the 'PDF file?' column. A blue 'Back' button is located below the table. The left sidebar is identical to the previous screenshot. The browser address bar shows the URL: 'eafs.bir.gov.zh/eafs/company/transactions.shtml'.

Upload Date	Document Type	File Name	File Size (MB)	Page Count	PDF file?
May 1, 2023 9:24:13 PM	ITR	EAFS216214876TRTY122022.pdf	0.675002	8	✓
May 1, 2023 9:24:13 PM	RPT	EAFS216214876RPT1TY122022.pdf	0.312436	3	✓
May 1, 2023 9:24:13 PM	AFS	EAFS216214876AFS1TY122022.pdf	0.900267	47	✓





**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of Sun Life Prosperity Dollar Advantage Fund, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021 and 2020, in accordance with the Philippine Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Those charged with governance review and approve the financial statements including the schedules attached therein, and submits the same to the stockholders.

Navarro Amper & Co., the independent auditor appointed by the stockholders for the periods December 31, 2022 and 2021, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders has expressed its opinion on the fairness of presentation upon completion of such audit.

Handwritten signature of Benedicto C. Sison in black ink.

\_\_\_\_\_  
**Benedicto C. Sison**, Chairman of the Board

Handwritten signature of Valerie N. Pama in black ink.

\_\_\_\_\_  
**Valerie N. Pama**, President

Handwritten signature of Jeanemar S. Talaman in black ink, enclosed in a circular scribble.

\_\_\_\_\_  
**Jeanemar S. Talaman**, Treasurer

Signed this 8th day of March 2023.



Subscribed and sworn to me before this MAR 10 2023 day of \_\_\_\_\_ 2023 at CITY OF MAKATI, Philippines  
exhibiting to me competent evidence of identity, as follows:

Name	Government Issued ID	Date/Place Issued
Benedicto C. Sison	Passport ID P8268568B	24 Nov 2021/DFA Manila
Valerie N. Pama	Passport ID P7158454B	8 July 2021/DFA Manila
Jeanemar S. Talamon	Driver's License F03-13-001744	05 June 2018/ DLRC - Ayala

**WITNESS MY HAND AND SEAL** on the date and place above written:

Doc. No. 111  
Page No. 24  
Book No. XIII  
Series of 2023.

**ATTY. GERVACIO B. ORTIZ JR.**  
Notary Public, City of Makati  
Until December 31, 2024  
IBP No. 05729-Lifetime Member  
MCLE Compliance No. VII-0022734  
valid until April 14, 2025  
Appointment No. M-39 (2023-2024)  
PTR No. 956352; Jan. 3, 2023/ Makati  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders  
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.  
(An Open-end Investment Company)  
Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Sun Life Prosperity Dollar Advantage Fund, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2022, 2021 and 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022, 2021 and 2020, in accordance with Philippine Financial Reporting Standards (PFRS).

#### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

### *Report on the Supplementary Information Required by the Bureau of Internal Revenue*

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

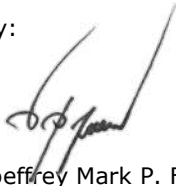
Navarro Amper & Co.

BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024

SEC A.N. 0004-SEC, issued on December 7, 2021; Group A, valid to audit 2021 to 2025 financial statements

TIN 005299331

By:



Joe Jeffrey Mark P. Ferrer

Partner

CPA License No. 0115793

SEC A.N. 115973-SEC, issued on August 2, 2022; Group A, valid to audit 2021 to 2025 financial statements

TIN 211965340

BIR A.N. 08-002552-058-2021, issued on September 8, 2021; effective until September 7, 2024

PTR No. A-5701204, issued on January 12, 2023, Taguig City

Taguig City, Philippines

April 14, 2023



**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF FINANCIAL POSITION**

(In US Dollars)

		<b>December 31</b>	
	<b>Notes</b>	<b>2022</b>	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	<b>\$ 1,015,040</b>	\$ 2,150,281
Financial assets at fair value through profit or loss	8	<b>26,437,125</b>	35,183,933
Accrued interest receivable	7	<b>9,413</b>	8,319
Due from brokers	9	-	150,000
Other current assets		-	215
		<b>\$27,461,578</b>	\$37,492,748
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	10	<b>\$ 53,025</b>	\$ 26,150
Payable to fund manager	11	<b>41,308</b>	53,220
Income tax payable		<b>115</b>	-
Total Current Liabilities		<b>94,448</b>	79,370
<b>Equity</b>			
Share capital	12	<b>427,393</b>	427,393
Additional paid-in capital	13	<b>64,797,510</b>	59,680,740
Retained earnings		<b>14,906,571</b>	22,147,832
		<b>80,131,474</b>	82,255,965
Treasury shares	12	<b>(52,764,344)</b>	(44,842,587)
Total Equity		<b>27,367,130</b>	37,413,378
		<b>\$27,461,578</b>	\$37,492,748
<b>Net Asset Value Per Share</b>	14	<b>\$ 3.8459</b>	\$ 4.8008

*See Notes to Financial Statements.*

**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF COMPREHENSIVE INCOME**

(In US Dollars)

<b>For the Years Ended December 31</b>				
	<b>Notes</b>	<b>2022</b>	2021	2020
<b>Investment Income (Loss) - net</b>				
Net realized gains (loss) on investments	8	<b>(\$ 1,726,176)</b>	\$7,559,790	\$544,359
Interest income	15	<b>54,178</b>	15,568	10,870
Dividend income	8	<b>30,738</b>	20,242	44,321
Other income		<b>1,050</b>	1,260	24
		<b>(1,640,210)</b>	7,596,860	599,574
<b>Investment Expenses</b>				
Commissions	9	<b>4,981</b>	2,037	6,014
<b>Net Investment Income (Loss)</b>		<b>(1,645,191)</b>	7,594,823	593,560
<b>Operating Expenses</b>				
Management and transfer fees	11	<b>307,460</b>	379,943	312,519
Distribution fees	11	<b>256,087</b>	316,610	260,482
Taxes and licenses		<b>10,267</b>	2,051	5,150
Custodianship fees		<b>9,526</b>	11,549	8,926
Directors' fees	11	<b>5,758</b>	10,167	6,370
Professional fees		<b>3,280</b>	3,787	4,022
Printing and supplies		<b>124</b>	101	341
Miscellaneous		<b>3,154</b>	1,389	1,860
		<b>595,656</b>	725,597	599,670
<b>Profit (Loss) Before Net Unrealized Gains (Losses)</b>				
<b>on Investments</b>		<b>(2,240,847)</b>	6,869,226	(6,110)
<b>Net Unrealized Gains (Losses) on Investments</b>	8	<b>(4,998,282)</b>	(4,659,703)	4,524,616
<b>Profit (Loss) Before Tax</b>		<b>(7,239,129)</b>	2,209,523	4,518,506
<b>Income Tax Expense</b>	18	<b>2,132</b>	161	799
<b>Total Comprehensive Income (Loss) for the Year</b>		<b>(\$7,241,261)</b>	\$2,209,362	\$4,517,707
<b>Basic Earnings (Loss) per Share</b>	16	<b>\$ (0.972)</b>	\$ 0.276	\$ 0.574

See Notes to Financial Statements.

**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF CHANGES IN EQUITY**

(In US Dollars)

For the Years Ended December 31

		Share Capital	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2020	12, 13	427,393	56,903,739	15,420,763	(40,076,157)	32,675,738
Total Comprehensive Income for the Year		-	-	4,517,707	-	4,517,707
Transactions with owners:						
Reissuance of treasury shares during the year	12	-	820,007	-	2,462,977	3,282,984
Acquisition of treasury shares during the year	12	-	-	-	(5,850,174)	(5,850,174)
Total transactions with owners		-	820,007	-	(3,387,197)	(2,567,190)
Balance, December 31, 2020	12, 13	427,393	57,723,746	19,938,470	(43,463,354)	34,626,255
Total Comprehensive Income for the Year		-	-	2,209,362	-	2,209,362
Transactions with owners:						
Reissuance of treasury shares during the year	12	-	1,956,994	-	4,043,752	6,000,746
Acquisition of treasury shares during the year	12	-	-	-	(5,422,985)	(5,422,985)
Total transactions with owners	12, 13	-	1,956,994	-	(1,379,233)	577,761
Balance, December 31, 2021		427,393	59,680,740	22,147,832	(44,842,587)	37,413,378
Total Comprehensive Loss for the Year		-	-	(7,241,261)	-	(7,241,261)
Transactions with owners:						
Reissuance of treasury shares during the year	12	-	5,116,770	-	1,000,600	6,117,370
Acquisition of treasury shares during the year	12	-	-	-	(8,922,357)	(8,922,357)
Total transactions with owners	12, 13	-	5,116,770	-	(7,921,757)	(2,804,987)
<b>Balance, December 31, 2022</b>		<b>\$427,393</b>	<b>\$64,797,510</b>	<b>\$14,906,571</b>	<b>(\$52,764,344)</b>	<b>\$27,367,130</b>

See Notes to Financial Statements.



**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF CASH FLOWS**

(In US Dollars)

**For the Years Ended December 31**

	<b>Notes</b>	<b>2022</b>	2021	2020
<b>Cash Flows from Operating Activities</b>				
Profit (Loss) before tax		( <b>\$7,239,129</b> )	\$ 2,209,523	\$ 4,518,506
Adjustments for:				
Net unrealized (gains) losses on investments	8	<b>4,998,282</b>	4,659,703	(4,524,616)
Net realized (gains) losses on investments	8	<b>1,726,176</b>	(7,559,790)	(544,359)
Dividend income	8	<b>(30,738)</b>	(20,242)	(44,321)
Interest income	15	<b>(54,178)</b>	(15,568)	(10,870)
Operating cash flows before working capital changes		<b>(599,587)</b>	(726,374)	(605,660)
Decrease (Increase) in other current assets		<b>215</b>	(18)	-
(Decrease) Increase in:				
Accrued expenses and other payables		<b>26,875</b>	(18,645)	11,288
Payable to fund manager		<b>(11,912)</b>	3,011	2,070
Cash used in operations		<b>(584,409)</b>	(742,026)	(592,302)
Acquisition of financial assets at fair value through profit or loss	8	<b>(42,057,617)</b>	(34,744,963)	(27,888,368)
Proceeds from disposal and maturity of financial assets at fair value through profit or loss	8, 9	<b>44,229,967</b>	35,201,083	31,843,354
Interest received		<b>53,084</b>	10,384	8,865
Dividends received	8	<b>30,738</b>	20,242	44,321
Income taxes paid		<b>(2,017)</b>	(489)	(1,212)
<b>Net cash generated from (used in) operating activities</b>		<b>1,669,746</b>	(255,769)	3,414,658
<b>Cash Flows from Financing Activities</b>				
Proceeds from reissuance of treasury shares	12, 13	<b>6,117,370</b>	6,000,746	3,282,984
Payments on acquisition of treasury shares	12	<b>(8,922,357)</b>	(5,422,985)	(5,850,174)
<b>Net cash generated from (used in) financing activities</b>		<b>(2,804,987)</b>	577,761	(2,567,190)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>(1,135,241)</b>	321,992	847,468
<b>Cash and Cash Equivalents, Beginning</b>		<b>2,150,281</b>	1,828,289	980,821
<b>Cash and Cash Equivalents, End</b>		<b>\$1,015,040</b>	\$ 2,150,281	\$ 1,828,289

See Notes to Financial Statements.

# **SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

(An Open-end Investment Company)

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## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2022 AND 2021 AND FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 and 2020**

(In US Dollars)

### **1. CORPORATE INFORMATION**

Sun Life Prosperity Dollar Advantage Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 13, 2002 and started its commercial operations on July 1, 2002. The Company is a registered open-end investment company under the Investment Company Act (Republic Act "R.A." No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). It is engaged in the sale of redeemable shares and is designed to generate total long-term returns consisting of current income and capital growth in United States Dollars through investments in foreign-currency denominated fixed-income securities issued by the Philippines, United States and other foreign governments and by Philippine and foreign corporations, common shares and related securities, such as preferred share, convertible securities, depository receipts issued by Philippine and foreign corporations and US-dollar denominated deposits. As an open-end investment company, its shares are redeemable anytime based on the Net Asset Value Per Share (NAVPS) at the time of redemption.

The Company appointed Sun Life Asset Management Company, Inc. (SLAMCI), an investment management company incorporated in the Philippines and a wholly-owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as its fund manager, adviser, administrator, distributor and transfer agent which provides management, distribution and all required operational services as disclosed in Note 11.

The Company's registered office address and principal place of business is at the 5<sup>th</sup> Floor, Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

### **2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION**

#### **Statement of Compliance**

The financial statements of the Company 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 and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy (BOA), and adopted by the SEC.

#### **Basis of Preparation and Presentation**

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 in the nearest Dollar, except when otherwise indicated.

### **3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

#### **Adoption of New and Revised Accounting Standards Effective in 2022**

The Company adopted all accounting standards and interpretations effective as at December 31, 2022. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FSRSC in the Philippines were adopted by the Company and were assessed as not applicable and have no impact on the Company's financial statements.

#### **New Accounting Standards Effective as at Reporting Period Ended December 31, 2022**

##### *Amendments to PFRS 3, References to the Conceptual Framework*

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21, *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company is not in the process of and has no plan to enter into business combination.

##### *Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statements of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statements of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022 with early application permitted.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company did not have property, plant and equipment recorded in its financial statements.

#### *Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022 with early application permitted.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company did not issue and enter into onerous contract.

#### *Annual Improvements to PFRS Standards 2018-2020 Cycle*

##### *Amendments to PFRS 1, Subsidiary as a first-time adopter*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

##### *Amendments to PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

##### *Amendments to PFRS 16, Lease incentives*

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated.

#### Amendments to PAS 41, *Taxation in fair value measurements*

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13, *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company did not have subsidiary as a first-time adopter; did not derecognize any liabilities; did not have lease contracts and leasehold improvements; and did not have biological assets covered by PAS 41 that need to exclude its cash flows for taxation on its financial statements.

#### **New Accounting Standards Effective after the Reporting Period Ended December 31, 2022**

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

##### *PFRS 17, Insurance contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, *Insurance Contracts*.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued in June 2020 and adopted by FSRSC in August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2025, as amended by the FSRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. 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 PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process and has no plan to acquire such investments.

*Amendments to PAS 1, Classification of Liabilities as Current or Non-current*

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

Management does not anticipate that the application of the amendments in the future will have an impact on the financial statements since the current classification is not expected to change and that the existing liabilities of the Company are all current.

*Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative, Accounting Policies*

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Company does not anticipate that the application of the amendments in the future will have an impact on the financial statements as all material accounting policy information are already disclosed in the notes to the financial statements.

#### *Amendments to PAS 8, Definition of Accounting Estimates*

With the amendment, accounting estimates are now defined as “monetary amounts in financial statements that are subject to measurement uncertainty.”

The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The future adoption of the amendments will have no effect on the Company’s financial statements as the clarification in the amendment does not change the Company’s definition of an accounting estimate.

#### *Amendments to PAS 12, Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying PFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities; and
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have lease contracts and leasehold improvements and does not recognize deferred assets and liabilities.

*Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9 – Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9, *Comparative Information* (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9.

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FSRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of BOA.

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

*Amendments to PFRS 16, Lease Liability in a Sale and Leaseback*

The amendments to PFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.

The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. Still subject to approval of BOA and FSRSC.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have lease liability recorded in its financial statements.

*Amendments to PAS 1, Non-current Liabilities with Covenants*

The amendments to PAS 1 to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or non-current.



The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The amendments specify that the right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. Still subject to approval of BOA and FSRSC.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have non-current liability with covenants recorded in its financial statements.

#### **4. 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 fair value through profit or loss (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**

The Company classifies its financial assets in the following measurement categories:

- FVTPL;
- Fair value through other comprehensive income (FVTOCI); and
- Amortized cost

As at December 31, 2022 and 2021, the Company does not have financial assets classified as 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 solely payment of principal and interest (SPPI).

All other debt and equity instruments 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 statements of comprehensive income or in reserves (without subsequent recycling to profit or loss).

### 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 group 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 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 purchased or originated credit-impaired (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 (ECL), 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 other comprehensive income (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 profit or loss as applicable.

#### *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.

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.

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.

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.

#### *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.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- 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 fulfill its obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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.

#### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or FVTOCI are credit-impaired at each reporting date. To assess if debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

#### *Write-off*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

#### *Measurement and recognition of ECL*

The measurement of ECL is a function of the PD, LGD (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the PD and LGD is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

#### *Presentation of allowance for ECL in the statements of financial position*

Loss allowances for ECL are presented in the statements of financial position as a deduction from the gross carrying amount of the assets.

#### 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, but is transferred to retained earnings.

## **Financial Liabilities and Equity Instruments**

### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in 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. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

In making the determination of whether recognizing changes in the liability's credit risk in OCI will create or enlarge an accounting mismatch in profit or loss, the Company assesses whether it expects that the effects of changes in the liability's credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL. This determination is made at initial recognition.

Since the company does not have financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost.

### *Financial liabilities measured subsequently at amortized cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently 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 (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) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

The Company's financial liabilities classified under this category include accrued expenses and other payables 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.

#### **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.

### **Contingent Liabilities and Assets**

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized, but are disclosed only when an inflow of economic benefits is probable. When the realization of income is virtually certain, asset should be recognized.

### **Revenue Recognition**

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

#### Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payments have been established, usually at ex-dividend rate, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

#### 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 the 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 25% regular corporate income tax (RCIT) rate or 1% minimum corporate income tax (MCIT), rate in 2022 and 2021 and 30% RCIT rate or 2% MCIT rate, whichever is higher, in 2020, respectively.

### Final tax

Final tax expense represents final taxes withheld on interest income from cash in banks, cash equivalents 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.

### **Earnings (Loss) per Share**

The Company computes its basic earnings (loss) 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 DFFS 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 deposits for future share 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.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical Judgments in Applying Accounting Policies**

The following are the critical judgments, apart from those involving estimations, that Management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

#### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and 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 SPPI. All other financial assets that do not meet the SPPI and business model test are measured at FVTPL.

As at December 31, 2022 and 2021, the Company's financial assets measured at FVTPL amounted to \$26,437,125 and \$35,183,933, respectively, as disclosed in Note 8, and financial assets measured at amortized cost amounted to \$1,024,453 and \$2,308,600, respectively, composed of cash and cash equivalents, accrued interest receivable, and due from brokers, as disclosed in Notes 6, 7 and 9, respectively.

#### 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 disclosed in Note 20.

As at December 31, 2022 and 2021, the Company's financial instruments 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 as well as in estimating ECL. 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, including assumptions that relate to key drivers of credit risk.

The Company's model and assumptions used in measuring the fair value of financial assets and estimating ECL are disclosed in Notes 17 and 20, respectively.

#### 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's share capital met the specified criteria to be presented as equity. The Company designated its redeemable share capital as equity instruments since the Company's share capital met the criteria specified in PAS 32, *Financial Instruments: Presentation*, 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 December 31, 2022 and 2021, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to \$427,393, as disclosed in Note 12.

## **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 December 31, 2022 and 2021, the Company assessed a nil PD for all of its financial assets measured at amortized cost.

The assumptions used by the Company in estimating PD is disclosed in Note 20.

### 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. The categorization of LGD estimates per financial asset measured at amortized cost is disclosed in Note 20.

### Estimating loss allowance for ECL

The measurement of the ECL 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. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 20 Credit Risk - ECL measurement, which also sets out the key sensitivities of the ECL to changes in these elements.

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.

The Company's ECL assessment on the financial assets measured at amortized cost is disclosed in Note 20.

### Deferred tax assets

The Company reviews the carrying amount at the end of each of 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 deferred tax assets as at December 31, 2022 and 2021, as disclosed in Note 18.

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

The Company carries its investments in traded debt securities at fair value, which requires 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.

As at December 31, 2022 and 2021, the carrying amounts of investments in debt securities classified as financial assets at FVTPL amounted to \$1,225,939 and \$1,133,384, respectively, as disclosed in Note 8.

**6. CASH AND CASH EQUIVALENTS**

This account consists of:

	<b>2022</b>	2021
Cash in banks	<b>\$ 664,136</b>	\$ 2,150,281
Cash equivalents	<b>350,904</b>	-
	<b>\$1,015,040</b>	\$ 2,150,281

Cash in banks earned interest amounting to \$50, \$73 and \$86 at average rates of 0.05%, 0.01% and 0.01% in 2022, 2021 and 2020, respectively, as disclosed in Note 15.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies an investment as cash equivalents if that investment has a maturity of three months or less from the date of acquisition.

Cash equivalents earned interest amounting to \$9,498, nil and nil at average rates of 5.41%, nil and nil in 2022, 2021 and 2020, respectively, as disclosed in Note 15.

**7. ACCRUED INTEREST RECEIVABLE**

This account consists of accrued interest on the following:

	<b>Notes</b>	<b>2022</b>	2021
Fixed-income securities	8	<b>P 9,314</b>	P 8,319
Cash equivalents	6	<b>99</b>	-
		<b>P 9,413</b>	P 8,319

Collection of interest depends on the scheduled interest payments of each asset held.

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

This account consists of:

	<b>Note</b>	<b>2022</b>	2021
Investments in global mutual funds		<b>\$23,100,521</b>	\$29,518,863
Investments in global exchange traded funds		<b>2,110,665</b>	3,581,507
Investments in fixed-income securities		<b>1,225,939</b>	1,133,384
Investment in mutual funds	11	-	950,179
		<b>\$26,437,125</b>	\$35,183,933

Financial assets at FVTPL are composed of investments in global mutual funds, global exchange traded funds and fixed-income securities in the form of dollar-denominated government bonds.

Investments in fixed-income securities are composed of treasury bonds.

Investment in global mutual funds and global exchange traded funds are investments to foreign-based securities.

Investment in mutual funds are investments to Sun Life Prosperity Dollar Starter Fund, Inc. as disclosed in Note 11.

The Company recognized dividend income from global exchange traded funds amounting to \$30,738, \$20,242 and \$44,321 in 2022, 2021 and 2020, respectively.

Interest income earned on fixed-income securities amounted to \$44,630, \$15,495 and \$10,784 in 2022, 2021, and 2020, respectively, as disclosed in Note 15. Average rates earned on these investments are also disclosed in Note 15.

Accrued interest receivable amounted to \$9,314 and \$8,319 as at December 31, 2022 and 2021, respectively.

Net gains (losses) on investments recognized in profit or loss arising from financial assets at FVTPL are as follows:

	2022	2021	2020
Net realized gains (losses) on investments in:			
Equity securities	( <b>\$ 1,503,516</b> )	\$7,636,066	\$ 513,926
Fixed-income securities	( <b>222,660</b> )	(76,276)	30,433
	<b>(1,726,176)</b>	7,559,790	544,359
Net unrealized gains (losses) on investments:			
Equity securities	( <b>4,591,653</b> )	(4,778,153)	4,565,788
Fixed-income securities	( <b>406,629</b> )	118,450	(41,172)
	<b>(4,998,282)</b>	(4,659,703)	4,524,616
	<b>(\$ 6,724,458)</b>	\$2,900,087	\$5,068,975

Equity securities are composed of mutual funds, global exchange traded funds and global mutual funds, while fixed-income securities are composed of treasury bonds.

The movements in the financial assets at FVTPL are summarized as follows:

	2022	2021	2020
Balance, January 1	<b>\$35,183,933</b>	\$32,739,966	\$ 31,775,977
Additions	<b>42,057,617</b>	34,744,963	27,888,368
Disposal	<b>(45,806,143)</b>	(27,641,293)	(31,448,995)
Unrealized gains (losses)	<b>(4,998,282)</b>	(4,659,703)	4,524,616
Balance, December 31	<b>\$26,437,125</b>	\$35,183,933	\$ 32,739,966

The following table presents the breakdown of maturity profile of the principal amounts of fixed-income securities:

	2022	2021
Due after five years through ten years	<b>\$ 285,000</b>	\$ -
Due after ten years	<b>1,373,000</b>	1,135,000
	<b>\$1,658,000</b>	\$1,135,000

## 9. DUE FROM 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 days after the transaction date.

Due from brokers amounted to nil and \$150,000 as at December 31, 2022 and 2021, respectively.



Commission expense amounting to \$4,981, \$2,037 and \$6,014 in 2022, 2021 and 2020, respectively, were paid to brokers when shares were bought and sold.

## 10. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2022	2021
Due to investors	<b>\$43,948</b>	\$15,310
Withholding and documentary stamp taxes	<b>3,814</b>	4,871
Professional fees	<b>3,336</b>	1,904
Custodianship fees	<b>1,927</b>	4,065
	<b>\$53,025</b>	\$26,150

Due to investors account pertains to amounts payable to investors for the redemption of their investments processed on or before the reporting period, which are usually paid four days after the transaction date.

## 11. RELATED PARTY TRANSACTIONS

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

The details of transactions with related parties and the amounts are set out below:

Nature of Transaction	Transactions During the Year			Outstanding Balances Payable		Terms	Condition	Note
	2022	2021	2020	2022	2021			
SLAMCI - Fund Manager								
Management, Distribution and Transfer fees	<b>\$563,547</b>	\$696,553	\$573,001	<b>\$41,308</b>	\$53,220	Non-interest bearing; Annual rate of 1.65% of average daily net assets; settled in cash on or before the 15 <sup>th</sup> day of the following month	Unsecured; Unguaranteed; Unimpaired	a
Key Management Personnel								
Directors' fees	<b>5,758</b>	10,167	6,370	-	-	Payable on demand; Settled in cash	Unsecured; Unguaranteed	b
Entities Under Common Control								
Sun Life of Canada Philippines, Inc.								
Purchase	-	-	\$170,588	-	-	Non-interest bearing; Settled in cash on the day of transaction	Unsecured	c
Sale	-	-	178,313	-	-			

As at December 31, 2022 and 2021 below is the outstanding investment of the Company:

	2022		2021	
	Shares	Current Value	Shares	Current Value
Sun Life Prosperity Dollar Starter Fund, Inc.	8	-	895,888	\$ 950,179

Details of the Company's related party transactions are as follows:

### a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 1.50% (exclusive of VAT) of the net assets attributable to shareholders on each valuation

day. Moreover, under the Transfer Agency Agreement, SLAMCI receives aggregate fees for these services at an annual rate of 0.15% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day.

On July 13, 2022, the Board of Directors of the Company and SLAMCI jointly approved to continue its MDA and Transfer Agency Agreements based on the provisions of ICA 2018 IRR (Implementing Rules and Regulations of the Investment Company Act 2018) published by the SEC on January 11, 2018. The agreements shall remain to continue in effect from year to year as approved by the respective Board of Directors of the Company and SLAMCI.

Management, distribution and transfer fees charged by SLAMCI to the Company in 2022, 2021 and 2020 amounted to \$563,547, \$696,553 and \$573,001, respectively. Accrued management fees as at December 31, 2022 and 2021 amounting to \$41,308 and \$53,220, respectively, are shown as "Payable to Fund Manager" in the statements of financial position.

#### b. Remuneration of Directors

Remuneration of Directors is presented in the statements of comprehensive income under "Directors' Fees" amounting to \$5,758, \$10,167 and \$6,370 in 2022, 2021 and 2020, respectively, which are usually paid to directors based on the number of meetings held and attended. There were no outstanding accrual for directors' fees as at December 31, 2022 and 2021.

Except for the Board of Directors, the Company has no management personnel and employees. Pursuant to the Company's MDA with SLAMCI, the latter provides all the staff of the Company, including executive officers and other trained personnel.

#### c. Purchase and Sale of Investments

These types of transactions are buying and selling of the same security between portfolios of two separate affiliated legal entities and whose assets are managed by Investments Department of SLAMCI until July 25, 2021 and Sun Life Investment Management and Trust Corporation from July 26, 2021 onwards onwards. Portfolio Managers determine that this is appropriate and in the best interest of certain portfolios and ensure that the trade will be executed in a manner that is fair and equitable to both parties involved in the cross trade.

## 12. EQUITY

Movements are as follows:

	2022		2021		2020	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized: at P1.00 par value						
At January 1	33,200,000	P33,200,000	33,200,000	P33,200,000	33,200,000	P33,200,000
At December 31	33,200,000	P33,200,000	33,200,000	P33,200,000	33,200,000	P33,200,000
Issued and fully paid:						
At January 1 and December 31	21,369,625	\$ 427,393	21,369,625	\$ 427,393	21,369,625	\$ 427,393
Treasury shares:						
At January 1	13,576,513	\$44,842,587	13,696,808	\$43,463,354	13,014,152	\$40,076,157
Acquisition	980,183	8,922,357	1,154,050	5,422,985	1,482,472	5,850,174
Reissuance	(302,941)	(1,000,600)	(1,274,345)	(4,043,752)	(799,816)	(2,462,977)
At December 31	14,253,755	\$52,764,344	13,576,513	\$44,842,587	13,696,808	\$43,463,354

Fully paid ordinary shares with a par value of P1.00 carry one vote per share and a right to dividends.

#### *Incorporation*

The Company was incorporated on February 13, 2002 with 2,000,000 authorized shares with a par value of P1.00 per share.

### *Approved changes*

On February 14, 2002, the shareholders approved the blanket increase in the Company's authorized share capital up to 22,000,000 shares with a par value of P1.00 per share.

On October 29, 2003, the Board of Directors approved the first tranche of the share capital increase of 2,200,000 shares (from 2,000,000 shares to 4,200,000 shares both with a par value of P1.00), which was approved by the SEC on August 4, 2004.

On February 17, 2006, the Board of Directors approved the second tranche of the share capital increase of 2,000,000 shares (from 4,200,000 shares to 6,200,000 shares both with a par value of P1.00), which was also approved by the SEC on July 13, 2006.

On October 6, 2011, the Board of Directors approved the third tranche of the share capital increase of 12,000,000 shares (from 6,200,000 shares to 18,200,000 shares both with a par value of P1.00), which was approved by the SEC on May 10, 2013.

On April 29, 2014, the Board of Directors approved the increase in authorized shares of 15,000,000 (from 18,200,000 shares to 33,200,000 shares both with a par value of P1.00).

The SEC approved the increase of authorized share capital on October 2, 2014 and the registration statements on March 18, 2015.

### *Current state*

As at December 31, 2022, the Company has 7,115,870 issued and outstanding shares out of 33,200,000 authorized shares with a par value of P1.00 per share.

The annual summary of the transactions affecting the Company's outstanding shares is as follows:

Year	NAVPS, end	Issuances	Redemptions	Transfer from DFFS	Subscriptions	Balances
2011	\$2.6513	1,481,258	(1,514,158)	-	-	6,161,795
2012	\$2.8819	1,219,254	(1,612,721)	-	-	5,768,328
2013	\$3.1982	1,934,788	(1,503,292)	8,654,928	-	14,854,752
2014	\$3.2074	7,439,942	(4,097,655)	-	3,169,629	21,366,668
2015	\$3.1122	860,225	(5,074,848)	-	-	17,152,045
2016	\$3.1106	877,134	(4,495,866)	-	-	13,533,313
2017	\$3.6525	2,058,936	(4,162,188)	-	-	11,430,061
2018	\$3.3086	1,439,745	(3,047,242)	-	-	9,822,564
2019	\$3.9107	783,681	(2,250,772)	-	-	8,355,473
2020	\$4.5128	799,816	(1,482,472)	-	-	7,672,817
2021	\$4.8008	1,274,345	(1,154,050)	-	-	7,793,112
2022	\$3.8459	302,941	(980,183)	-	-	7,115,870

The total number of shareholders as at December 31, 2022, 2021 and 2020 are 4,131, 4,090 and 3,875, respectively.

### *Redeemable shares*

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

a. Distribution of dividends

Each shareholder has a right to any dividends declared by the Company's Board of Directors and approved by 2/3 of its outstanding shareholders.

b. Denial of pre-emptive rights

No shareholder shall, because of his ownership of the shares, have a pre-emptive or other right to purchase, subscribe for, or take any part of shares or of any other securities convertible into or carrying options or warrants to purchase shares of the registrant.

c. Right of redemption

The holder of any share, upon its presentation to the Company or to any of its duly authorized representatives, is entitled to receive, by way of redemption, approximately his proportionate share of the Company's current net assets or the cash equivalent thereof. Shares are redeemable at any time at their net asset value less any applicable sales charges and taxes.

**13. ADDITIONAL PAID-IN CAPITAL**

Additional paid-in capital of \$64,797,510, \$59,680,740 and \$57,723,746 as at December 31, 2022, 2021 and 2020, respectively, pertains to excess payments over par value from investors and from reissuance of treasury shares.

**14. NET ASSET VALUE PER SHARE (NAVPS)**

NAVPS is computed as follows:

	Note	2022	2021
Total equity		<b>\$27,367,130</b>	\$37,413,378
Outstanding shares	12	<b>7,115,870</b>	7,793,112
NAVPS		<b>\$ 3.8459</b>	\$ 4.8008

NAVPS is based on issued, outstanding and fully paid shares minus treasury shares. The expected cash outflow on redemption of these shares is equivalent to the computed NAVPS as at reporting period.

**15. INTEREST INCOME**

This account consists of interest income on the following:

	Notes	2022	2021	2020
Fixed-income securities	8	<b>\$44,630</b>	\$15,495	\$10,784
Cash equivalents	6	<b>9,498</b>	-	-
Cash in banks	6	<b>50</b>	73	86
		<b>\$54,178</b>	\$15,568	\$10,870

Interest income is recorded gross of final withholding tax which is shown as "Income Tax Expense" account in the statements of comprehensive income.

Average interest rates of investments and cash and cash equivalents in 2022, 2021 and 2020 are as follows:

	Notes	2022	2021	2020
Fixed-income securities	8	1.94%	1.94%	1.42%
Cash equivalents	6	5.41%	-	-
Cash in banks	6	0.01%	0.01%	0.01%

## 16. EARNINGS (LOSS) PER SHARE

The calculation of the basic diluted earnings (loss) per share is based on the following data:

	2022	2021	2020
Total comprehensive income (loss) for the year	<b>(\$7,241,261)</b>	\$2,209,362	\$4,517,707
Weighted average number of shares: Issued and outstanding	<b>7,451,117</b>	8,013,077	7,872,780
Weighted average number of outstanding shares for the purpose of computing diluted earnings per share	<b>7,451,117</b>	8,013,077	7,872,780
Basic diluted earnings (loss) per share	<b>(\$ 0.972)</b>	\$ 0.276	\$ 0.574

As at December 31, 2022, 2021 and 2020, the Company has no dilutive potential ordinary shares.

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

*Assets 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 classified under level 1 based on the degree to which the inputs to fair value are observable.

	Note	Level 1
<b>December 31, 2022</b>		
Investments in global mutual funds	8	<b>\$23,100,521</b>
Investments in global exchange traded funds	8	<b>2,110,665</b>
Investments in fixed-income securities	8	<b>1,225,939</b>
		<b>\$26,437,125</b>
<b>December 31, 2021</b>		
Investments in global mutual funds	8	\$29,518,863
Investments in global exchange traded funds	8	3,581,507
Investments in fixed-income securities	8	1,133,384
Investments in mutual fund	8	950,179
		<b>\$35,183,933</b>

The fair values of fixed-income securities classified as Level 1 are based on quoted prices of either done deals or bid rates

Investments in traded and mutual funds are valued at their published NAVPS as at December 31, 2022 and 2021.

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 and disclosed in Note 8.

*Financial assets and liabilities not measured at fair value*

The following financial assets and financial liabilities are not measured at fair values on recurring basis but the fair value disclosure is required:

	Notes	Carrying Amounts	Fair Values		
			Level 1	Level 2	Total
<b>December 31, 2022</b>					
<b>Financial Assets</b>					
Cash in banks	6	\$ 664,136	\$664,136	\$ -	\$ 664,136
Cash equivalents	6	350,904	-	350,904	350,904
Accrued interest receivable	7	9,413	-	9,413	9,413
		<b>\$1,024,453</b>	<b>\$664,136</b>	<b>\$360,317</b>	<b>\$1,024,453</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	11	\$ 49,211	\$ -	\$ -	\$ 49,211
Payable to fund manager	11	41,308	-	-	41,308
		<b>\$ 90,519</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,519</b>
<b>December 31, 2021</b>					
<b>Financial Assets</b>					
Cash in banks	6	\$2,150,281	\$2,150,281	\$ -	\$2,150,281
Due from brokers	9	150,000	-	150,000	150,000
Accrued interest receivable	7	8,319	-	8,319	8,319
		<b>\$2,308,600</b>	<b>\$2,150,281</b>	<b>\$158,319</b>	<b>\$2,308,600</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	9	\$21,279	\$ -	\$21,279	\$21,279
Payable to fund manager	10	53,220	-	53,220	53,220
		<b>\$74,499</b>	<b>\$ -</b>	<b>\$74,499</b>	<b>\$74,499</b>

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.

Cash in banks, cash equivalents, accrued interest receivable, due from brokers, accrued expenses and other payables, and payable to fund manager have short-term maturities, hence, their carrying amounts are considered their fair values.

There were no transfers between Level 1 and 2 in 2022 and 2021.

**18. INCOME TAXES**

Details of income tax expense are as follows:

	2022	2021	2020
Final tax	\$ 1,431	\$ 9	\$ 11
MCIT	701	349	788
Effect of change in income tax rate	-	(197)	-
	<b>\$2,132</b>	<b>\$ 161</b>	<b>\$ 799</b>

The reconciliation between income tax expense and the product of accounting profit (loss) multiplied by 25% in 2022 and 2021 and 30% in 2020 is as follows:

	2022	2021	2020
Accounting profit (loss) before tax	<b>(\$7,239,129)</b>	\$2,209,372	\$4,518,506
Tax expense (benefit) at 25% in 2022 and 2021 and 30% in 2020	<b>(\$1,809,782)</b>	\$552,343	\$1,355,552
Adjustment for income subject to lower tax rate	<b>(957)</b>	(6)	(3,250)
Tax effects of:			
Net unrealized (gains) losses on investments	<b>1,249,571</b>	1,164,926	(1,357,385)
Net realized (gains) losses on investments	<b>431,544</b>	(1,889,948)	(163,308)
Unrecognized Net Operating Loss Carry-Over (NOLCO)	<b>131,055</b>	172,694	168,402
Unrecognized MCIT	<b>701</b>	349	788
Changes in current tax expense due to the change in income tax rate	-	(197)	-
	<b>\$ 2,132</b>	\$ 161	\$ 799

On March 26, 2021, the Republic Act (RA) 11534 also known as "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE" Act was passed into law which reduced the corporate income tax rates and rationalized the current fiscal incentives by making it time-bound, targeted and performance-based.

Among others, the Act includes the following significant revisions:

1. Effective July 1, 2020, domestic corporations with total assets not exceeding P100 million and net taxable income of P5 million and below shall be subject to 20% income tax rate while the other domestic corporations and resident foreign corporations will be subject to 25% tax income tax rate; and
2. MCIT rate is reduced to from 2% to 1% from July 1, 2020 to June 30, 2023.

The tax rate used in the reconciliations above is the corporate tax rate of 25% in 2022 and 2021 and 30% in 2020 payable by the Company.

Details of the Company's NOLCO are as follows (in Philippine Peso):

Year Incurred	Year of Expiry	Beginning Balance	Additions	Expired	2022 Balance
2019	2022	P31,604,843	P -	P31,604,843	P -
2022	2025	-	29,259,316	-	<b>29,259,316</b>
		P31,604,843	P29,259,316	P31,604,843	<b>P29,259,316</b>

Details of the Company's NOLCO covered by Revenue Regulations (RR) No. 25-2020 are as follows (in Philippine Peso):

Year Incurred	Year of Expiry	Beginning Balance	Additions	Expired	2022 Balance
2020	2025	P26,980,029	P -	P -	<b>P26,980,029</b>
2021	2026	35,203,876	-	-	<b>35,203,876</b>
		P62,183,905	P -	P -	<b>P62,183,905</b>

Pursuant to Section 4 COVID-19 Response and Recovery Interventions paragraph (bbb) of Republic Act No. 11494 also known as "Bayanihan to Recover As One Act" and to RR No. 25-2020 of Bureau of Internal Revenue, the NOLCO incurred by the Company for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

Details of MCIT are as follows (in Philippine Peso):

Year Incurred	Year of Expiry	Amount	Change in Tax Rate	Applied Current Year	Expired	Unapplied
2019	2022	P28,555	P -	P-	P28,555	P -
2020	2023	37,861	9,465	-	-	<b>28,396</b>
2021	2024	17,793	-	-	-	<b>17,793</b>
2022	2025	39,032	-	-	-	<b>39,032</b>
		P123,241	P9,465	P-	P28,555	<b>P85,221</b>

Deferred tax assets arising from NOLCO and MCIT was not recognized since Management believes that future taxable income will not be available against which the deferred tax asset can be utilized.

The Company's interest income from cash in banks, cash equivalents and fixed-income securities are already subjected to final tax and are therefore excluded from the computation of taxable income subject to RCIT or MCIT.

Realized gains on redemption of investments in mutual funds and traded funds are exempted from tax and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

## 19. CONTINGENCIES

The Company has no pending legal cases as at December 31, 2022 and 2021 that may have a material effect on the Company's financial position and results of operations.

## 20. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, which includes 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.

### Market risk

The Company's activities expose it primarily to the financial risks of changes in interest rates, prices of equity securities in the share market and movements in NAVPS of investments in mutual funds, investments in global exchange traded funds and investments in global mutual funds. The Company has insignificant exposure to foreign exchange risk since foreign currency denominated transactions are minimal. There has been no change on the manner in which the Company manages and measures these risks.

### *Interest rate risk*

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company's interest rate risk relates to cash in banks, cash equivalents and fixed-income securities. The interest rates of these financial assets are disclosed in Notes 6, 8 and 15.

The risk is managed by the Fund Manager by actively monitoring the prevailing interest rate environment. The duration of the portfolio is reduced during periods of rising rates and widening credit spreads to maximize interest income potential. Conversely, the same is increased during periods of falling rates and narrowing credit spreads.



A 50 basis points increase or decrease in the interest rates had been determined for sensitivity analysis based on the exposure to interest rates for cash and cash equivalents and financial assets at FVTPL at the end of each reporting period. The same is used for reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonable effect of the maximum possible movement in interest rates.

The following table details the increase or decrease in net profit after tax if interest rates had been 50 basis points higher or lower and all other variables are held constant for the years ended 2022, 2021, and 2020:

Change in Interest Rates	Increase (Decrease) in Profit (Loss)		
	2022	2021	2020
+50 basis	<b>(\$91,062)</b>	(\$107,176)	(\$45,600)
-50 basis	<b>103,033</b>	123,863	\$53,459

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

#### *Equity Price Risk*

The Company is exposed to equity price risks arising from investments in global exchange traded funds and mutual funds.

The risk is managed by the Fund Manager by actively monitoring the domestic equity market and movements in NAVPS of investments in traded and mutual funds.

Based on the exposure to equity price risks at the end of each reporting period, if equity prices and NAVPS had been 2% higher or lower, profit or loss for the years ended December 31, 2022, 2021 and 2020 would have increased or decreased by \$494,906, \$668,426 and \$629,715, respectively.

Other than interest and equity price risks discussed above, there are no other market risks which will significantly affect the Company's performance.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent equity price risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

#### Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults, and transacts only with entities that are rated the equivalent of investment grade of "High" down to "Low". This information is supplied by independent rating agencies, when available. If the information is not available, the Company uses other publicly available financial information and its own trading records to rate its major counterparties. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amounts of financial assets recorded in the financial statements represent the Company's maximum exposure to credit risk without taking into account the value of any collateral obtained are as follows:

	Notes	2022	2021
Cash in banks	6	<b>\$ 664,136</b>	\$2,150,281
Cash equivalents	6	<b>350,904</b>	-
Financial assets at FVTPL	8	<b>1,225,939</b>	1,133,384
Accrued interest receivable	7	<b>9,413</b>	8,319
Due from brokers	9	-	150,000
		<b>\$2,250,392</b>	\$3,441,984

### *ECL measurement*

ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition. The Company's current credit risk grading framework comprises the following categories:

<b>Category</b>	<b>Description</b>	<b>Basis for recognizing expected credit losses</b>
Stage 1	The counterparty has a low risk of default and does not have any past-due amounts or that the financial instrument is not credit-impaired on initial recognition	12m ECL
Stage 2	There has been a significant increase in credit risk since initial recognition but not yet deemed to be credit-impaired	Lifetime ECL - not credit-impaired
Stage 3	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery or that the financial instrument is credit-impaired	Lifetime ECL - credit-impaired

### *Measuring ECL – Explanation of inputs, assumptions and estimation techniques*

The ECL is determined by projecting the PD, LGD and exposure at default (EAD) for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Given that the Company currently has no history of default on their portfolio, a model which incorporates internal default experience is not feasible. For the 12M and Lifetime PD, the Company uses external benchmarking of current internal credit ratings to S&P's using one-year transition matrices in S&P's Annual Global Corporate Default Study and Rating Transition reports. From the transition matrices, cumulative PDs are identified. The overall PD for a specific time horizon is calculated from the cumulative PD, by determining the marginal PD and taking the conditional PD given that it has not yet defaulted prior to the said time horizon. The resulting overall PDs are the values that will act as components in ECL calculation.

The table below summarizes the current internal credit rating equivalence system of the Company.

<b>Summary rating</b>	<b>Internal credit rating</b>	<b>S&amp;P rating</b>
High	AAA	AAA
High	AA	AA- to AA+
High	A	A- to A+
High	BBB	BBB- to BBB+
Satisfactory	BB	BB- to BB+
Acceptable	B	B- to B+
Low	CCC/C	CCC- to CCC+

The 12M and lifetime EADs are determined based on the contractual repayments owed by the borrower over the 12month or lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. The Company does not have an undrawn component for any of its debt instruments.

For the 12M and lifetime LGDs, considering the availability of related information, the Company used the external estimates sourced from S&P's.

*Forward-looking information incorporated in the ECL models*

The assessment of significant increase of credit risk and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The Company assessed that the key economic variables are unemployment rates for 2022 and 2021.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are based on the economic data from the International Monetary Fund (IMF) from year 2023 until 2027. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of EAD and LGD.

In addition to the base economic scenario, the best value economically spanning from the historical years is taken (upside forecasts). A similar approach applies for the downside forecasts. The scenario weightings are determined by a combination of statistical analysis and expert credit judgment, taking account of the range of possible outcomes each chosen scenario is representative of. The per-scenario Forward Looking Adjustments were assigned probability weights of 70% for the base scenario and 15% for each of the upside and downside forecast in 2022 and 2021.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at December 31, 2022 and 2021:

	Notes	Internal credit rating	Category	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
<b>2022</b>							
Cash in banks	6	AAA	Stage 1	12-month ECL	\$ 664,136	\$-	\$ 664,136
Cash equivalents	6	AAA	Stage 1	12-month ECL	350,904	-	350,904
Accrued interest receivable	7	AAA	Stage 1	12-month ECL	9,413	-	9,413
					<b>\$1,024,453</b>	<b>\$-</b>	<b>\$1,024,453</b>
<b>2021</b>							
Cash in banks	6	AAA	Stage 1	12-month ECL	\$2,150,281	\$-	\$2,150,281
Due from brokers	9	AAA	Stage 1	12-month ECL	150,000	-	150,000
Accrued interest receivable	7	AAA	Stage 1	12-month ECL	8,319	-	8,319
					<b>2,308,600</b>	<b>\$-</b>	<b>2,308,600</b>

*Liquidity risk*

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company aims to maintain an appropriate level of liquidity which means having sufficient liquidity to be able to meet all obligations promptly under foreseeable adverse circumstances, while not having excessive liquidity.

The Company maintains at least ten percent of the fund in liquid/semi-liquid assets in the form of cash in banks, cash equivalents, investments in mutual funds, investments in global traded and global mutual funds and other collective schemes wholly invested in liquid/semi-liquid assets to assure necessary liquidity. This is also in compliance to Section 6.10 of the Implementing Rules and Regulations of the Investment Company Act series of 2018.

The Fund Manager manages liquidity risks by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table had been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than One Month	One Month to One Year	Total
<b>2022</b>			
Accrued expenses and other payables	<b>\$43,948</b>	<b>\$5,263</b>	<b>\$49,211</b>
Payable to fund manager	<b>41,308</b>	-	<b>41,308</b>
	<b>\$85,256</b>	<b>\$5,263</b>	<b>\$90,519</b>
<b>2021</b>			
Accrued expenses and other payables	\$15,310	\$5,969	\$21,279
Payable to fund manager	53,220	-	53,220
	\$68,530	\$5,969	\$74,499

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.

The following table details the Company's expected maturity for its financial assets. The table had been drawn up based on the contractual maturities of the financial assets including interest that will be earned on those assets, except when the Company anticipates that the cash flows will occur in a different period.

	Average Effective Interest Rate	Less than one year	One year to five years	Five years to ten years	More than ten years	Total
<b>2022</b>						
Cash in banks	0.05%	<b>\$ 664,136</b>	\$ -	\$ -	\$ -	<b>\$ 664,136</b>
Cash equivalents	5.41%	<b>350,904</b>	-	-	-	<b>350,904</b>
Financial assets at FVTPL	2.13%	<b>378</b>	<b>1,513</b>	<b>1,842</b>	<b>1,663,911</b>	<b>1,667,644</b>
Accrued interest receivable		<b>9,413</b>	-	-	-	<b>9,413</b>
		<b>\$1,024,831</b>	<b>\$1,513</b>	<b>\$ 1,182</b>	<b>\$ 1,663,911</b>	<b>\$2,341,193</b>

	Average Effective Interest Rate	Less than one year	One year to five years	Five years to ten years	More than ten years	Total
<b>2021</b>						
Cash in banks	0.01%	\$2,150,281	\$ -	\$ -	\$ -	\$2,150,281
Financial assets at FVTPL	1.94%	21,975	87,900	109,875	1,561,220	1,780,970
Due from brokers		150,000	-	-	-	150,000
Accrued interest receivable		8,319	-	-	-	8,319
		\$2,330,575	\$ 87,900	\$109,875	\$1,561,220	\$4,089,570

The Company expects to meet its obligations from operating cash flows proceeds from maturing financial assets and sale of financial assets at FVTPL.

## 21. CAPITAL RISK MANAGEMENT

The Fund Manager manages the Company's capital to ensure that the Company will be able to continue as a going concern while maximizing the return 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 as disclosed in Note 12.

The Fund Manager manages the Company's capital and NAVPS, as disclosed in Notes 12, 13 and 14 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 directly in real estate properties and developments;
- f. It does not purchase or sell commodity futures contracts;
- g. It does not engage in lending operations to related parties such as the members of the Board of Directors, officers of the Company and any affiliates, or affiliated corporations of the Company;
- h. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions; and
- i. 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 growth and a steady income stream through investments in US Dollar-denominated fixed income securities issued by the Philippine government, other major economies, or corporations operating therein, and in high quality common shares and related securities issued by Philippine and foreign corporations, or through diversified investment companies invested in such securities.
- b. Benchmark - 60% Morgan Stanley Capital International All Country World Index (MSCI ACWI) and 38% Bloomberg Barclays Global Aggregate Total Return Index (LEGATRUU Index) Value Unhedged USD and 2% 30-day US Dollar deposit savings rate.
- c. Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes, fixed-income securities and equity securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 1.5% of the net assets attributable to shareholders on each valuation day.

In compliance with SEC Memorandum Circular No. 21, Series of 2019 signed on September 24, 2019 in relation to independent Net Asset Value (NAV) calculation, SLAMCI (Fund Manager) engaged Citibank, N.A. Philippines to service its fund accounting functions including calculation of its NAV every dealing day. In December 2020, SLAMCI implemented the outsourced fund accounting to all Sun Life Prosperity Funds.

As at December 31, 2022 and 2021, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

The equity ratio at year-end is as follows:

	<b>2022</b>	2120
Equity	<b>\$27,367,130</b>	\$37,413,378
Total assets	<b>27,461,578</b>	37,492,748
Equity ratio	<b>0.9966:1</b>	0.9979:1

Management believes that the above ratios are within the acceptable range.

**22. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NO. 15-2010**

The following information on taxes, duties and license fees paid or accrued during the 2022 taxable year is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

*Documentary stamp tax*

Documentary stamp taxes incurred by the Company during 2022 amounted to P2,436 representing taxes paid in connection with the issuance of share certificates by the Company to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholders' investment for share certificate issuances in excess of ten (10) inter-fund transfers per calendar year.

*Other taxes and licenses*

Details of other taxes and licenses and permit fees paid and accrued in 2022 are as follows:

<b>Charged to Operating Expenses</b>	
Business tax	<b>P479,634</b>
Registration and filing fees	<b>33,057</b>
Residence or community tax	<b>10,500</b>
	<b>P523,191</b>

*Withholding taxes*

Withholding taxes paid and accrued and/or withheld consist of:

	<b>Paid</b>	<b>Accrued</b>	<b>Total</b>
Expanded withholding taxes	<b>P2,300,470</b>	<b>P212,648</b>	<b>P2,513,118</b>

*Deficiency tax assessments*

The Company has no tax assessments and tax cases in 2022.

**23. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements of the Company were reviewed and endorsed by the Audit and Compliance Committee for the approval of the Board of Directors on March 8, 2023.

The Board of Directors approved the issuance of the financial statements also on March 8, 2023.

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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

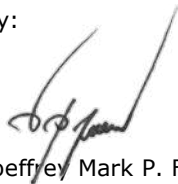
To the Board of Directors and Shareholders  
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.  
(An Open-end Investment Company)  
Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City

We have audited the financial statements of Sun Life Prosperity Dollar Advantage Fund, Inc. (the "Company") as at December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020, in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 14, 2023.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on the attached schedule showing the reconciliation of the retained earnings available for dividend declaration and other supplementary information shown in schedules A-H, as required by the Securities and Exchange Commission under the Securities Regulation Code Rule 68, as Revised, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.  
BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024  
SEC A.N. 0004-SEC, issued on December 7, 2021; Group A, valid to audit 2021 to 2025 financial statements  
TIN 005299331

By:



Joeffrey Mark P. Ferrer  
Partner  
CPA License No. 0115793  
SEC A.N. 115973-SEC, issued on August 2, 2022; Group A, valid to audit 2021 to 2025 financial statements  
TIN 211965340  
BIR A.N. 08-002552-058-2021, issued on September 8, 2021; effective until September 7, 2024  
PTR No. A-5701204, issued on January 12, 2023, Taguig City

Taguig City, Philippines  
April 14, 2023



**RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DECLARATION**

As at December 31, 2022

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.  
2nd Floor, Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City

Items	Amount
<b>Unappropriated Retained Earnings, beginning</b>	<b>\$ 22,147,832</b>
<b>Adjustments:</b>	
Accumulated unrealized fair value gain as at December 31, 2021	(3,680,790)
Treasury shares as of December 31, 2021	(44,842,587)
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>	<b>\$ (26,375,545)</b>
<b>Net loss based on the face of AFS</b>	<b>(7,241,261)</b>
<b>Adjustments for non-actual (gains) losses</b>	
Effect of movements in accumulated unrealized loss during the year	5,000,796
<b>Net loss Actual/Realized</b>	<b>(2,240,465)</b>
<b>Less: Treasury shares acquired during the year</b>	<b>(7,921,757)</b>
<b>Unappropriated Retained Earnings, as adjusted, ending</b>	<b>\$ (36,537,767)</b>



**SUN LIFE PROSPERITY ADVANTAGE FUND, INC.**

Schedule of Financial Soundness Indicators and Financial Ratios

December 31, 2022 and December 31, 2021

	Formula	2022	2021
<i>Current/ Liquidly Ratios</i>			
a. Current ratio	Current Assets/Current Liabilities	<b>290.76:1</b>	472.38:1
b. Quick ratio	Quick Assets/Current Liabilities	<b>290.76:1</b>	472.38:1
c. Cash ratio	Cash/Current Liabilities	<b>10.75:1</b>	27.09:1
d. Days in receivable	Receivable/Revenue * No. of days	<b>N/A</b>	N/A
e. Working capital ratio	(Current Assets - Current Liabilities)/Current Liabilities	<b>289.76:1</b>	471.38:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	<b>-16.69:1</b>	4.92:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	<b>16597.11:1</b>	18,601.66:1
<i>Solvency Ratios</i>			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	<b>0.00</b>	0.00
b. Debt to equity ratio	Total Liabilities/Total Equity	<b>0.00</b>	0.00
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	<b>0.00</b>	0.00
d. Total debt to asset ratio	Total Liabilities/Total Assets	<b>0.00</b>	0.00
Asset to equity ratio	Total Assets/Total Equity	<b>1.00:1</b>	1.00:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	<b>N/A</b>	N/A
<i>Profitability Ratio</i>			
a. Earnings (loss) before interest and taxes (EBIT) margin	EBIT/Revenue	<b>441.35%</b>	29%
b. Earnings (loss) before interest, taxes and depreciation and amortization	EBITDA/Revenue	<b>441.35%</b>	29%
c. Pre-tax margin	EBIT/Revenue	<b>441.35%</b>	29%
d. Effective tax rate	Income Tax/EBIT	<b>-0.03%</b>	0.01%
e. Post-tax margin	Net Income After Tax/Revenue	<b>441.48%</b>	29%
f. Return on equity	Net Income After Tax/Average Common Equity	<b>-22.36%</b>	6.13%
g. Return on asset	NIAT/Average Total Assets	<b>-22.30%</b>	6.12%
Capital intensity ratio	Total Assets/Revenue	<b>-16.74:1</b>	4.94:1
Fixed assets to total assets	Fixed assets/Total assets	<b>N/A</b>	N/A
Dividend payout ratio	Dividends paid/Net Income	<b>N/A</b>	N/A

Sun Life Prosperity Dollar Advantage Fund Inc.  
Schedule Required under SRC Rule 68

i. Percentage of Investment in a Single Enterprise to Net Asset Value  
As of December 31, 2022 and December 31, 2021

	2022			2021		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Equities</b>						
MORGAN STANLEY US ADVANTAGE FUND	29	27,367,130	0.00%	392,454	37,413,378	1.05%
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG- WELLINGTON GLOBAL QUALITY GROWTH FUND	1,287,937	27,367,130	4.71%	1,022,899	37,413,378	2.73%
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	522,185	27,367,130	1.91%	365,404	37,413,378	0.98%
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	684,039	27,367,130	2.50%	1,468,763	37,413,378	3.93%
MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	2,266	27,367,130	0.01%	849,275	37,413,378	2.27%
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	1,256,846	27,367,130	4.59%	420,909	37,413,378	1.13%
SPDR MSCI ACWI UCITS ETF	164	27,367,130	0.00%	202	37,413,378	0.00%
JPMORGAN FUNDS-INCOME FUND	1,062,723	27,367,130	3.88%	2,155,981	37,413,378	5.76%
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	-	27,367,130	0.00%	950,179	37,413,378	2.54%
JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND	1,914,736	27,367,130	7.00%	6,116,617	37,413,378	16.35%
MFS MERIDIAN FUNDS - CONTINENTAL EUROPEAN EQUITY FUND	52,436	27,367,130	0.19%	1,610,940	37,413,378	4.31%
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	1,963,664	27,367,130	7.18%	2,601,151	37,413,378	6.95%
JPMORGAN FUNDS - GLOBAL RESEARCH ENHANCED INDEX EQUITY	2,553,595	27,367,130	9.33%	1,044,407	37,413,378	2.79%
NOMURA FUNDS IRELAND - ASIA EX JAPAN HIGH CONVICTION FUND	282,417	27,367,130	1.03%	627,813	37,413,378	1.68%
JPM FUNDS - CHINA FUND	140,281	27,367,130	0.51%	267,192	37,413,378	0.71%
JPMORGAN FUNDS - JPM US AGGREGATE BOND FUND	1,214,552	27,367,130	4.44%	724,914	37,413,378	1.94%
INVESCO JAPANESE EQUITY VALUE DISCOVERY FUND	1,005,893	27,367,130	3.68%	1,075,523	37,413,378	2.87%
ISHARES CORE MSCI WORLD UCITS ETF	73	27,367,130	0.00%	980,154	37,413,378	2.62%
NEW CAPITAL UCITS FUND PLC - NEW CAPITAL GLOBAL EQUITY CONVICTION FUND	223,518	27,367,130	0.82%	1,439,853	37,413,378	3.85%
NEW CAPITAL US SMALL CAP GROWTH FUND	76,261	27,367,130	0.28%	474,872	37,413,378	1.27%
NEW CAPITAL UCITS FUND PLC - NEW CAPITAL WEALTHY NATIONS BOND FUND	481,280	27,367,130	1.76%	726,085	37,413,378	1.94%
PMCO FUNDS: GLOBAL INVESTORS SERIES PLC - INCOME FUND	1,749,514	27,367,130	6.39%	2,438,998	37,413,378	6.52%
THREADNEEDLE (LUX) - GLOBAL FOCUS CLASS ZU ACCUMULATION SHARES	1,281,788	27,367,130	4.68%	2,634,014	37,413,378	7.04%
WELLINGTON GLOBAL BOND FUND	503,734	27,367,130	1.84%	-	37,413,378	0.00%
BLACKROCK GLOBAL FUNDS - INDIA FUND	171,970	27,367,130	0.63%	-	37,413,378	0.00%
BLACKROCK GLOBAL FUNDS - UNITED KINGDOM FUND	140	27,367,130	0.00%	-	37,413,378	0.00%
FRANKLIN TEMPLETON INVESTMENT FUNDS - FRANKLIN MUTUAL GLOBAL DISCOVERY FUND	2,115,482	27,367,130	7.73%	-	37,413,378	0.00%
FTIF - FRANKLIN U.S. OPPORTUNITIES FUND	704,576	27,367,130	2.57%	-	37,413,378	0.00%
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	3	27,367,130	0.00%	-	37,413,378	0.00%
HSBC JAPAN SUSTAINABLE EQUITY UCITS ETF	13	27,367,130	0.00%	-	37,413,378	0.00%
ISHARES USD ULTRASHORT BOND UCITS ETF	146,750	27,367,130	0.54%	-	37,413,378	0.00%
NIKKO AM GLOBAL UMBRELLA FUND - NIKKO AM GLOBAL EQUITY FUND	1,256,051	27,367,130	4.59%	-	37,413,378	0.00%
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	454	27,367,130	0.00%	-	37,413,378	0.00%
SCHRODER ISF US LARGE CAP	1,909,057	27,367,130	6.98%	3,393,350	37,413,378	9.07%
SCHRODER ISF CHINA OPPORTUNITIES	132,765	27,367,130	0.49%	268,599	37,413,378	0.72%
SCHRODER ISF ASIAN EQUITY YIELD	513,995	27,367,130	1.88%	-	37,413,378	0.00%
TOTAL SCHRODER	2,555,817	27,367,130	9.34%	3,661,949	37,413,378	9.79%
<b>Treasury Notes (ISIN)</b>						
US912810SZ21	136,005	27,367,130	0.50%	562,718	37,413,378	1.50%
US912810SU34	169,306	27,367,130	0.62%	570,666	37,413,378	1.53%
US91282CDJ71	28,613	27,367,130	0.10%	-	-	0.00%
US912810TB44	128,375	27,367,130	0.47%	-	-	0.00%
US91282CDY49	85,141	27,367,130	0.31%	-	-	0.00%
US912810TD00	214,930	27,367,130	0.79%	-	-	0.00%
US912810TG31	324,750	27,367,130	1.19%	-	-	0.00%
US91282CEP23	138,820	27,367,130	0.51%	-	-	0.00%
<b>Term Deposits</b>						
RIZAL COMMERCIAL BANKING CORP (RCBC)	350,904	27,367,130	1.28%	-	-	0.00%

ii. **Total Investment of the Fund to the Outstanding Securities of an Investee Company**

As of December 31, 2022 and December 31, 2021

	2022			2021		
	Investment of the Fund in Shares	Outstanding Securities of an Investee Company	% over Investee	Investment of the Fund in Shares	Outstanding Securities of an Investee Company	% over Investee
<b>Equities</b>						
MORGAN STANLEY US ADVANTAGE FUND	0.36	50,510,478	0.00%	2,186	63,309,562	0.00%
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG- WELLINGTON GLOBAL QUALITY GROWTH FUND	37,425	180,281,690	0.02%	22,251	240,396,530	0.01%
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	14,393	88,455,072	0.02%	8,460	108,648,621	0.01%
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	2,939	9,508,485	0.03%	5,285	11,815,367	0.04%
MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	10	1,059,107	0.00%	3,498	1,341,448	0.26%
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	29,297	20,970,065	0.14%	8,181	26,178,010	0.03%
SPDR MSCI ACWI UCITS ETF	1	12,493,129	0.00%	1	17,126,767	0.00%
JPMORGAN FUNDS-INCOME FUND	8,328	77,231,228	0.01%	15,586	86,689,099	0.02%
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	-	-	0.00%	895,888	175,080,242	0.51%
JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND	3,571	8,468,086	0.04%	8,913	8,195,126	0.11%
MFS MERIDIAN FUNDS - CONTINENTAL EUROPEAN EQUITY FUND	2,986	1,066,982	0.28%	77,823	2,202,322	3.53%
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	454,289	168,377,754	0.27%	500,029	143,026,861	0.35%
JPMORGAN FUNDS - GLOBAL RESEARCH ENHANCED INDEX EQUITY	8,871	2,688,209	0.33%	2,975	2,220,080	0.13%
NOMURA FUNDS IRELAND - ASIA EX JAPAN HIGH CONVICTION FUND	1,514	1,208,121	0.13%	2,489	1,212,849	0.21%
JPM FUNDS - CHINA FUND	2,615	110,056,142	0.00%	3,795	100,280,979	0.00%
JPMORGAN FUNDS - JPM US AGGREGATE BOND FUND	69,602	225,117,057	0.03%	36,391	196,875,648	0.02%
INVESCO JAPANESE EQUITY VALUE DISCOVERY FUND	61,485	6,173,732	1.00%	61,388	7,188,944	0.85%
ISHARES CORE MSCI WORLD UCITS ETF	1	595,695,329	0.00%	10,910	515,571,544	0.00%
NEW CAPITAL UCITS FUND PLC - NEW CAPITAL GLOBAL EQUITY CONVICTION FUND	1,268	2,346,721	0.05%	5,941	3,591,229	0.17%
NEW CAPITAL US SMALL CAP GROWTH FUND	425	640,396	0.07%	1,974	284,042	0.70%
NEW CAPITAL UCITS FUND PLC - NEW CAPITAL WEALTHY NATIONS BOND FUND	3,897	11,649,363	0.03%	4,678	15,441,187	0.03%
PIMCO FUNDS: GLOBAL INVESTORS SERIES PLC - INCOME FUND	110,519	3,799,019,608	0.00%	142,882	4,226,044,226	0.00%
THREADNEEDLE (LUX) - GLOBAL FOCUS CLASS ZU ACCUMULATION SHARES	59,377	81,121,130	0.07%	90,558	93,748,513	0.10%
WELLINGTON GLOBAL BOND FUND	53,036	200,421,941	0.03%	-	-	0.00%
BLACKROCK GLOBAL FUNDS - INDIA FUND	3,428	8,280,515	0.04%	-	-	0.00%
BLACKROCK GLOBAL FUNDS - UNITED KINGDOM FUND	1	1,562,952	0.00%	-	-	0.00%
FRANKLIN TEMPLETON INVESTMENT FUNDS - FRANKLIN MUTUAL GLOBAL DISCOVERY FUND	84,048	19,371,176	0.43%	-	-	0.00%
FTIF - FRANKLIN U.S. OPPORTUNITIES FUND	12,860	95,739,263	0.01%	-	-	0.00%
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	0.37	229,165,888	0.00%	-	-	0.00%
HSBC JAPAN SUSTAINABLE EQUITY UCITS ETF	1	11,583,139	0.00%	-	-	0.00%
ISHARES USD ULTRASHORT BOND UCITS ETF	1,470	3,065,635	0.05%	-	-	0.00%
NIKKO AM GLOBAL UMBRELLA FUND - NIKKO AM GLOBAL EQUITY FUND	59,136	24,379,657	0.24%	-	-	0.00%
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	1	10,264,154	0.00%	-	-	0.00%
SCHRODER ISF US LARGE CAP	7,077	8,803,273	0.08%	10,577	7,873,921	0.13%
SCHRODER ISF CHINA OPPORTUNITIES	311	3,810,908	0.01%	515	3,004,655	0.02%
SCHRODER ISF ASIAN EQUITY YIELD	14,302	29,023,754	0.05%	-	-	0.00%
TOTAL.SCHRODER	21,690	***	-	11,093	-	0.00%
<b>Treasury Notes (ISIN)</b>						
US912810SZ21	205,000	***	-	555,000	***	-
US912810SU34	263,000	***	-	580,000	***	-
US91282CDJ71	35,000	***	-	-	***	-
US912810TB44	200,000	***	-	-	***	-
US91282CDY49	100,000	***	-	-	***	-
US912810TD00	305,000	***	-	-	***	-
US912810TG31	400,000	***	-	-	***	-
US91282CEP23	150,000	***	-	-	***	-
<b>Term Deposits</b>						
RIZAL COMMERCIAL BANKING CORP (RCBC)	350,904	***	-	-	***	-

iii. **Total Investment in Liquid or Semi-Liquid Assets to Total Assets**

As of December 31, 2022 and December 31, 2021

	2022	2021
Total Liquid and Semi-Liquid Assets	27,461,578	37,492,533
TOTAL ASSETS	27,461,578	37,492,748
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%

iv. **Total Operating Expenses to Total Net Worth**

As of December 31, 2022 and December 31, 2021

	2022	2021
Total Operating Expenses	595,656	725,597
Average Daily Net Worth	30,623,266	37,692,185
Total Operating Expenses to Average Daily Net Worth	1.95%	1.93%

v. **Total Assets to Total Borrowings**

As of December 31, 2022 and December 31, 2021

	2022	2021
Total Assets	27,461,578	37,492,748
Total Borrowings	94,448	79,370
Total Assets to Total Borrowings	29076%	47238%

**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**  
**2nd Floor Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City**

**Additional Requirements for Issuers of Securities to the Public  
Required by the Securities and Exchange Commission  
As at December 31, 2022**

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C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<b>N.A.</b>
D. Intangible Assets - Other Assets	<b>N.A.</b>
E. Long-Term Debt	<b>N.A.</b>
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G. Guarantees of Securities of Other Issuers	<b>N.A.</b>
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**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**  
**2nd Floor Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City**

**SCHEDULE A - FINANCIAL ASSETS**  
**As at December 31, 2022**

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position	Income Received and Accrued
<b>Mutual Funds:</b>			
MORGAN STANLEY US ADVANTAGE FUND	0.36	\$ 29	\$ 30,738
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG- WELLINGTON GLOBAL QUALITY GROWTH FUND	37,425	1,287,937	
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	14,393	522,185	
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	2,939	684,039	
MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	10	2,266	
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	29,297	1,256,846	
SPDR MSCI ACWI UCITS ETF	1	164	
JPMORGAN FUNDS-INCOME FUND	8,328	1,062,723	
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	-	-	
JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND	3,571	1,914,736	
MFS MERIDIAN FUNDS - CONTINENTAL EUROPEAN EQUITY FUND	2,986	52,436	
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	454,289	1,963,664	
JPMORGAN FUNDS - GLOBAL RESEARCH ENHANCED INDEX EQUITY	8,871	2,553,595	
NOMURA FUNDS IRELAND - ASIA EX JAPAN HIGH CONVICTION FUND	1,514	282,417	
SCHRODER ISF CHINA OPPORTUNITIES	311	132,765	
JPM FUNDS - CHINA FUND	2,615	140,281	
JPMORGAN FUNDS - JPM US AGGREGATE BOND FUND	69,602	1,214,552	
INVESCO JAPANESE EQUITY VALUE DISCOVERY FUND	61,485	1,005,893	
ISHARES CORE MSCI WORLD UCITS ETF	1	73	
NEW CAPITAL UCITS FUND PLC - NEW CAPITAL GLOBAL EQUITY CONVICTION FUND	1,268	223,518	
NEW CAPITAL US SMALL CAP GROWTH FUND	425	76,261	
NEW CAPITAL UCITS FUND PLC - NEW CAPITAL WEALTHY NATIONS BOND FUND	3,897	481,280	
PIMCO FUNDS: GLOBAL INVESTORS SERIES PLC - INCOME FUND	110,519	1,749,514	
SCHRODER ISF US LARGE CAP	7,077	1,909,057	
THREADNEEDLE (LUX) - GLOBAL FOCUS CLASS ZU ACCUMULATION SHARES	59,377	1,281,788	
WELLINGTON GLOBAL BOND FUND	53,036	503,734	
BLACKROCK GLOBAL FUNDS - INDIA FUND	3,428	171,970	
BLACKROCK GLOBAL FUNDS - UNITED KINGDOM FUND	1	140	
FRANKLIN TEMPLETON INVESTMENT FUNDS - FRANKLIN MUTUAL GLOBAL DISCOVERY	84,048	2,115,482	
FTIF - FRANKLIN U.S. OPPORTUNITIES FUND	12,860	704,576	
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	0.37	3	
HSBC JAPAN SUSTAINABLE EQUITY UCITS ETF	1	13	
ISHARES USD ULTRASHORT BOND UCITS ETF	1,470	146,750	
NIKKO AM GLOBAL UMBRELLA FUND - NIKKO AM GLOBAL EQUITY FUND	59,136	1,256,051	
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	1	454	
SCHRODER ISF ASIAN EQUITY YIELD	14,302	513,995	
	1,108,484	25,211,185	30,738
<b>Treasury Notes (ISIN):</b>			
US912810SZ21	205,000	136,005	44,630
US912810SU34	263,000	169,306	
US91282CDJ71	35,000	28,613	
US912810TB44	200,000	128,375	
US91282CDY49	100,000	85,141	
US912810TD00	305,000	214,930	
US912810TG31	400,000	324,750	
US91282CEP23	150,000	138,820	
	1,658,000	1,225,939	44,630
<b>Term Deposits</b>			
RIZAL COMMERCIAL BANKING CORP (RCBC)	350,904	350,904	
	350,904	350,904	9,498
<b>TOTAL</b>	<b>3,117,388</b>	<b>\$ 26,788,029</b>	<b>\$ 84,866</b>

**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**

**2nd Floor Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City**

**SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES**

**As at December 31, 2022**

Name of Related Party	Relationship	Balance at beginning of the period	Balance at end of the period
Sun Life Asset Management Company, Inc.	Fund Manager	\$53,220	\$41,308
<b>TOTAL</b>		<b>\$53,220</b>	<b>\$41,308</b>

**SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.**  
2nd Floor Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE H - CAPITAL STOCK**  
**As at December 31, 2022**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position Caption	Number of Shares reserved for options, warrants, conversion and other rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Share Capital						
Ordinary Shares	33,200,000	21,369,625	-	-	5	21,369,620
Treasury Shares	-	(14,253,755)	-	-	-	(14,253,755)
<b>TOTAL</b>	<b>33,200,000</b>	<b>7,115,870</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>7,115,865</b>

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SEC Identification Number

S U N L I F E P R O S P E R I T Y D O L L A R
A D V A N T A G E F U N D , I N C .

(Company's Full Name)

S U N L I F E C E N T R E 5 T H A V E .
C O R . R I Z A L D R I V E , B O N I F A C I O
G L O B A L C I T Y , T A G U I G C I T Y

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

Anna Katrina C. Kabigting-Ibero

(Contact Person)

555-8888 loc. 5699

(Company Telephone Number)

SEC 17- C

1 2

Month

(Fiscal Year)

3 1

Day

(Form Type)

4th Wed. of May

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS



SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 31 January 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200202061 3. BIR Tax Identification No. 216-214-876-000
4. Sun Life Prosperity Dollar Advantage Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines 6.  (SEC Use Only)  
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of 31 December 2021)
<u>Common (Unclassified)</u>	<u>7,793,112</u>

10. Indicate the item numbers reported herein: **Items 4 (b) (i). Resignation, Removal or Election of Registrant's Directors or Officers.**


Candy S. Esteban has resigned as Director and President of the Issuer effective 28 January 2022. The company is already in the process of searching for a replacement to fill in this vacancy in the Board of Directors.

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 hereunto duly authorized.

Sun Life Prosperity Dollar Advantage Fund, Inc.  
Issuer

Date: 31 January 2022

  
Anna Katrina C. Kabisno, Corporate Secretary  
Signature and Title

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SEC Identification Number

S U N L I F E P R O S P E R I T Y D O L L A R

A D V A N T A G E F U N D , I N C .

(Company's Full Name)

S U N L I F E C E N T R E 5 T H A V E .

C O R . R I Z A L D R I V E , B O N I F A C I O

G L O B A L C I T Y , T A G U I G C I T Y

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

FRANCES IANNA S. CANTO

(Contact Person)

8555-8888

(Company Telephone Number)

SEC FORM 17-C

1 2

Month Day (Fiscal Year)

3 1

(Form Type)

4th Wednesday of May

Month Day (Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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LCU

Document ID

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Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 14 March 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200202061 3. BIR Tax Identification No. 216-214-876-000
4. Sun Life Prosperity Dollar Advantage Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of 28 February 2022)
<u>Common (Unclassified)</u>	<u>7,677,182</u>

10. Indicate the item numbers reported herein: Item 4 (b) (i) and Item 9 (b).

During the regular meeting of the Board of Directors of the Issuer held on 09 March 2022 at 11:43 a.m. via Zoom Meeting Conference, where a quorum was present and acting throughout, the following matters were unanimously approved:

Item 4 (b) (i). Resignation, Removal or Election of Registrant's Directors or Officers.

Election of Ms. Valerie N. Pama as replacement Director and President, to serve the unexpired portion of Ms. Candy S. Esteban who has resigned effective 28 January 2022, and until her successor is elected and qualified. Please refer to Annex "A" for a summary of Ms. Pama's professional and business experience.

Item 9 (b) - Other Events.

1. The 2021 Audited Financial Statements, as endorsed by its Audit and Compliance Committee
2. The holding of the Annual Stockholders' Meeting on 13 July 2022 via Zoom Video Communications ("Zoom")
3. The closing of the Issuer's Stock & Transfer Book on 30 April 2022 for the purpose of determining the stockholders entitled to notice of, to attend and vote at the annual stockholders' meeting
4. The Audit and Compliance Committee Charter, without any changes
5. Reduction in the minimum initial and subsequent investment amounts

**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 hereunto duly authorized.

Sun Life Prosperity Dollar Advantage Fund, Inc.  
Issuer



Frances Ianna S. Canto, Assistant Corporate Secretary  
Signature and Title

Date: 14 March 2022



## **VALERIE N. PAMA**

Ms. Valerie "Riena" N. Pama is currently the Chief Asset Management Officer of Sun Life of Canada, Philippines Inc. Since November 1, 2019, Ms. Pama, in her capacity as CAMO, has been responsible for the expansion and development of the various initiatives to drive the profitability and growth of Sun Life's overall asset management business providing strategic direction and development of long term plans and policies. She is also a Trustee and Director of Sun Life Foundation (Sept 2020 to present) and Director of BESTSERVE Financial Ltd. (HKG) (Jan 2021 to present).

Ms. Pama was previously the Director and President of Sun Life Investment Management and Trust Corp. (Sept 2020 to June 2021), responsible for its establishment and preparations for operations. Ms. Pama was Director and President of Sun Life Asset Management Company, Inc. (2011 to 2020) and Director of nine (9) Sun Life Prosperity Funds, i.e. Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc. and Sun Life Prosperity World Voyager Fund, Inc. She was also a Director of the Grepalife Funds i.e. Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation. Ms. Pama was formerly the President of the Sun Life Prosperity Funds and the Grepalife Funds (2011 to 2012). She also served as the Chief Operating Officer of Sun Life Asset Management Company, Inc. (2011 to 2012) before being appointed as its President in 2013. With over seven years as President of SLAMCI, Ms. Pama has made tremendous contributions by leading SLAMCI into becoming the number one non-bank asset management company. Under her vision and leadership, the company achieved great milestones: growing from three mutual funds to sixteen mutual funds to over Php100 Billion in Assets Under Management (AUM), launch of the Sun Life Prosperity Card, expanding the sales force into having the most number of MF-licensed advisors in the industry and garnering numerous awards from the Philippine Investment Funds Association (PIFA). Another noteworthy recognition for SLAMCI under her management was being named the best asset management company for the Philippines from Euromoney's 2018 Private Banking and Wealth Management survey.

Ms. Pama is a veteran banker, having been in the industry for 20 years. She started her career with Citibank N.A. in 1990 as a Management Associate, wherein she obtained exposure in various segments of the business, assuming progressively senior roles over the years. She had worked in treasury/capital markets, loans, equity sales, customer funding sales, brokerage and money market sales. By the time she retired from Citibank N.A. in 2009, Ms. Pama was the President of Citicorp Financial Services and Insurance Brokerage Inc.

Prior to joining Sun Life, Ms. Pama was a product development consultant for ING Bank's Investment Management Group.

Ms. Pama was a member of the Board of Trustees of the Philippine Investment Funds Association (PIFA) from 2011-2020 and served as Chairman from 2013-2015. This enabled her to represent the mutual fund industry in advocating investor literacy, customer protection and regulatory advancements to government agencies, key market players and the general public. She is currently in the Board of Trustees of the Filipina CEO Circle since 2018.

Ms. Pama is a graduate of the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering. She obtained her MBA in International Business and Finance, with a minor in Business Economics from Katholieke Universiteit Leuven in Belgium. She was awarded With Distinction by the university for her exemplary academic performance on her final year.

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SEC Identification Number

S U N L I F E P R O S P E R I T Y D O L L A R
A D V A N T A G E F U N D , I N C .

(Company's Full Name)

S U N L I F E C E N T R E 5 T H A V E .
C O R . R I Z A L D R I V E , B O N I F A C I O
G L O B A L C I T Y , T A G U I G C I T Y

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

Anna Katrina C. Kabigting-Ibero

(Contact Person)

555-8888 loc. 5699

(Company Telephone Number)

SEC 17- C

1 2

Month

(Fiscal Year)

3 1

Day

(Form Type)

4th Wed. of May

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 04 July 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200202061 3. BIR Tax Identification No. 216-214-876-000
4. Sun Life Prosperity Dollar Advantage Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines 6.  (SEC Use Only)  
Province, country or other jurisdiction of incorporation Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of 30 June 2022)
<u>Common (Unclassified)</u>	<u>7,417,963</u>

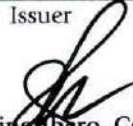
10. Indicate the item numbers reported herein: **Item 4 (b) (i). Resignation, Removal or Election of Registrant's Directors or Officers.**

Mr. Sherwin S. Sampang has resigned as Treasurer of the Issuer effective 30 June 2022. The company is already in the process of searching for Mr. Sampang's replacement.

**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 hereunto duly authorized.

Sun Life Prosperity Dollar Advantage Fund, Inc.  
Issuer



Anna Katrina C. Kabigting-Ibaro, Corporate Secretary  
Signature and Title

Date: 04 July 2022

**COVER SHEET**

A 2 0 0 2 0 2 0 6 1

SEC Identification Number

S U N L I F E P R O S P E R I T Y D O L L A R  
 A D V A N T A G E F U N D , I N C .

(Company's Full Name)

S U N L I F E C E N T R E 5 T H A V E .  
 C O R . R I Z A L D R I V E , B O N I F A C I O  
 G L O B A L C I T Y , T A G U I G C I T Y

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

**Anna Katrina C. Kabigting - Ibero**  
 (Contact Person)

**555-8888**  
 (Company Telephone Number)

S E C F O R M 1 7 - C

1 2    3 1  
 Month    Day  
 (Fiscal Year)

(Form Type)

**4th Wednesday of May**  
 Month    Day  
 (Annual Meeting)

\_\_\_\_\_  
 (Secondary License Type, If Applicable)

\_\_\_\_\_  
 Dept. Requiring this Doc.

\_\_\_\_\_  
 Amended Articles Number/Section

\_\_\_\_\_  
 Total No. of Stockholders

Total Amount of Borrowings

_____	_____
Domestic	Foreign

To be accomplished by SEC Personnel concerned

\_\_\_\_\_  
 File Number

\_\_\_\_\_  
 LCU

\_\_\_\_\_  
 Document ID

\_\_\_\_\_  
 Cashier

STAMPS



SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 18 July 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200202061 3. BIR Tax Identification No. 216-214-876-000
4. Sun Life Prosperity Dollar Advantage Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of 30 June 2022)
<u>Common (Unclassified)</u>	<u>7,417,963</u>

10. Indicate the item numbers reported herein: **Items 4(b), 4(b)(i) and 9(b).**

A. During the Annual Stockholders' Meeting of the Issuer held on 13 July 2022 at 2:00 p.m. via Zoom Video Conference, during which 1,905,099 shares or 25.43% of the outstanding capital stock ("OCS") as of 30 April 2022 were present in person or by proxy, the following events transpired:

**Item 4(b). Election of Directors.** Due to the failure to meet the requirement that 50%+1 share of the OCS should be present in person or by proxy, no election of members of the Board of Directors could be held. The following shall continue to serve as directors until the continuation of the Annual Stockholders' Meeting on 09 September 2022, 9:00 a.m. via Zoom, and until their successors have been duly elected and qualified:

- Benedicto C. Sison
- Valerie N. Pama
- Cielito F. Habito (independent)
- Cesar Luis F. Bate (independent)
- Oscar S. Reyes (independent).

The Independent Directors will submit the required Certification within 30 days from date of the Annual Stockholders' Meeting.

**Item 9(b). Other Events.** The stockholders present or represented unanimously approved the following:

1. The minutes of the 2021 Annual Stockholders' Meetings;
2. All acts and proceedings of the Board and Corporate Officers (confirmation and ratification thereof); and
3. Appointment of Navarro, Amper & Co. (Deloitte Touche Tohmatsu) as External Auditor for 2022.

Due to the failure to meet the requirement that 2/3 of the OCS should be present in person or by proxy, the amendment of Article VI of the Articles of Incorporation to increase the number of directors to six (6) was not approved by the stockholders.

The foregoing shall be resubmitted for approval in the continuation of the Annual Stockholders' Meeting on 09 September 2022, details of which have been stated above.

B. During the continuation of the Joint Regular Meeting and the Organizational Meeting of the Board of Directors immediately after the Annual Stockholders' Meeting, the following events transpired:

**Item 4(b)(i).** The following were unanimously elected/appointed by the Board:

Chairman:	Benedicto C. Sison
President:	Valerie N. Pama
Treasurer:	Candy S. Esteban ( <i>OIC capacity</i> )
Corporate Secretary:	Anna Katrina C. Kabigting-Ibero
Asst. Corp. Secretary:	Frances Ianna S. Canto
Compliance Officer:	Ma. Jemilyn S. Camania
Data Protection Officer:	Ma. Jemilyn S. Camania
Money Laundering Reporting Officer	Ma. Jemilyn S. Camania
Risk Officer:	Ria V. Mercado
Internal Auditor:	Joel O. Bungabong
Corporate Governance Committee:	Cesar Luis F. Bate (Chairman), Benedicto C. Sison and Oscar S. Reyes; and
Audit and Compliance Committee:	Oscar S. Reyes (Chairman), Cesar Luis F. Bate and Cielito F. Habito
Representatives to the Philippine Investment Funds Association, Inc.:	
Primary:	President/Valerie N. Pama
Alternate:	Any one (1) of the following: Treasurer President (Sun Life Asset Management Company, Inc.) General Counsel (Sun Life Financial Philippines) Treasurer/Chief Financial Officer (SLAMCI) Head (Bank and Alternative Distribution, SLAMCI) Head (MF Agency Sales, SLAMCI)

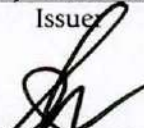
**Item 9 (b). Other Events.** The Board unanimously confirmed the continuation of the Management Agreement, Distribution Agreement and Transfer Agency Agreement with Sun Life Asset Management Company, Inc.

#### 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 hereunto duly authorized.

Sun Life Prosperity Dollar Advantage Fund, Inc.

Issuer



Anna Katrina C. Kabigting-Ibero, Corporate Secretary  
Signature and Title

Date: 18 July 2022

COVER SHEET

A 2 0 0 2 0 2 0 6 1

SEC Identification Number

SUN LIFE PROSPERITY DOLLAR  
ADVANTAGE FUND, INC.

(Company's Full Name)

SUN LIFE CENTRE 5<sup>TH</sup> AVE.  
COR. RIZAL DRIVE, BONIFACIO  
GLOBAL CITY, TAGUIG CITY

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

Anna Katrina C. Kabigting-Ibero

(Contact Person)

8555-8888 loc. 5699

(Company Telephone Number)

SEC 17- C

1 2 3 1  
Month Day  
(Fiscal Year)

(Form Type)

4th Wed. of May  
Month Day  
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 13 September 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200202061 3. BIR Tax Identification No. 216-214-876-000
4. Sun Life Prosperity Dollar Advantage Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of 31 August 2022)
<u>Common (Unclassified)</u>	<u>7,324,499</u>

10. Indicate the item numbers reported herein: **Items 4(b) and 9(b).**

A. During the continuation of the Annual Stockholders' Meeting of the Issuer held on 09 September 2022 at 9:00 a.m. via Zoom Video Conference, the following events transpired:

**Item 4(b). Election of Directors.** Due to the failure to meet the requirement that 50%+1 share of the OCS should be present in person or by proxy, no election of members of the Board of Directors could be held. The following shall continue to serve as directors in holdover capacity:

- Benedicto C. Sison
- Valerie N. Pama
- Cielito F. Habito (independent)
- Cesar Luis F. Bate (independent)
- Oscar S. Reyes (independent).


**Item 9(b).** Due to the failure to meet the requirement that 2/3 of the OCS should be present in person or by proxy, the amendment of Article VI of the Articles of Incorporation to increase the number of directors to six (6) was not approved by the stockholders.

The foregoing shall be carried over to the agenda of the next Annual Stockholders' Meeting for approval.

**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 hereunto duly authorized.

Sun Life Prosperity Dollar Advantage Fund, Inc.  
Issuer

  
Anna Katrina C. Kabigting-Ibero, Corporate Secretary  
Signature and Title

Date: 13 September 2022

COVER SHEET

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SEC Identification Number

S U N L I F E P R O S P E R I T Y D O L L A R

A D V A N T A G E F U N D , I N C .

(Company's Full Name)

S U N L I F E C E N T R E 5 T H A V E .

C O R . R I Z A L D R I V E , B O N I F A C I O

G L O B A L C I T Y , T A G U I G C I T Y

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

Anna Katrina C. Kabigting-Ibero

(Contact Person)

8555-8888 loc. 5699

(Company Telephone Number)

SEC 17- C

1 2

Month Day (Fiscal Year)

3 1

(Form Type)

4th Wed. of May

Month Day (Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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LCU

Document ID

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Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 29 September 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200202061 3. BIR Tax Identification No. 216-214-876-000
4. Sun Life Prosperity Dollar Advantage Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of 31 August 2022)
<u>Common (Unclassified)</u>	<u>7,324,499</u>

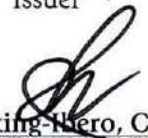
10. Indicate the item numbers reported herein: **Item 4 (b) (i). Resignation, Removal or Election of Registrant's Directors or Officers.**

Ms. Jeanemar S. Talaman was appointed as Treasurer of the Issuer effective 26 September 2022. Please refer to Annex "A" for summary of Ms. Talaman's professional and business experience.

**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 hereunto duly authorized.

Sun Life Prosperity Dollar Advantage Fund, Inc.  
Issuer



Anna Katrina C. Kabigting-Hero, Corporate Secretary  
Signature and Title

Date: 29 September 2022

## ANNEX "A"

Ms. Jeanemar S. Talaman was the Treasurer and Head of Finance of Sun Life Investment Management and Trust Corporation (SLIMTC). In that role, she was responsible for the overall finance function of the Company which covers Accounting, Financial Reporting, Internal Controls and Capital Management among others.

Prior to joining SLIMTC, Ms. Talaman was the Financial Accounting and Reporting Manager of Sun Life Philippines where she handled financial reporting requirements of the Sun Life Asset Management Company, Inc, (SLAMCI), Sun Life Prosperity Funds (Funds managed by SLAMCI), Sun Life Grepa Financial, Inc. and Sun Life Financial Philippine Holding Company, Inc. Concurrent to her role as Financial Reporting Manager, Ms Talaman was also the Finance System Administration Manager responsible for ensuring the security and efficiency of finance system applications for all Sun Life Philippine entities. She has held various roles in Finance, including, Manager of Financial Planning and Analysis (May 2014 to July 2015), Manager, Accounts Reconciliation (June 2012 to April 2014) and she has been instrumental in setting up the Accounts Reconciliation team of Sun Life Malaysia in 2013. Ms Talaman has more than 15 years of extensive experience in asset management industry, financial reporting for insurance business, taxation and regulatory reporting, treasury operations, project management, financial planning and management reporting.

Ms. Talaman is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. She earned her Bachelor of Science in Accountancy degree from the University of San Agustin (Iloilo City) with academic distinction. She had satisfactorily completed the one-year course on Trust Operations and Investment Management from the Trust Institute Foundation of the Philippines.

COVER SHEET

A 2 0 0 2 0 2 0 6 1

SEC Identification Number

SUN LIFE PROSPERITY DOLLAR ADVANTAGE 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)

8555-8888 loc. 5699

(Company Telephone Number)

SEC 17- C

1 2

Month Day (Fiscal Year)

3 1

(Form Type)

4th Wed. of May

Month Day (Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS



SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 15 December 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200202061 3. BIR Tax Identification No. 216-214-876-000
4. Sun Life Prosperity Dollar Advantage Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of 30 November 2022)
<u>Common (Unclassified)</u>	<u>7,139,619</u>

10. Indicate the item numbers reported herein: **Item 9 (b). Other events.**


During the Regular Meeting of the Board of Directors of the Issuer held on 13 December 2022 at 11:55 a.m. via Zoom Meeting Conference, where a quorum was present and acting throughout, the Revised Money Laundering and Terrorism Financing Prevention Program ("MTPP") of the Issuer was unanimously approved, attached herein as Annex "A".

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 hereunto duly authorized.

Sun Life Prosperity Dollar Advantage Fund, Inc.  
Issuer

Date: 15 December 2022

  
Anna Katrina C. Kabigting-Bero, Corporate Secretary  
Signature and Title



**MONEY LAUNDERING AND TERRORISM FINANCING PREVENTION PROGRAM**

**Sun Life Financial Philippines**

APPROVAL	
Approved By:	Board of Directors
Approval Date	13 December 2022
Effective Date of Latest Amendments:	15 February 2022
Responsible Person/Contact:	Ma. Jemilyn S. Camania, BUCO/MLRO Marie Desiree de Leon, Compliance Manager- AML/CTF
Version	Version 2.0 (by Marie Desiree de Leon) November 2022

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## CHAPTER 1 PURPOSE AND APPLICATION

This Money Laundering and Terrorism Financing Prevention Program (“MTPP”) summarizes the Anti-Money Laundering (AML), and Counter-Terrorism Financing (CTF) and Target Financial Sanctions (TFS) (“AML/CTF”) Program of Sun Life Philippines (“SLPH”) in its effort to integrate and comply with the legal and regulatory requirements of applicable Philippines and Canadian AML/CTF laws, and the relevant AML/CTF standards under the Compliance Risk Management Framework (“CRMF”) of Sun Life Financial Inc. (“SL”). The primary objective of SLPH’s AML/CTF program is to deter, detect, monitor and report suspected money laundering and terrorist financing activities, and to minimize the possibility that SLPH is being used as a channel or conduit and could inadvertently become a party to these activities. This MTPP and related internal controls and procedures have been crafted and implemented to demonstrate SLPH’s commitment to ensure that all SLPH companies comply with all applicable requirements and shall not be used for money laundering and terrorist financing purposes and to minimize AML/CTF risks in the business.

In the event of inconsistencies between this MTPP and the CRMF, the higher standard shall prevail. Failure to comply with relevant regulatory requirements or breaches of the requirements set out in this MTPP may result in regulatory penalties and sanctions (See **Annex 1**) as well as grounds for disciplinary actions, up to and including termination of employment or cancellation of Advisor’ Agreement or Mutual Fund Representative’s Agreement. In all cases of non-compliance of any requirement specified in this MTPP, SLPH will report the incidents to Chief Anti-Money Laundering Officer (“CAMLO”), Chief Compliance Officer Asia (“CCO Asia”), and/or the relevant authorities.

This MTPP applies to the following Sun Life entities (collectively, “SLPH”):

- Sun Life of Canada (Philippines), Inc. (SLOCPI);
- Sun Life Financial Plans, Inc. (SLFPI);
- Sun Life Asset Management Company, Inc. (SLAMCI), and all the mutual fund corporations under the management of SLAMCI.

Some chapters of this MTPP may also be applicable to the Investments team of SLOCPI and SLGFI.

Any reference in this MTPP to a Company is to each of the aforementioned entities under the SLPH, unless otherwise specified.

Any reference in this MTPP to Management, Business Unit Compliance Officer (“BUCO”)/Money Laundering Reporting Officer (“MLRO”) or Board of Directors is the Management, BUCO/MLRO or the Board of Directors of each of the entity under SLPH, unless otherwise specified.

Sun Life Financial – Philippines Foundation, Inc. (“SL Foundation”) is not dealing with Clients but mainly with partners, third parties and service providers, however, it also needs adequate screening and AML requirements before establishing a business relationship. **Annex 2** is the SL Foundation’s Manual of Operations.

The CRMF requires the MLRO to review this MTPP at least once every two years. Any update or revision in the MTPP shall be approved by the CAMLO and Board of Directors.

## CHAPTER 2 COMPLIANCE WITH THE PREVENTION PROGRAM

Financial institutions, like SLPH, are at risk of being used by criminal organizations and terrorist groups to launder money and facilitate the financing of their activities. Insurance products, particularly, life insurance policies and other products that have cash value, or investment features, offer tempting ways for criminals to convert ill-gotten funds into legitimate assets and, ultimately, the source of a “clean” check bearing a

company's name. Mutual funds under management are equally at risk and may be used as a means to hide the dirty money.

Failure to mitigate money laundering and terrorist financing risk within SLPH may bring significant regulatory sanctions and carry material reputational risk to SLPH. The acts of money laundering and terrorist financing can be perpetrated by employees, vendors, advisors or Clients of SLPH. It is important that SLPH reasonably takes steps to prevent and mitigate the risk of its products and services being used by those seeking to legitimize the proceeds of crime, or to finance terrorist activities.

## **CHAPTER 3 DEFINITION OF TERMS**

### **3.1 Beneficial Owner**

Beneficial owner refers to a natural person who:

- Ultimately owns or controls the Client and/or on whose behalf a transaction or activity is being conducted; or
- Has ultimate effective control over a legal person or legal arrangement; or
- Owns at least twenty percent (20%) shares, the same percentage as prescribed in the Guidelines on Identifying Beneficial Ownership and 2018 Implementing Rules and Regulations, and its succeeding future amendments.

### **3.2 Client**

Client refers to any natural or juridical person who keeps an account, or otherwise transacts business with SLPH. It includes the following:

- Beneficial owner, or any natural person who ultimately owns or controls a Client and/or on whose behalf an account is maintained or a transaction is conducted.
- Transactors, agents and other authorized representatives of beneficial owners as defined in the Guidelines on Identifying Beneficial Ownership and 2018 IRR, and its succeeding future amendments.
- Beneficiaries;
- A company or person whose assets are managed by an asset manager;
- Trustors/grantors/settlors of a trust;
- Insurance policy holder/owner, insured, preneed plan holder, whether actual or prospective; and
- Juridical person.

### **3.3 Close Relationship/Associates of PEPs**

Close Relationship/Associates of PEPs refer to persons who are widely and publicly known, socially or professionally, to maintain a particularly close relationship with the PEP and include persons who are in a position to conduct substantial domestic and international financial transactions on behalf of the PEP.

### **3.4 Covered Person**

Person supervised or regulated by Insurance Commission and Securities and Exchange Commission.

### 3.5. Designated Person

Designated person means a terrorist, terrorist group or other listed and sanctioned individual or juridical person under applicable Sanction Laws or lists such as

- United Nations Security Council Resolutions (UNSCR),
- Office of Foreign Assets Control (OFAC),
- Office of the Superintendent of Financial Institutions (OSFI),
- Financial Crimes Enforcement Network (FinCEN),
- European Union (EU),
- Her Majesty's Treasury (HMT),
- Bangko Sentral ng Pilipinas (BSP),
- Philippine National Police (PNP), and
- Securities and Exchange Commission (SEC).

### 3.6 Immediate Family Members of PEPs

Immediate Relatives refers to individuals related to the PEP within the second degree of consanguinity or affinity. It refers to parents, spouse or common law partner, children, siblings, grandparents, grandchildren, and the corresponding in-laws.

### 3.7 Information and Communication Technology” (ICT)

ICT refers to the totality of electronic means to access, create, collect, store, process, receive, transmit, present and disseminate information.

### 3.8 Materially-linked Accounts refer to:

- a. All accounts or monetary instruments under the name of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or an order of inquiry;
- b. All accounts or monetary instruments held, owned, or controlled by the owner or holder of the accounts, monetary instruments, or properties subject of the freeze order or order of inquiry, whether such accounts are held, owned or controlled singly or jointly with another person;
- c. All “In Trust For” accounts where either the trustee or the trustor pertains to a person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;
- d. All accounts held for the benefit or in the interest of the person whose accounts, monetary instruments, or properties are the subject of the freeze order or order of inquiry;
- e. All accounts of juridical persons or legal arrangements that are owned, controlled or ultimately effectively controlled by the natural person whose accounts, monetary instruments or properties are subject of the freeze order or order of inquiry, or where the latter has ultimate effective control; and
- f. All other accounts, shares, units, or monetary instruments that are similar, analogous, or identical to any of the foregoing.

### 3.9 Money Laundering

Money laundering has been generally defined as any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources.

The process of money laundering generally comprises three (3) stages during which there may be numerous transactions that could alert a financial institution to the money laundering activity:

- a. **Placement** — the physical disposal of cash proceeds derived from illegal activity. The possible scenario to launder the money is that Client will buy insurance products using the cash proceeds from illegal source;

- b. **Layering** — separating the illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the audit trail and provide anonymity or to obscure the source of the funds. Client engaged in laundering might acquire large lump sum insurance policies (like single pay product) or multiple insurance policies for various parties to dispose the cash proceeds. Client might partially withdraw cash or surrender a policy and acquire new policies under the name of his family members.
- c. **Integration** — provides an appearance of legitimacy to criminally-derived wealth. If the layering process has succeeded, integration schemes place the laundered proceeds back into the economy in such a way that they re-enter the financial system appearing to be legitimate funds. The possible scenario could be that after receipt of the withdrawal proceeds from SLPH, the Client will deposit the proceeds into the banking system and launder the proceeds further by investing in the stock market or other legitimate businesses.

### **3.10 Politically Exposed Person (PEP)**

PEP refers to an individual who is or has been entrusted with prominent public position in the (1) the Philippines with substantial authority over policy, operations or the use or allocation of government-owned resources; (2) a foreign State; or (3) an international organization. SLPH considers the President of the Republic of the Philippines up to Barangay Captain as PEPs. Other PEPs include those who are military officials and the highest official of the Government-Owned and –Controlled Corporations.

Under local regulations, once a Client is tagged as a PEP, he/she will always be considered a PEP.

### **3.11 Targeted Financial Sanctions**

Targeted financial sanctions means both asset freezing and prohibitions to prevent funds or other assets from being made available, directly or indirectly, for the benefit of Designated Persons.

### **3.12 Terrorism Financing**

Terrorism financing is the process by which funds are provided for the purpose of committing terrorist activities or for the use or benefit of a terrorist group. It may involve funds raised from legitimate sources, such as personal donations and profits from businesses and charitable organizations, as well as from criminal sources, such as the drug trade, the smuggling of weapons and other goods, fraud, kidnapping and extortion.

### **3.13 Third Party**

A third party is someone who is funding or controlling the account, other than the policyowner, insured or primary investor, regardless of relationship.

### **3.14 Transaction**

Transaction refers to any act establishing any right or obligation, or giving rise to any contractual or legal relationship between the covered person and its Client. It also includes any movement of funds, by any means, in the ordinary course of business of a covered person.

### **3.15 Unlawful Activities**

Unlawful activities refer to any act or omission, or series or combination thereof, involving or having direct relation, to the following:

1. "Kidnapping for Ransom" under Article 267 of Act No. 3815, otherwise known as the Revised Penal Code, as amended;
2. Sections 4, 5, 6, 8, 9, 10, 11, 12,13, 14, 15 and 16 of Republic Act No. 9165, otherwise known as the "Comprehensive Dangerous Drugs Act of 2002";
3. Section 3 paragraphs b, c, e, g, h and i of Republic Act No. 3019, as amended, otherwise known as the "Anti-Graft and Corrupt Practices Act";
4. "Plunder" under Republic Act No. 7080, as amended;
5. "Robbery" and "Extortion" under Articles 294, 295, 296, 299, 300, 301 and 302 of the Revised Penal Code, as amended;
6. "Jueteng" and "Masiao" punished as illegal gambling under Presidential Decree No. 1602;
7. "Piracy on the High Seas" under the Revised Penal Code, as amended, and Presidential Decree No. 532;
8. "Qualified Theft" under Article 310 of the Revised Penal Code, as amended;
9. "Swindling" under Article 315 and "Other Forms of Swindling" under Article 316 of the Revised Penal Code, as amended;
10. "Smuggling" under Republic Act No. 455, and Republic Act No. 1937, as amended, otherwise known as the "Tariff and Customs Code of the Philippines";
11. Violations under Republic Act No. 8792, otherwise known as the "Electronic Commerce Act of 2000";
12. "Hijacking" and other violations under Republic Act No. 6235, otherwise known as the "Anti-Hijacking Law"; "Destructive Arson"; and "Murder", as defined under the Revised Penal Code, as amended;
13. "Terrorism" and "Conspiracy to Commit Terrorism", as defined and penalized under Sections 3 and 4 of Republic Act No. 9372;
14. "Financing of Terrorism" under Section 4 and offenses punishable under Sections 5, 6, 7 and 8 of Republic Act No. 10168, otherwise known as the "Terrorism Financing Prevention and Suppression Act of 2012";
15. "Bribery" under Articles 210, 211 and 211-A of the Revised Penal Code, as amended, and "Corruption of Public Officers" under Article 212 of the Revised Penal Code, as amended;
16. "Frauds and Illegal Exactions and Transactions" under Articles 213, 214, 215 and 216 of the Revised Penal Code, as amended;
17. "Malversation of Public Funds and Property" under Articles 217 and 222 of the Revised Penal Code, as amended;
18. "Forgeries" and "Counterfeiting" under Articles 163, 166, 167, 168, 169 and 176 of the Revised Penal Code, as amended;
19. Violations of Sections 4 to 6 of Republic Act No. 9208, otherwise known as the "Anti-Trafficking in Persons Act of 2003, as amended";
20. Violations of Sections 78 to 79 of Chapter IV of Presidential Decree No. 705, otherwise known as the "Revised Forestry Code of the Philippines, as amended";
21. Violations of Sections 86 to 106 of Chapter IV of Republic Act No. 8550, otherwise known as the "Philippine Fisheries Code of 1998";
22. Violations of Sections 101 to 107, and 110 of Republic Act No. 7942, otherwise known as the "Philippine Mining Act of 1995";
23. Violations of Section 27(c), (e), (f), (g) and (i) of Republic Act No. 9147, otherwise known as the "Wildlife Resources Conservation and Protection Act";
24. Violations of Section 7(b) of Republic Act No. 9072, otherwise known as the "National Caves and Cave Resources Management Protection Act";
25. Violation of Republic Act No. 6539, otherwise known as the "Anti-Carnapping Act of 2002, as amended";
26. Violation of Sections 1, 3, and 5 of Presidential Decree No. 1866, as amended, otherwise known as the decree "Codifying the Laws on Illegal/Unlawful Possession, Manufacture, Dealing In, Acquisition or Disposition of Firearms, Ammunition or Explosives";
27. Violation of Presidential Decree No. 1612, otherwise known as the "Anti-Fencing Law";
28. Violation of Section 6 of Republic Act No. 8042, otherwise known as the "Migrant Workers and Overseas Filipinos Act of 1995, as amended";



29. Violation of Republic Act No. 8293, otherwise known as the “Intellectual Property Code of the Philippines, as amended”;
30. Violation of Section 4 of Republic Act No. 9995, otherwise known as the “Anti-Photo and Video Voyeurism Act of 2009”;
31. Violation of Section 4 of Republic Act No. 9775, otherwise known as the “Anti-Child Pornography Act of 2009”;
32. Violations of Sections 5, 7, 8, 9, 10 (c), (d) and (e), 11, 12 and 14 of Republic Act No. 7610, otherwise known as the “Special Protection of Children Against Abuse, Exploitation and Discrimination”;
33. Fraudulent practices and other violations under Republic Act No. 8799, otherwise known as the “Securities Regulation Code of 2000”;
34. Violation of Section 19 (A)(3) of Republic Act No. 10697, otherwise known as “The Strategic Trade Management Act”, in relation to Proliferation of WMD and PF pursuant to UNSC Resolution Nos. 1718 of 2006 and 2231 of 2015;
35. Violations of Section 254 of Chapter II, Title X of the “National Internal Revenue Code of 1997”, as amended, where the deficiency basic tax due in the final assessment is in excess of Twenty-Five Million Pesos (P25,000,000.00) per taxable year, for each tax type covered and there has been a finding of probable cause by the competent authority: Provided, further, that there must be a finding of fraud, willful misrepresentation or malicious intent on the part of the taxpayer: Provided, finally, that in no case shall the AMLC institute forfeiture proceedings to recover monetary instruments, property or proceeds representing, involving, or relating to a tax crime, if the same has already been recovered or collected by the Bureau of Internal Revenue (BIR) in a separate proceeding;
36. Felonies or offenses of a nature similar to the aforementioned unlawful activities that are punishable under the penal laws of other countries.

## **CHAPTER 4 MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAMS**

### **4.1 Use of SLPH and Its Products for Money Laundering and Terrorist Financing**

Laundered money may enter financial institutions such as SLPH in any of the stages defined under Section 3.7. The business of insurance and mutual funds is most likely to be used at the three stages of money laundering; these processes provide a potential avenue to transform illegal funds from cash on hand to cash in bank, from money in whatever form to an entirely different asset such as insurance policies or investments in mutual fund accounts from SLPH.

Under the Implementing Rules and Regulations (“IRR”) of Republic Act No. 9160 otherwise known as The Anti-Money Laundering Act (“AMLA”) of 2001, as amended by Republic Act No. 9194 and Republic Act No. 10167, money laundering is committed by:

- a. Any person who, knowing that any monetary instrument or property represents, involves, or relates to the proceeds of any unlawful activity:
  1. transacts said monetary instrument or property;
  2. converts, transfers, disposes of, moves, acquires, possesses or uses said monetary instrument or property;
  3. conceals or disguises the true nature, source, location, disposition, movement or ownership of or rights with respect to said monetary instrument or property;
  4. attempts or conspires to commit ML offenses referred to in (1), (2), or (3) above;
  5. aids, abets, assists in, or counsels the commission of the ML offenses referred to in (1), (2), or (3) above; and
  6. performs or fails to perform any act as a result of which he facilitates the offense of ML referred to in items (1), (2), or (3) above.

- b. Any covered person who, knowing that a covered or suspicious transaction is required under the AMLA to be reported to the AMLC, fails to do so.

Terrorism financing may be executed by giving financial support in any form to terrorist or terrorist group or to those who encourage, plan, or engage in terrorism.

Under the Terrorism Financing Prevention and Suppression Act of 2012 (TFPSA of 2012), terrorism is committed by:

- a) Any person who, directly or indirectly, willfully and without lawful excuse, possesses, provides, collects or uses property or funds or makes available property, funds or financial service or other related services, by any means, with the unlawful and willful intention that they should be used or with the knowledge that they are to be used, in full or in part:
- to carry out or facilitate the commission of any terrorist act;
  - by a terrorist organization, association or group; or
  - by an individual terrorist, shall be guilty of the crime of financing of terrorism and shall suffer the penalty of reclusion temporal in its maximum period to reclusion perpetua and a fine of not less than Five hundred thousand pesos (Php500,000.00) nor more than One million pesos (Php1,000,000.00).
- b) Any person who organizes or directs others to commit financing of terrorism under the immediately preceding paragraph shall likewise be guilty of an offense and shall suffer the same penalty as herein prescribed.

For purposes of TFPSA of 2012, knowledge or intent may be established by direct evidence or inferred from the attendant circumstances. For an act to constitute a crime under the TFPSA of 2012, it shall not be necessary that the funds were actually used to carry out a crime.

With the strict implementation of the regulations pertaining to terrorism or terrorism activity, the AMLC released the 2021 Sanctions Guidelines covering TFS which include terrorism, terrorism financing and proliferation financing.

Financial sanctions are restrictions put in place by the United Nations and its Security Council (UNSC), a supra-national jurisdiction (e.g. European Union), another jurisdiction or by the Philippine government to achieve a specific foreign policy or national security objective. The TFS was enacted to deny Designated Persons from further supporting a terrorist or terrorist activity. To achieve this, it seeks to ensure that no funds, financial assets or economic resources of any kind are available to them for so long as they remain subject of the financial sanctions.

## 4.2 Key Requirements

- Complying with applicable AML/CTF and TFS regulatory requirements;
- Identifying and verifying client's identity;
- Identifying high risk Clients and applying enhanced due diligence (EDD) before accepting new business transactions;
- Implementing an AML/CTF risk management program;
- Cooperating with regulatory and law enforcement bodies who are charged with enforcing AML/CTF laws and regulations;
- Reporting of covered and suspicious transactions;
- Providing effective training and continuing education programs;
- Refusing to engage in transactions with individual or juridical clients identified in applicable watch lists as terrorists or suspected terrorists;
- Refusing to contract with and/or hire Advisor, Employee or Supplier identified in applicable watch lists as terrorists or suspected terrorists;
- Complying with the ongoing monitoring requirement; and
- Complying with the record keeping and retention requirement, and digitization of records

The AML/CTF program must be risk-based and contain the following elements:

- Local policies or standards and procedures;
- Appointment of the BUCO as the MLRO as required under the CRMF and local regulations;
- Periodic risk assessments and implementation of mitigating controls;
- Client identification, due diligence and record keeping;
- Identification of PEPs and other higher risk Clients and the application of appropriate Client due diligence processes;
- Monitoring for and reporting of suspicious and other activities as prescribed by applicable regulation;
- Screening Clients against the following lists, where applicable:
  - a. UNSCR;
  - b. OFAC;
  - c. OSFI;
  - d. FinCEN;
  - e. Panama Papers,
  - f. EU;
  - g. HMT;
  - h. PEP;
  - i. BSP;
  - j. PNP; and
  - k. SEC.
- Compliance testing and independent reviews; and
- Compliance training to directors and officers, employees, advisors and involved parties.

## 4.3 Periodic Risk Assessments/Self-Assessments

The Management of SLPH ("the Management") with the support from MLRO must conduct a periodic risk assessment of SLPH's exposure to money laundering/terrorist financing ("ML/TF") and TFS risks at least once every two years or on a more frequent basis as determined by the CAMLO. The purpose of the risk assessment is to assess the risk in its business and in particular identify changes in ML/TF and TFS risks and apply appropriate mitigating measures. Risk factors such as complexity and the terms of contracts, services, business relationships, geographical location of the activities, and methods of payment are considered, with focus on higher risk items. Risk assessments are updated based on the changes in the business, changes in legislation, non-compliance issues or emerging risks relative to AML/CTF and TFS.

The controls in place for AML/CTF and TFS must be monitored and assessed at least annually. These assessments are undertaken by the Management through Sun Life's annual AML/CTF and TFS risks and self-assessment process with the assistance of the MLRO. The Management documents the assessment results as per the tool provided by the Corporate Office, and the assessment results will be reviewed and challenged by BUCO. Mitigating controls for new or unaddressed inherent risks are developed and managed by Management, and with the support from MLRO if applicable.

Final copies of the assessments are forwarded to CCO Asia and CAMLO.

## **CHAPTER 5 KEY AML/CTF OBLIGATIONS**

The Anti-Money Laundering Council ("AMLC") imposes penalties, which include imprisonment and monetary fines, for violations of the following obligations:

### **5.1 Know Your Client ("KYC") and Client Due Diligence ("CDD")**

KYC under the IRR of the AMLA is defined as the due diligence activities that SLPH must perform to identify its Clients and ascertain relevant information pertinent to doing financial business with them. It requires SLPH to establish clear and risk-based Client acceptance and CDD practices with the applicable AML and CTF requirements.

Unless the AMLA and its IRR as well as other regulations issued by the relevant Supervising Authority(ies) of SLPH allows, as a general rule, no new account shall be opened and created without full compliance with the KYC and CDD requirements.

SLPH must establish and record the true identity of its Clients based on official documents. Management must maintain a system of verifying the true identity of its Clients. In case of corporate Clients, a system of verifying their legal existence and organizational structure, as well as the authority and identification of all persons purporting to act on their behalf must be in place. This includes identification of beneficial owners, third parties, PEPs and other high risk Clients

#### **5.1.1 Client Identification Process**

##### **5.1.1.1 Individual Clients**

The nature and extent of CDD conducted on Clients must be appropriate taking into account a variety of factors such as the background of the Client, the nature of work/occupation or business and the jurisdiction in which the matter and/or the Client is based. SLPH applies a "risk-based" approach to KYC and CDD.

###### **5.1.1.1.1 Identification Information:**

1. Full name;
2. Present address;
3. Permanent address;
4. Birthdate;
5. Birthplace;
6. Sex;
7. Citizenship or Nationality;
8. Nature of Work, name of employer or nature of self-employment or business, if applicable;
9. Contact numbers or information;

10. Tax Identification Number (TIN), Social Security System number (SSS), or Government Service and Insurance System number (GSIS);
11. Specimen signature or biometrics of the Client;
12. Source of funds; and
13. Full name, address, date and place of birth, contact number or information, sex and citizenship or nationality of beneficiary and/or beneficial owner, whenever applicable.

#### 5.1.1.1.2. Identification Documents

SLPH must establish and record the true identity of its Clients based on current unexpired (valid) official documents and identification information such as type of document, document number, issue date and issuing authority, and submit a clear copy thereof. These documents must be kept on file. The ID should provide evidence of complete name with address, birth date or TIN/GSIS/SSS No., bearing photograph and signature of the Client.

The authorized signatory/ies of a corporate or juridical person engaging in a financial transaction with SLPH shall be required to present the current unexpired (valid) official documents and identification information such as type of document, document number, issue date and issuing authority, and submit a clear copy thereof. These documents must be kept on file. The ID should provide evidence of complete name with address, birth date or TIN/GSIS/SSS No., bearing photograph and signature of the authorized signatory/ies.

For Filipino citizens, the acceptable identification documents are any of the following:

- a. Philippine Identification Card (PhilID);
- b. Other identification documents issued by the Government of the Republic of the Philippines, including its political subdivisions, agencies, and instrumentalities; and
- c. Other identification documents that can be verified using reliable, independent source documents, data or information.

For foreign nationals, the acceptable identification document are valid passport and any of the following identification documents issued by the Philippine government to foreigners:

- PhilID;
- Alien Certificate of Registration (ACR) i-Card,
- Alien Employment Permit (AEP);
- Special Resident Retiree's Visa (SRRV) ID; or
- Other identification documents issued by the Government of the Republic of the Philippines, including its political subdivisions, agencies and instrumentalities.

SLPH must validate the above information against the "acceptable valid identification documents" provided by the Clients.

**Annex 3** lists the acceptable valid identification documents.

SLPH shall implement and maintain a system of verifying the true identity of their Clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted and provided by the Client, using reliable and independent sources, documents, data, or information.

### 5.1.1.2. Corporate and Juridical Persons

Before establishing business relationships, SLPH must take reasonable steps to verify that the Client is a corporate or juridical person which has not been or is not in the process of being dissolved, wound up or voided, or that its business or operations has not been or is not in the process of being, closed, shut down, phased out, or terminated.

#### 5.1.1.2.1 Identification Information

- Full Name of the juridical person;
- Name, address, date and place of birth, contact number or information and citizenship or nationality of authorized representative/transactor/signer;
- Full name, address, date and place of birth, contact number or information, sex and citizenship or nationality of beneficiary and/or beneficial owner, whenever applicable;
- Current office address;
- Contact number or information;
- Nature of business;
- Source of fund; and
- Specimen signature or biometrics of the authorized representative/transactor/signer

#### 5.1.1.2.2 Identification Documents:

- Certificates of Registration issued by the Department of Trade and Industry for single proprietors, or by the SEC for corporations and partnerships, or by the BSP for money changers/foreign exchange dealers and remittance agents, by the AMLC for covered persons;
- Secondary License or Certificate of Authority issued by the Supervising Authority or other government agency;
- Articles of Incorporation/Partnership;
- Registration Data Sheet/Latest General Information Sheet;
- Name of beneficial owners, if applicable; and
- Board or Partners' resolution duly certified by the Corporate/Partners' Secretary authorizing the signatory to sign on behalf of the juridical person.
- For juridical persons registered outside of the Philippines, similar documents and/or information duly authenticated by a senior officer of the covered person assigned in the country of registration; in the absence of said officer, the documents shall be authenticated by the Philippine Consulate, company register or notary public, where said juridical persons are registered.

**Annex 4** is the Updated List of Account Opening AML Requirements for Entity Clients.

For group policies without cash or fund value, simplified or reduced due diligence may be applied, taking into account the nature of the product, type of business, premium and the risks involved; Provided, that ML/TF risks are effectively managed.

For Investment Team, the following are required:

- a. Conduct due diligence on new/returning securities/issuers, brokers/counterparties or other investment-related parties (e.g., transfer agents, banks, etc.) and their owners/stockholders/beneficial owners, directors, and officers to ensure that the Company will not transact with terrorists or associated with terrorism;
- b. Obtain approval from senior management before engaging Business Partners who have owners/stockholders/beneficial owners, directors, and officers who are Politically Exposed Persons (PEPs) and/or with negative information; and

- c. Perform ongoing monitoring.

**Annex 5** outlines the process to implement the said requirements.

### **5.1.2 Client Verification**

SLPH shall independently verify the collected data during Client identification process, through any of the following:

- a. face-to-face contact;
- b. use of ICT;
- c. by confirming the authenticity of the identification documents to the issuing office;
- d. reliance on third parties and service providers; or
- e. such other methods of validation based on reliable and independent sources, documents, data, or information.

### **5.1.3 Client Risk Assessment**

SLPH assesses each new Client individually to ensure appropriate CDD procedures are applied. The risk assessment will determine the level of CDD work that SLPH will employ at the time of account opening and ongoing monitoring purposes. SLPH shall assess their Clients to determine who are likely to pose low, normal, or high risk.

SLPH adopts a Risk Rating Tool to risk profile each new Client during onboarding to determine the required CDD efforts on each new Client. The following criteria are used:

- Type of Client (e.g., PEP, PEP relative, Close Associate of a PEP, Designated Persons, individuals/juridical persons in the Local Watchlist)
- Geography
- Type of Product
- Amount of Premium or Investment
- Source of Fund
- Regularity of Transaction
- Purpose of Transaction
- Delivery Channel

Client risk assessment is not a precise business process, it relies on available information and the reasonable interpretation in light of circumstances related to each application and local norms. The risk assessment of Clients outlines the guiding principles and is not meant to replace independent judgement of the assessor. SLPH applies “standard” KYC and CDD procedures at minimum to all new Clients in business acceptance process.

During the risk profiling process, a new Client may be profiled as high risk which will require EDD to be conducted before acceptance of the new business. However, the Senior Management may initiate a downgrade of the risk rating, from high risk to low risk, with proper rationale or recommendation provided.

#### **5.1.4 Beneficial Owner Identification and Verification**

SLPH shall verify that any person purporting to act on behalf of a Client is so authorized, and identify and verify the identity of that person using the relevant information or data obtained from a reliable sources, such that the covered person is satisfied that it knows who the beneficial owner is.

Juridical persons are required to provide details of their beneficial ownership structure by presenting such in their GIS and declaring such in the Corporate Certificate issued by the Corporate Secretary, where it also includes details of the representatives authorized to transact on behalf of the juridical person.

SEC requires disclosure of beneficial owners holding at least 25% of the outstanding shares in the GIS, which is required for submission by all SEC-registered corporations. A corporation maybe owned through multiple layers, and any intermediate layer of the corporation's ownership structure should be fully identified. SEC-registered corporations who complied with this requirement, should submit the same to SLPH when opening an account that will identify the beneficial owners and supplement this with a list of owners holding at least 20% of outstanding shares.

For Clients that are juridical persons, the covered persons shall identify and take reasonable measures to verify the identity of beneficial owners through the following information:

- a. the identity of the natural persons, if any, who ultimately have controlling ownership interest in a juridical person;
- b. to the extent that there is a doubt under item (a) above, as to whether the persons with the controlling ownership interest are the beneficial owners or where no natural person exerts control through ownership interests, the identity of the natural persons, if any, exercising control over the juridical person through other means; and
- c. where no natural person is identified under items (a) and (b) above, the identity of the relevant natural persons who hold senior management positions.

#### **5.1.5 Third Party Determination**

SLPH must conduct reasonable due diligence to determine who are the Clients of the account and use reasonable efforts to determine if an insurance policy or mutual fund is to be used by or on behalf of a third party and identify such third party. A Client whose funds are sourced from allowance, remittance, donation, or gift should identify the third party funding the premium or investment.

Reasonable efforts must be made to determine if a policy or account is used by or on behalf of a third party. This includes a third party who is not the policy/account owner but may make payments. The following information are obtained from a third party:

- Full name/Juridical person name;
- Relationship to the Individual and/or Business Applicant;
- Permanent residence address;
- Birthdate or date of incorporation (for juridical person); and Description of occupation or business

#### **5.1.6 PEP Identification and Determination**

SLPH must take reasonable measures to determine whether a Client or beneficial owner is a PEP. Requirements for all types of PEPs must also apply to immediate family members and close relationship/associates of such PEPs. PEPs will remain to be PEPs, but for domestic PEPs, not all are to be treated as high risk clients except for the following PEP positions which are automatic high risk:

- President of the Republic of the Philippines



- Vice-President of the Republic of the Philippines
- Chief Justice of the Supreme Court
- Associate Justice
- Senator
- Congressman

Applicants holding other PEP positions will only be considered as high risk based on the following criteria:

- a. Total annualized first year premium is Php500K and above (initial application + existing policies);
- b. Total annual premium of current application is more than five times (5x) of the declared annual income (e.g., Income is Php1M, premium is Php6M); and
- c. Has adverse news (based on the Local Watchlist, Dow Jones and Google search).

Listed below are some examples of PEPs holding national and local government positions:

President and Vice-President of the Republic of the Philippines	Governor and Vice-Governor
Supreme Court Justice	Mayor and Vice Mayor
Senator	Provincial Board Member
Congressman	Regional Trial Court and Metropolitan Trial Court Judge
<p>Military and Police Official with a rank of:</p> <ol style="list-style-type: none"> <li>a. Philippine Air Force and Army <ul style="list-style-type: none"> <li>▪ General</li> <li>▪ Lieutenant General</li> <li>▪ Major General</li> <li>▪ Brigadier General</li> </ul> </li> <li>b. Philippine National Police <ul style="list-style-type: none"> <li>▪ Police General</li> <li>▪ Police Lieutenant General</li> <li>▪ Police Major General</li> <li>▪ Police Brigadier General</li> </ul> </li> <li>c. Philippine Navy and Marines <ul style="list-style-type: none"> <li>▪ Admiral</li> <li>▪ Vice Admiral</li> <li>▪ Rear Admiral</li> <li>▪ Commodore</li> </ul> </li> </ol>	<p>Military and Police Official with a rank of:</p> <ol style="list-style-type: none"> <li>a. Philippine Air Force and Army <ul style="list-style-type: none"> <li>▪ Colonel</li> <li>▪ Lieutenant Colonel</li> <li>▪ Major</li> <li>▪ Captain</li> </ul> </li> <li>b. Philippine National Police <ul style="list-style-type: none"> <li>▪ Police Colonel</li> <li>▪ Police Lieutenant Colonel</li> <li>▪ Police Major</li> <li>▪ Police Captain</li> </ul> </li> <li>c. Philippine Navy and Marines <ul style="list-style-type: none"> <li>▪ Captain</li> <li>▪ Commander</li> <li>▪ Lieutenant Commander</li> <li>▪ Lieutenant Senior Grade</li> </ul> </li> </ol>
<p>Head and Assistant Head of Government Branch and Agency</p> <p>Examples:</p> <ol style="list-style-type: none"> <li>a. Cabinet Secretary, Undersecretary and Assistant Secretary of Department of Labor and Employment, Department of Tourism</li> <li>b. Commissioner and Assistant or Deputy Commissioner of Bureau of Internal Revenue, Insurance Commission</li> <li>c. Administrator and Deputy Administrator of Land Registration Authority</li> </ol>	Regional and Assistant Regional Director of Government Branch and Agency

Head, Assistant Head and Board of Directors of Government-Owned and Controlled Corporations Examples: a. Chairperson and Vice Chairperson of Philippine Charity Sweepstakes Office b. Administrator and Deputy Administrator of National Food Authority c. c. General Manager and Assistant General Manager of Philippine National Railways	Chief of Staff of a Senator, Congressman and Provincial/Municipal/City Administrator of a Governor, Mayor
Justice and Associate Justice (Court of Appeals, Ombudsman, Sandiganbayan)	Barangay Chairman

For foreign and international PEPs, all PEPs should be treated as high risk. Thus, in addition to performing the applicable CDD measures, SLPH shall:

- Determine whether a Client or the beneficial owner is a foreign PEP;
- Obtain senior management approval before establishing a business relationship;
- Take reasonable measures to establish the source of wealth and the source of funds of Clients and beneficial owners identified as foreign PEPs; and
- Conduct enhanced ongoing monitoring on that relationship.

#### 5.1.7 Third Party Reliance

Local regulations allow SLPH to rely on third parties, who should be a covered person or financial institution, to be primarily accountable for the conduct of due diligence provided that a written sworn certification containing the following is obtained from the third party:

- The third party has conducted the prescribed Client identification procedures in accordance with the AMLA and its own money laundering prevention manual, including the face-to-face contact requirement, as necessary, to establish the existence of the ultimate Client and has in its custody all the minimum information and/or documents required to be obtained from the Client, and record-keeping requirements;
- The third party should provide to SLPH relevant information and identification documents upon request without delay; and
- In cases of high risk Clients, SLPH shall conduct its own enhanced due diligence on the Client.

For SLPH, only SLAMCI has a Third Party reliance on partner banks and brokers. Specifically for trust accounts, SLPH relies on local bank partners to conduct the CDD and EDD process on trust account holders, based on the signed Service Level Agreement. For individual and juridical person accounts, partner brokers conduct its own CDD and EDD process.

Notwithstanding the foregoing, the ultimate responsibility for CDD and record keeping remains with SLPH relying on the third party, which shall be required to:

- a. obtain immediately the necessary information received and gathered during the conduct of the different CDD measures;
- b. take steps to satisfy itself that copies of record of identification information and IDs shall be made available from the third party upon request without delay; and
- c. satisfy itself that the third party is a covered person, and has measures in place for compliance with, CDD and record-keeping requirements.

SLPH conducts initial and ongoing due diligence on these third parties, including bank partners, to ensure that their AML/CTF controls meet local regulations and SLPH AML standards. This includes obtaining an annual attestation through the AML Questionnaire and risk-based testing of controls. SLPH should retain ultimate responsibility for identifying Clients.

## **5.2 Enhanced Due Diligence**

### **5.2.1. EDD Information and Documents**

Whenever EDD is applied, SLPH shall perform the following:

- a. Gather documents to support the:
  - Sources of wealth and fund
  - Nature of occupation and/or business;
  - Reason for intended or performed transaction; and
  - Other identification information, which SLPH deems necessary to verify the identity of the Client, and their agents and beneficial owners.

Whenever applicable, Financial Questionnaire, accomplished and signed by the Client, may be required to further verify Client's source of fund and wealth.

- b. Conduct additional validation procedures, such as:
  - verifying volume of assets, information available through public databases, internet and other records;
  - verifying the declared residence address and conducting face-to-face contact with the Clients, and their agents and beneficial owners; and
  - other modes of validation, which the SLPH deems reliable and practical.
- c. Secure the approval of senior management to commence or continue transacting with the Client;
- d. Conduct enhanced ongoing monitoring, including more frequent or regular updating of identification information and identification documents;
- e. Require the first payment to be carried out through an account in the Client's name with a bank subject to similar CDD standards, where applicable; and
- f. Such other measures as SLPH may deem reasonable or necessary.

**Annex 6** is the Compliance Circular on Conduct CDD and EDD.

### **5.2.2. Escalation Procedures for High Risk Clients**

SLPH shall secure the approval of senior management to commence or continue transacting with the high risk Client.

Senior management refers to the Senior Managers and Head of New Business and Underwriting and Investor Services and the AML Committee. Level of approval will depend on the threshold amount of high risk Clients.

The AML Committee is formed to decide on the following:

- acceptance of new business applications identified to be of higher risk;
- retention of existing business relationship;

- non-acceptance of future business from the existing client;
- termination of any existing business relationship because of AML considerations; and
- review of the possible risk exposure that SLPH can tolerate.

There shall be one AML Committee per SLPH entity, and each committee shall have three (3) members. When making decisions to commence, continue, or terminate the business relationship with a high risk client, the majority rule applies and the concurring votes of at least two (2) members will approve the decision.

**Annex 7** refers to the Procedures in Escalation of High Risk Clients to Senior Management

### **5.3 Failure to Satisfactorily Complete CDD**

For clients who are unable to comply with the relevant CDD measures, SLPH shall:

- (a) refuse to open an account, commence business relations or perform the transaction; or shall terminate the business relationship; and
- (b) File an STR in relation to the Client, if circumstances warrant.

### **5.4. Cash Acceptance**

SLPH has implemented a cash payment threshold of PHP50,000.00 and USD1,000 for peso and US dollar denominated policy, respectively, remitted by advisors or walk-in Clients at any of the Client Service Center (CSC). Advisors are not allowed to collect cash in excess of the threshold. If clients are paying cash in excess of the threshold, advisors need to inform clients to remit their premium payments at any of our collecting banks and other affiliated payment partners.

On a case by case basis, CSC may accept advisors' or walk-in clients' cash payment beyond the threshold, provided, a Confidential Report Form must be accomplished by the advisor or walk-in clients, and approval of the CSC manager should be secured prior to acceptance of the cash payment.

## **CHAPTER 6 COVERED AND SUSPICIOUS TRANSACTIONS**

### **6.1 Covered Transaction Report**

Covered Transaction is a transaction in cash or other equivalent monetary instrument involving a total amount in excess of five hundred thousand pesos (Php500,000.00) per transaction within one (1) banking day.

SLPH must report to the AMLC all Covered Transactions within five (5) working days from occurrence.

Transaction involves a “single transaction” of a Client in a single day. Aggregate amounts from multiple transactions, arising from the purchase of different products or same policies, plans or mutual funds are not required to be reported as CTRs. However, SLPH monitors such multiple transactions and considers whether a filing of Suspicious Transaction Reporting is warranted.

With regard to the insurance business, when the total amount of the regular annualized premiums for the entire year, regardless of the mode of payment (monthly, quarterly, semi-annually or annually), exceeds Php500,000.00, such amount shall be reported as a covered transaction upon payment of the initial premium, even if the amounts of the amortizations are less than the threshold amount.

For initial payment wherein the policyowner has not been issued an insurance policy, any receipt of payment in excess of Php500,000.00 should be reported using the transaction code NREC (Receipt of Initial Payment for Insurance Policy). Once the policyowner has been issued an insurance policy, a CTR should again be filed using the transaction code pertaining to Purchase of Insurance, wherein transaction date is the date of issuance of the insurance policy.

**Annex 8** is the Procedure for Reporting Covered Transaction Reports to the AMLC.

## **6.2 Suspicious Transaction Report**

Suspicious Transaction refers to a transaction, regardless of amount, where any of the suspicious circumstances, as herein defined, is determined, based on suspicion or, if available, reasonable grounds, to be existing.

SLPH must report to the AMLC all Suspicious Transactions within the **next working day** from the occurrence thereof, which for purposes of this MTPP, shall be the date of establishment of suspicion or determination of the suspicious nature of the transaction.

Suspicious Transaction refers to a transaction, regardless of amount, where any of the following circumstances exists:

- a. There is no underlying legal or trade obligation, purpose or economic justification;
- b. The Client is not properly identified;
- c. The amount involved is not commensurate with the business or financial capacity of the Client;
- d. Taking into account all known circumstances, it may be perceived that the Client’s transaction is structured in order to avoid being the subject of reporting requirements under the AMLA;
- e. Any circumstance relating to the transaction which is observed to deviate from the profile of the Client and/or the Client’s past transactions with SLPH;
- f. The transaction is in any way related to an unlawful activity or any money laundering activity or offense that is about to be committed, is being or has been committed; or
- g. any transaction that is similar, analogous, or identical to any of the foregoing, such as the relevant transactions in related and materially-linked accounts, as herein defined.

Any unsuccessful attempt to transact with the Company, the denial of which is based on any of the foregoing circumstances, shall likewise be considered as suspicious transaction.

**Annex 9** is the Procedure for Submitting Suspicious Transaction Reports to the AMLC.

## CHAPTER 7 ASSET PRESERVATION AND INQUIRY

### 7.1 Asset Preservation and Inquiry

SLPH must implement the asset preservation measures issued by the AMLC or the Courts. These orders are: (a) freeze order; (b) provisional asset preservation order; (c) asset preservation order; and (d) production order.

SLPH shall secure the consent of all Clients to be bound by obligations set out in the relevant UNSCR and other local TFS laws relating to the prevention and suppression of proliferation financing of weapons of mass destruction, including the freezing and unfreezing actions as well as prohibitions from conducting transactions with designated persons and juridical persons.

The consent shall be obtained at the time of account opening and it is incorporated in the New Business Application Form. The implementation of this requirement shall be prospective.

The 2021 Sanctions Guidelines emphasize the role of covered persons, such as SLPH, to comply with the TFS guidelines. In particular, the guidelines set out rules in freezing and unfreezing accounts of SLPH clients who are determined to be a Designated Person (target match). SLPH must immediately, upon receipt or knowledge of the TFS issued by the AMLC, implement ex parte freeze without delay and submit detailed return.

SLPH must also report to the AMLC any assets frozen or actions taken in compliance with the prohibition requirements, including attempted transactions. In order to ensure that SLPH can immediately comply with the TFS requirements, checking of the AMLC website is done on a daily basis.

Under the Guidelines, there are three (3) instances wherein SLPH is required to file a return:

- a. When there is a target match, i.e., the subject person or juridical person fully matches the description in the UNSC Consolidated List, list of designation or proscription, SLPH shall file a detailed electronic return within 24 hours from effecting the freeze.
- b. In cases where there is merely a potential target match, SLPH shall file a detailed electronic return within 24 hours from receipt of the AMLC's confirmation.
- c. For cases where the AMLC directs the freeze of the funds and other assets of a person or juridical person who, although not specifically included in the UNSC Consolidated List, was nevertheless found to be acting for and in behalf of or under the direction of those designated under the UNSC Consolidated List, list of designation or proscription, SLPH shall file the detailed electronic return within 24 hours upon discovery.

**Annex 10** presents Procedures in Handling Freeze Orders and Other Inquiries from Regulators.

## **CHAPTER 8 CONTINUING EDUCATION AND TRAINING PROGRAM**

### **8.1 Continuing Education and Training Program**

SLPH must provide all their responsible officers, employees and advisors (“Personnel”) with appropriate and effective training and continuing education programs to enable them to fully comply with all their obligations under the AMLA and this MTPP and all underlying processes and procedures.

The education and training programs shall include relevant topics, such as:

- a. Overview on ML/TF, and the AMLA and TFPSA;
- b. Roles of directors, officers and employees in ML/TF prevention;
- c. Risk management;
- d. Preventive measures;
- e. Compliance with freeze, bank inquiry and asset preservation orders, and all directives of the AMLC;
- f. Cooperation with the AMLC and the Supervising Authorities; and
- g. International standards and best practices.

All new personnel are provided with training to acquire a general understanding and appreciation of the overview of AML/CTF risks, the need to identify suspicious transactions and report such transactions to appropriate authorities.

All employees shall take the annual AML training online through the myLearning Navigator. Advisors are also required to take the refresher AML training once every three (3) years. The board of directors and top management are provided with a higher level of education that covers all aspects of the AML/CTF procedures. The completion of the training by employees and advisors is monitored.

SLPH provides function-specific training to frontline employees of business units, such as Client Service Center, New Business and Underwriting and Investor Services Department, who deal directly with Clients and advisors. The training objective is to highlight the functions and obligations of the first line, including identifying and reporting suspicious transactions when confronted with transactions and Clients deemed suspicious and unusual.

Compliance Department must prepare, update, when necessary, and review the AML/CTF training materials at least once every two (2) years, or more frequent basis due to change of applicable laws or obligations and business products, services, distribution channels or other business activities that impact the AML/CTF risk exposure. MLRO reviews and approves relevant training materials in SLPH.

## CHAPTER 9 NAME SCREENING

### 9.1 Client

SLPH shall conduct appropriate and reasonable due diligence to minimize the possibility of being used as a conduit for ML/TF. Through the name screening process, SLPH identifies Clients who are PEPs and Designated Persons. SLPH shall refuse to conduct business with the confirmed Designated Persons and file suspicious transaction report. Annual review of watchlists and alerting thresholds/configuration is required to verify that screening processes and configuration continue to meet requirements, standards, and align with risks. The annual review is initiated by Enterprise Compliance and completed by MLROs in consultation with management.

Name screening is performed on the following:

- applicants at onboarding;
- existing Clients as part of ongoing monitoring; and
- payees when releasing disbursements or payouts.

Name screening is the process of comparing the names of Policyowners, Insureds, Account Holders, Plan Holders, Third Parties and Beneficial Owners, and Payees of Disbursement (collectively, "Party Name") against the names/profiles in databases which contain various identifiers and information such as sanctions, adverse information, news and biography..

Name screening is performed manually via Dow Jones database, Dow Jones bot and through automation via the Financial Crimes Risk Management (FCRM), an enterprise-wide automated AML/CTF software solution, which is used for name screening and suspicious transaction monitoring of Clients.

The following are the three (3) information used to determine whether the result of the name screening is a target match, potential target match or name match:

- a. full name (first name, middle name, and surname)/juridical person name;
- b. date of birth/date of incorporation; and
- c. country of residence and country of nationality/citizenship/country of incorporation.

To check whether a screening alert is a false positive or true/potential match, the following are the guidelines:

- a. Full name (Individual - first name, middle name, and surname; Juridical person), date of birth, and country/nationality Match – If the individual/juridical person full name and other information of the SLPH client match with the available information in the Sanctions List, it may result in an exact or target match.
- b. Juridical Person/Individual Mismatch - Generally, a match between an individual and juridical person is a false match. However, a listed individual may own the juridical person bearing his/her name, so the extent of the similarity of the names must still be considered as well as the ownership of that person in said juridical person after it is established that there is a connection.
- c. Single Name Matches - Generally, a single name in the Sanctions List matched with several names in SLPH record (first, middle, and last) is not sufficient to establish a target match especially if access to additional information is limited.



- d. Multiple Name Matches – Alerts generated on multiple name matches warrant further review by considering the date of birth, country, and other available identification information, if provided.
- e. Countries Do Not Match - Even with perfect matches with the names on record, different address on record may result in a false match. A review the date of birth information is advisable.
- f. Dates of Birth Do Not Match - Differences of one or two years in the year of birth alone (in the absence of information on the day and month of birth) should not be used to dismiss alerts. The year of birth recorded in the watchlist may only be an estimate.

At a minimum, an alert could be dismissed when two or more below identifiers are found to be unmatched:

- a) For alert triggered against an individual;
  - Name;
  - Year of Birth;
  - Country of Residency;
  - Country of Birth;
  - Identification Document Number;
  - Gender;
- b) For alert triggered against a juridical person;
  - Name;
  - Year of Incorporation;
  - Location or Country of Registered Address;
  - Country of Registration;

If the result of the name screening is still questionable after reviewing the available information based on the guidelines above, the application file may be referenced for additional information (e.g., identification numbers or employment information) to determine if there is any connection to an affiliation or company associated with the designated person.

For a more detailed process, refer to Annex 11.

The MLRO must report any positive matches with the designated persons to the CAMLO, CCO Asia, and Senior Management within ten (10) working days from identification of such. In situations where transaction freezing is required, the MLRO instructs the Operations/ Human Resources/ Finance Departments to take appropriate action, which may include freezing of accounts, stopping or postponing the processing of any transaction when the Client is in question.

## 9.2 Advisor, Employee or Supplier

SLPH shall exercise due diligence in verifying that its employees and advisors are not involved in any ML/TF and associated unlawful activities, or were not found guilty of any serious, major or grave administrative offenses by the AMLC and/or the Supervising Authorities, or convicted in any criminal case involving moral turpitude. After initial screening at onboarding, employees and advisors are name screened on a daily basis through FCRM.

SLPH has implemented an institution-wide due diligence process to ascertain adequate screening procedures are applied on vendors, service providers, and business partners (collectively called as “suppliers”). Before establishing a business relationship with suppliers, SLPH must conduct the same KYC and CDD process outlined in this MTPP and other internal guideline for suppliers.

## **CHAPTER 10 ONGOING MONITORING**

### **10.1 Ongoing Monitoring**

SLPH shall, on the basis of materiality and risk, conduct ongoing monitoring by establishing a system that will enable them to understand the normal and reasonable account or financial activity of Clients, and scrutinize transactions undertaken throughout the course of the business or professional relationship to ensure that the Clients' accounts, including transactions being conducted, are consistent with SLPH's knowledge of its Client, their business and risk profile, including where necessary, the source of funds and wealth. SLPH shall also ensure that parties (e.g. beneficial owners, beneficiaries) are updated in case of any change.

#### **10.1.1. Review of High Risk Clients**

SLPH shall ensure that information and documents collected under the EDD process are kept up-to-date and relevant by undertaking review of existing records, particularly for higher risk categories of Clients, once every two (2) years.

#### **10.1.2. Updating of Clients' Records**

SLPH shall ensure that updating of records shall take place once every three (3) years, and shall be mandatory when enhanced ongoing monitoring is warranted. This frequency for updating records for higher risk Clients is an approved exception to the 2-year minimum standard in the CRMF.

Reminder to update information is included in the billing notice and anniversary statement (for SLOCPI), and statement of account (for SLAMCI) sent to Clients. Other initiatives to update information shall also be considered, as necessary.

For Clients who are unable to satisfactorily complete CDD measures, SLPH shall:

- a. refuse to open an account, commence business relations or perform the transaction; or shall terminate the business relationship; and
- b. file an STR in relation to the Client, if circumstances warrant.

### **10.2 Ongoing Name Screening and Transaction Monitoring**

Through the FCRM, SLPH detects and flags potential/suspected activity based on various scenarios/methodologies as defined within the system. There are three (3) types of alerts that FCRM generates, listmatching (name screening) alerts, disbursement alerts and transaction monitoring alerts.

FCRM has multiple specially-designed nineteen (19) active risk scenarios to identify potentially suspicious activities based upon unusual or atypical patterns of behavior.

**Annex 11** provides guidance of alerts handling in relation to listmatching, disbursement and transaction monitoring alerts generated.

### **10.3 CDD Measures on Beneficiaries**

In addition to the CDD required for the Clients and beneficial owner, covered persons shall conduct the following CDD measures on the beneficiary of life insurance and other investment-related insurance policies, as soon as the beneficiary is identified or designated:

- a. For a beneficiary that is identified as specifically named natural or juridical person, or legal arrangements: taking the name of the person.
- b. For a beneficiary that is designated by characteristics, by class, or by other means: obtaining sufficient information concerning the beneficiary to satisfy the covered person that it will be able to establish the identity of the beneficiary at the time of payout.
- c. For both the above cases: the verification of the identity of the beneficiary should occur at the time of payout.

SLPH shall include the beneficiary of life insurance policy as a relevant risk factor in determining whether EDD is applicable. If SLPH determines that a beneficiary who is a juridical person or legal arrangement presents a higher risk, it shall take enhanced measures, which include reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary, at the time of payout.

In relation to life insurance policies, SLPH shall take reasonable measures to determine whether the beneficiaries and the beneficial owner of the beneficiary, are PEPs. This should occur, at the latest, at the time of the payout. Where higher risks are identified, SLPH shall inform senior management before the payout of the policy proceeds, to conduct enhanced scrutiny on the whole business relationship with the policyholder, and to consider filing an STR. This is carried out through the disbursement name screening. Positive PEP matches from disbursement screening are escalated to the MLRO for investigation and if warranted, reporting to the AMLC as STR.

### **10.4 Tipping-off**

In cases where SLPH forms a suspicion of ML/TF and associated unlawful activities, and it reasonably believes that performing the CDD process will tip-off the Client, they need not pursue the CDD process, but should file an STR, closely monitor the account, and review the business relationship.

### **10.5 Compliance Testing**

As necessary, Compliance Department may perform risk-based testing and independent review to determine the effectiveness of the business processes and assess the compliance with the AMLA. The Compliance Testing may cover the following AML programs:

- KYC and CDD Requirements
- EDD Requirements
- Name Screening
- Record Keeping
- Covered Transaction Reports (CTRs) and Suspicious Transaction Reports (STRs)
- Freeze Order/ Asset Preservation Order
- Cash Acceptance

## CHAPTER 11

### RECORD KEEPING, DIGITIZATION, AND RETENTION OF RECORDS

#### 11.1 Record Keeping

All transaction records of SLPH must be maintained and safely stored for five (5) years from the date of transactions. With respect to closed accounts, the records on Client identification, account files and business correspondence, must be preserved and safely stored for at least five (5) years from the dates when they were closed.

SLPH's record keeping and retention procedure must comply with the requirements of the AMLA, including the following:

- The records and files shall contain the full and true identity of the owners or holders of the accounts involved in the covered transactions and all other Client identification documents;
- The security measures must ensure the confidentiality of such records and files;
- Any account, relationship or transaction can be reconstructed so as to enable the AMLC, and/or the courts to establish an audit trail for money laundering; and
- Records are retained as originals or copies in such forms as are admissible in court pursuant to existing laws and the applicable rules promulgated by the Supreme Court.

#### 11.2 Digitization of Records

SLPH shall comply with the Guidelines on Digitization of Customer Records (DIGICUR Guidelines) which requires storing of digitized records of Clients in the central database. SLPH's MLRO or other duly authorized officers or employees are expected to retrieve Client's records quickly, and, upon request or order, submit to the regulators and/or upload to the AMLC's portal, without having to request said records from branches on a per need basis. In turn, direct access to Client's records in the SLPH's database would empower MLRO and their duly authorized officers or employees to proactively analyze by themselves the financial profile of Clients, independently of the SLPH's front liners.

#### 11.3 Record Retention

SLPH adopts its own record retention period.

Document	Retention Period
Transaction Records	For as long as the business relationship exists and five (5) years from cessation of such relationship
Covered Transaction Report/Suspicious Transaction Report	At least five (5) years from the dates of submission to the AMLC in electronic copies
Closed Accounts	At least five (5) years from the dates when the accounts were closed.
Records related to money laundering, or any regulatory or court case	Upon confirmation that the case is finally resolved or terminated, or the periods above, whichever is later

### **11.3.1 Record Officers**

SLPH shall designate at least two (2) Record Management Officers who are jointly responsible and accountable for the safekeeping of all records and documents required to be retained by the AMLA related laws. They shall have the obligation to make these documents and records readily available without delay during regular or special examinations of its supervising authority/ies under laws or regulations.

SLPH's record keeping and retention procedure must comply with the above requirements of the AMLA.

## **CHAPTER 12 ACCOUNTABILITIES**

SLPH, in accordance with AMLA and the SL CRMF, shall continuously develop risk management policies and practices designed to ensure that risks associated with money laundering, such as counterparty, reputational, operational, and compliance risks, are identified, assessed, monitored, mitigated and controlled, as well as to ensure the effective implementation of applicable AML/CTF regulations and obligations, to the end that SLPH shall not be used as a vehicle to legitimize proceeds of unlawful activity or to facilitate or finance terrorism.

A periodic assessment of inherent ML/TF risks is required by the CRMF. It is the means by which SLPH assesses the ML/TF risks inherent in its products, services, distribution channels and other business operations in order to implement internal measures and processes to mitigate them.

Compliance to the CRMF and this MTPP shall be the responsibility of the three lines of defense.

The common areas of sound risk management practices are:

- adequate and active Board and Senior Management oversight;
- adequate policies and procedures embodied in a money laundering and terrorist financing prevention compliance program;
- appropriate monitoring and management information system(s); and
- comprehensive internal controls and audits.

## **12.1 Board of Directors**

Each Board of Directors of SLPH provides the highest level of independent oversight of SLPH's management and operations. It is the ultimate responsibility of each Board of Directors to ensure that the SLPH companies comply with the applicable AML/CTF laws, regulatory issuances and obligations. The Board or its duly authorized Committee is also responsible for approving this MTPP and for ensuring that the AML/CTF programs outlined in it are established and maintained. This includes the Board's delegation to the MLRO the authority to review and decide whether or not to file a report to the AMLC as set out in this MTPP and supporting Schedules. The Board also determines the type, content and frequency of reports that it wishes to receive to validate the overall effectiveness of the program, to address material compliance issues and to monitor remediation of material problems

## **12.2 Three (3) Lines of Defence**

### **a. Management (First Line)**

Management serves as the first line of defense responsible in ensuring SLPH's day-to-day compliance to this MTPP, the policy associated with it and the relevant laws and regulations. Management has the accountability to identify, assess and mitigate money laundering and terrorist financing risks inherent in its business, and incorporate consideration of these risks within business activities and decision - making processes. Management will accomplish this by ensuring, among other things, to:

- appoint the BUCO as the SLPH MLRO in consultation with the CAMLO and the CCO Asia;
- refuse to conduct business with individuals or organizations identified as terrorists or suspected terrorists on applicable government sanction/watch lists and, when required by law to do so, freeze assets owned or controlled by such individuals or organizations;
- identify, assess and communicate ML/TF risks and produce adequate documentation to demonstrate this; and
- develop and implement adequate day-to-day AML/CTF controls and monitoring activities to detect AML/CTF risks at upfront in the business and consulting with the MLRO with respect to their adequacy.

### **b. Money Laundering Reporting Officer (MLRO) (Second Line)**

The CCO Asia has an oversight role to the MLRO and SLPH's AML/CTF program.

As the second line of defense, the MLRO is responsible for i) promoting, facilitating, monitoring and assessing day-to-day compliance of applicable AML/CTF regulatory requirements as specified in this MTPP, ii) managing the ML/ TF risks, and iii) overseeing the development and implementation of SLPH's AML/CTF program.

These MLRO tasks must be supported by an adequately staffed Compliance Department. To ensure the independence, the MLRO shall have a direct reporting line to the Board of Directors or any Board-level committee and CCO Asia (and a dotted reporting relationship to CAMLO) on all matters related to AML/CTF compliance and their risk management. The MLRO shall be principally responsible for the following functions, among other functions, that may be delegated by Senior Management and the Board, namely:

- Ensure compliance of the AMLA, the IRR and SLPH AML/CTF program by all responsible officers and employees. The MLRO shall conduct periodic compliance testing to evaluate existing processes, policies and procedures including on-going monitoring of performance by staff and officers involved in ML/TF prevention, reporting channels, effectiveness of the automated money laundering transaction monitoring system and record retention system through sample testing and review of audit or examination reports. The frequency of testing based on the MLRO's assessment of ML/TF risk, but take place at least once a year. The MLRO shall provide periodic reports on the state of SLPH's AML programs and also report compliance findings to the Board or any Board-level committee, the CCO Asia and the CAMLO;
- Work with and support management such that infractions, discovered by second line testing, internally initiated audits or by special or regular examination conducted by the relevant regulator or government agency, are corrected in a timely manner;
- Inform all responsible officers and employees of all resolutions, circulars and other issuances by the relevant regulators or government agencies and the AMLC in relation to matters aimed at preventing money laundering and terrorist financing; and
- Organize the timing, content and delivery of AML/TF training of officers and employees including regular refresher trainings.

The MLRO will be the liaison between SLPH, IC, SEC, BSP and the AMLC in matters relating to SLPH's AML/CTF matters. The MLRO will:

- maintain up-to-date information on applicable AML/CTF laws and regulations and communicate any of such to relevant, the CCO Asia, and the CAMLO;
- provide guidance on AML/CTF initiatives and regulatory developments, including the approval of new or revised AML/CTF procedures/guidelines;
- assist Management to identify and assess ML/TF risks and implement appropriate measures to mitigate them, and produce adequate documentation;
- ensure that Management develops and implements adequate day-to-day ML/TF processes and controls, and complies with local AML/CTF laws, the SL CRMF, relevant Standard and Guidelines;
- maintain a process for filing all prescribed reports to the local authorities, including the timely submission of covered and suspicious transaction reports, and, if not prohibited by law, the CCO Asia and the CAMLO as may be required from time to time;
- work with and supports management such that the SLPH takes reasonable steps to refuse to conduct business with individuals or organizations identified as terrorists or suspected terrorists on applicable government sanction/watch lists and, when required by law to do so, freeze assets owned or controlled by such individuals or organizations upon consultation with the CCO, the CAMLO and/or the General Counsel or designate;
- develop a cash acceptance policy and implement cash acceptance controls and monitoring process in the business place;
- provide periodic reports and escalate material AML/CTF matters to management, AND the CCO Asia, the CAMLO and the Chief Compliance Officer SL (CCO SL), and ensure they and the Board of Directors, if applicable, are adequately informed about the effectiveness of the AML/CTF; and
- promote the development and delivery of training and educational programs related to AML/CTF.

As part of the SLPH AML/CTF program, the Board delegates to and designates the MLRO to conduct all suspicious transaction reporting following his/her due diligence review and decide whether a suspicious transaction report should be filed with the AMLC. The MLRO will keep the Board informed of all such decisions as part of the periodic Board reporting. This control is in lieu of establishing a separate Board Committee responsible to review and determine whether a particular transaction or attempted transaction should be reported to the AMLC.

**c. Local Internal Audit (Third Line)**

The Internal Audit who acts as a third line of defence may from time to time validate the effectiveness of SLPH's AML/CTF program and adherence to the CRMF by risk-based testing on rotational or other basis. Internal Audit shall report significant report findings to Management and Board of Directors periodically on the effectiveness of the controls in SLPH's AML/CTF program.

Reports will include the scope and results of compliance related audit including assessing the Compliance Department's oversight together with the Management's response and recommended action plans. These reports must be shared with the Board of Directors, CAMLO and CCO Asia.

**CHAPTER 13  
REFERENCES**












The following are for the guidance and information only; they are not an exhaustive list of all internal and external documentation that may be relevant:

- Sun Life Financial's Compliance Risk Management Framework – Anti-Money Laundering and Anti-Terrorist Financing Chapter
- 2018 Implementing Rules and Regulations of Republic Act 9160, as amended also known as the “Anti-Money Laundering Act of 2001”
- IC Circular Letter No. 2018-048: Anti-Money Laundering and Combating the Financing of Terrorism Guidelines for Insurance Commission Regulated Entities
- IC Circular Letter No. 2018-60 Amendment to 2018-48
- IC Circular Letter No. 2019-65 AMLCTF Guidelines amending IC CL 2018-48 and IC CL 2018-60SEC Memorandum Circular No. 16: 2018 Guidelines on Anti-Money Laundering and Combating the Financing of Terrorism for SEC Covered Institution
- AMLC Regulatory Issuance (ARI) A, B, and C No. 1, Series of 2020
- Sun Life Financial Philippines' Records Retention Schedule
- Republic Act No. 11521: An act further strengthening the Anti-Money Laundering Law, Amending for the purpose Republic Act No. 9160, Otherwise Known As The “Anti-Money Laundering Act Of 2001”, As Amended; and IC CL No. 2021-012: Dissemination of the Republic Act No. 11521 (January 2021)
- 2021 AMLC Registration and Reporting Guidelines
- AMLC Regulatory Issuance (ARI) A,B,C No. 2-2018\_Guidelines on Digitization of Customer Records
- 2019 AMLC Imposition of Administrative Sanctions from AMLC
- 2021 Sanctions Guidelines (Targeted Financial Sanctions (TFS) related to Terrorism, Terrorism Financing and Proliferation Financing)



**CHAPTER 14  
ANNEXES**

The Annexes are subject to constant review and update to assure ongoing mitigation of money laundering and terrorist financing risks across our business activities. Prudence requires that you check with the Compliance Department for the latest version of an Annex, or if you intend to provide a person, other than the user identified above, a copy of such Annex, or this MTPP. Changes to Annexes or updates to the MTPP will continue to be communicated in the normal manner. As to the required compliance with the Sun Life CRM, basic principles in terrorism and procedures on the reporting requirements submitted to Corporate are covered in this MTPP.

Name	Attachments
<b>Annex 1 - Summary of Administrative Sanctions and Penalties</b>	 Annex 1 - Summary of Administrative Sa
<b>Annex 2 - SL Foundation's Manual of Operations</b>	 Annex 2 - SL Foundation's Manu
<b>Annex 3 – List of Acceptable IDs</b>	 Annex 3 – List of Acceptable IDs.pdf
<b>Annex 4 – Updated List of Account Opening AML Requirements for Entity Clients</b>	 Annex 4 – Updated List of Account Ope
<b>Annex 5 - Investment Team Procedure on Due Diligence of Business Partners</b>	 Annex 5 - Investment Team Prc
<b>Annex 6 - Compliance Circular on Conduct CDD and EDD</b>	 Annex 6 - Compliance Circular
<b>Annex 7 – Procedures on Escalation of High Risk Clients</b>	 Annex 7 – Procedures on Escal
<b>Annex 8 – Procedure for Reporting Covered Transaction Reports to the AMLC</b>	 Annex 8 – Procedure for Repor
<b>Annex 9 – Procedure for Submitting Suspicious Transaction Reports to the AMLC</b>	 Annex 9 – Procedure for Subm
<b>Annex 10 – Procedures in Handling Freeze Orders and Other Inquiries from Regulators</b>	 Annex 10 – Procedures in Handl
<b>Annex 11 – How to Investigate Listmatching &amp; Transaction Monitoring Alerts</b>	 Annex 11 – How to Investigate Listmatcl

## Modification History

Date	Reason for Change	Author
09 August 2010	Creation of Unified Anti-Money Laundering and Terrorist Financing Operating Manual	Jose Ivan T. Justiniano
12 December 2012	Updating of AML Operating Guidelines	Amor M. Datinguinoo
June 2017	Revisions to align with the latest CRM Policy from Sun Life Financial and the Philippines AML Policy since the last revision in 2012.	Ajee T. Co
February 2020	Revisions to align with the latest AML/CTF Regulations issued by the AML, IC and SEC in 2018, 2019 and 2020	Ajee T. Co
April 2021	Revisions to align with the following: <ul style="list-style-type: none"> <li>• Latest AML/CTF Regulations issued by the AML, IC and SEC in 2018, 2019, 2020 and 2021;</li> <li>• SLPH internal policies</li> <li>• CRMF</li> </ul>	Ma. Jemilyn S. Camania
January 2022	Revisions to align with the following: <ul style="list-style-type: none"> <li>• 2021 AMLC Registration and Reporting Guidelines</li> <li>• SLPH internal policies</li> <li>• CRMF</li> </ul>	Ma. Jemilyn S. Camania
October 2022	Revisions to align with the following: <ul style="list-style-type: none"> <li>• 2021 Sanctions Guidelines; Targeted Financial Sanctions (TFS);</li> <li>• the IC observation/recommendation; and</li> <li>• SLPH internal policies.</li> </ul>	Ma. Jemilyn S. Camania

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**From:** [ICTD Submission](#)  
**To:** [sunlife\\_sec\\_communications](#)  
**Subject:** Re: CGFD\_Sun Life Prosperity Dollar Advantage Fund, Inc\_SEC Form 17-L\_05April2023  
**Date:** Wednesday, April 5, 2023 4:31:33 PM

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**CAUTION** This email originated from outside the organization. Please proceed only if you trust the sender.

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Thank you for reaching out to [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph). Your submission is subject for Verification and Review of the Quality of the Attached Document only for **Secondary Reports**. Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order from receipt through the SEC Express System at <https://secexpress.ph/>. Or you may call 8737-8888 for further clarifications.

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## NOTICE

Please be informed that selected reports should be filed through ***ELECTRONIC FILING AND SUBMISSION TOOL (EFAST)***. <https://cifss-ost.sec.gov.ph/user/login>

such as: **AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC\_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)**

Further, pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in **PORTABLE DOCUMENT FORMAT (PDF)** Secondary Reports such as:

**17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT,** through email at

[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)

FOR **MC28**, please go to SEC website:

<https://apps010.sec.gov.ph>

For your information and guidance.

Thank you and keep safe.

**From:** [sunlife\\_sec\\_communications](#)  
**To:** [ICTD Submission](#); [CGFD Account](#)  
**Cc:** [PHIL-FIN\\_FAR2](#); [Jeanemar Talaman](#)  
**Subject:** CGFD\_Sun Life Prosperity Dollar Advantage Fund, Inc\_SEC Form 17-L\_05April2023  
**Date:** Wednesday, April 5, 2023 4:31:00 PM  
**Attachments:** [Sun Life Prosperity Dollar Advantage Fund, Inc. SEC Form 17-L\\_05April2023.pdf](#)

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To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Please see attached SEC Form 17-L of Sun Life Prosperity Dollar Advantage Fund, Inc.

Please let me know once you receive this e-mail and its attachment. Thank you.

For any queries / additional comments, kindly contact us at the following e-mail addresses below.

Official email address: [sunlife\\_sec\\_communications@sunlife.com](mailto:sunlife_sec_communications@sunlife.com)

Alternative email address: [sunlife\\_sec\\_communications2@sunlife.com](mailto:sunlife_sec_communications2@sunlife.com)

Official email address of authorized filer: [ShamiraAngela.Juano@sunlife.com](mailto:ShamiraAngela.Juano@sunlife.com)

Best Regards,

**Shamira Angela P Juano** | Financial Accounting & Reporting | Finance | Sun Life PH

**T:** 632 8555 8888 local 5931 | **E:** [ShamiraAngela.Juano@sunlife.com](mailto:ShamiraAngela.Juano@sunlife.com)

5F Sun Life Centre, Fifth Ave. cor. Rizal Drive, Bonifacio Global City, Taguig 1634



Life's brighter under the sun



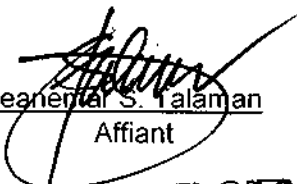
**Sun Life**  
Asset Management

### Certification

I, Jeanemar S. Talaman, the Treasurer of Sun Life Asset Management Company, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number A199918034 and with principal office at Sun Life Center, 5th Ave. Cor. Rizal Drive Bonifacio Global City, Taguig City, on oath state:

- 1) That I have caused this SEC Form 17-L to be prepared on behalf of Sun Life Prosperity Dollar Advantage Fund, Inc.;
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the company Sun Life Prosperity Dollar Advantage Fund, Inc. will comply with the requirements set forth in SEC Notice dated 14 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of April 2023.

  
Jeanemar S. Talaman  
Affiant

**APR 04 2023**

**MAKATI CITY**

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_\_\_, 2023, in \_\_\_\_\_ City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Jeanemar S. Talaman	Driver's License F03-13-001744	05 June 2018	DLRC - Ayala

Doc. No. 202  
Page No. 19  
Book No. 11  
Series of 2023.

**ATTY. ROMEO M. BONGFORT**  
Notary Public for Makati  
Until December 31, 2023  
Appointment No. - 112 (2022-2023)  
PTR NO. 9059521 Jan. 3, 2023 Makati City  
IBP No. 1062024 - Jan. 3, 2018  
MCLE NO. VI-0023417 Roll No. 27932  
26 Amoroso Street Legaspi Village,  
Makati City

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-L**

**NOTIFICATION OF INABILITY TO FILE ALL OR  
ANY PORTION OF SEC FORM 17-A OR 17-Q**

**GENERAL INSTRUCTIONS**

1. This Form may be signed by an executive officer of the issuer or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the issuer by an authorized representative other than an executive officer, evidence of the representative's authority to sign on behalf of the issuer shall be filed with the Form.
2. One signed original and four conformed copies of this Form and attachments thereto must be completed and filed with the Commission and, where any class of the issuer's securities are listed on a Stock Exchange, one with that Stock Exchange, in accordance with SRC Rule 17-1. The information contained in or filed with the Form will be made a matter of the public record in the Commission's and the Exchange's files.
3. A manually signed copy of the Form and amendments thereto shall be filed with the Stock Exchange if any class of securities of the issuer is listed thereon.
4. One signed original and four conformed copies of amendments to the notifications must also be filed on SEC Form 17-L but need not restate information that has been correctly furnished. The Form shall be clearly identified as an amended notification.
5. If the deadline for filing SEC Form 17-A or 17-Q specified in paragraph 2(b)(ii) of SRC Rule 17-1 is not complied with, a fine will be imposed for each day thereafter that the Form is not filed.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-L

NOTIFICATION OF INABILITY TO FILE ALL OR ANY PORTION OF SEC FORM 17-A OR 17-Q

Check One:

Form 17-A [  ] Form 17-Q [  ]

Period-Ended Date of required filing December 31, 2022

Date of this report April 04, 2023

Nothing in this Form shall be construed to imply that the Commission has verified any information contained herein.

If this notification relates to a portion or portions of the filing checked above, identify the item(s) to which the notification relates: SEC FORM 17-A

1. SEC Identification Number A200202061 2. BIR Tax Identification No. 216-214-876-000

3. Sun Life Prosperity Dollar Advantage Fund, Inc.

Exact name of issuer as specified in its charter

4. Bonifacio Global City, Taguig City

Province, country or other jurisdiction of incorporation

5. Industry Classification Code:  (SEC Use Only)

6. 8F Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634

Address of principal office

Postal Code

7. (02) - 8555-8888

Issuer's telephone number, including area code

8. N. A.

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

9. Are any of the issuer's securities listed on a Stock Exchange?

Yes [  ]

No [  ]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

.....  
**Part I - Representations**

If the subject report could not be filed without unreasonable effort or expense and the issuer seeks relief pursuant to SRC Rule 17-1, the following should be completed. (Check box if appropriate).

(a) The reasons described in reasonable detail in Part II of this Form could not be estimated without unreasonable effort or expense. [ ]

(b) The subject annual report on SEC Form 17-A, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report on SEC Form 17-Q, or portion thereof, will be filed on or before the fifth day following the prescribed due date. [ ✓ ]

(c) The accountant's statement or other exhibit required by paragraph 3 of SRC Rule 17-1 has been attached if applicable. [ ]

**Part II - Narrative**

State below in reasonable detail the reasons why SEC Form 17-A or SEC Form 17-Q, or portion thereof, could not be filed within the prescribed period. (Attach additional sheets if needed.)

**The Company's SEC Form 17-A for the year ended December 31, 2022 could not be completed and filed within the prescribed period. The Company has yet to complete the review of its audited financial statements and required notes disclosures. The Company undertakes to submit the report within fifteen (15) calendar days after the prescribed deadline to the Securities and Exchange Commission.**

**Part III - Other Information**

(a) Name, address and telephone number, including area code, and position/title of person to contact in regard to this notification

**Jeanemar S. Talaman  
Treasurer, Sun Life Asset Management Company, Inc.  
Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634  
8555-8888**

(b) Have all other periodic reports required under Section 17 of the Code and under Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months, or for such shorter period that the issuer was required to file such report(s), been filed? If the answer is no, identify the report(s).

Yes [ ✓ ] No [ ] Reports: .....

(c) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes [ ] No [ ✓ ]



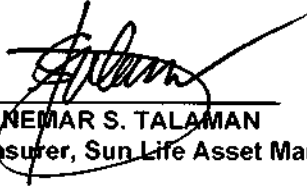
If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

**SIGNATURE**

Pursuant to the requirements of the SRC Rule 17-1, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Sun Life Prosperity Dollar Advantage Fund, Inc.**

Registrant's full name as contained in charter



**JEANEMAR S. TALAMAN**

**Treasurer, Sun Life Asset Management Company, Inc.**

Date: **April 04, 2023**