Sun Life
Asset Management

Certification

I, Sherwin S. Sampang, the Treasurer of Sun Life Prosperity Dollar Abundance Fund, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS200417434 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-Q to be prepared on behalf of Sun Life Prosperity Dollar Abundance 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 Abundance 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 18th day of May, 2022.

Sherwin S. Sampang
Affiant

SUBSCRIBED AND SWORN to before me this MAY 1 8 2022 day of ____, 2022, in MAKATI CITY City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Sherwin S. Sampang	Passport ID No. P9427178A	06 Nov 2018	DFA NCR East

Doc. No. 375
Page No. 79
Book No. XLI
Series of 2022.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8852511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET

C S 2 0 0 4 1 7 4 3 4

S.E.C. Registration Number

SUN LIFE PROSPERITY DOLLAR
ABUNDANCE FUND INC

SUN LIFE CENTRE 5TH AVE CORNER
RIZAL DRIVE BONIFACIO GLOBAL
CITY TAGUIG CITY

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

Merobhe T. Esmele
Contact Person

8555-8888
Company Telephone Number

1 2 | 3 1
Month *Day*

Fiscal Year

SEC FORM 17-Q
FORM TYPE

Month *Day*

Annual Meeting

Mutual Fund Company
Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SEC Number: CS200417434
File Number: ___________

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

6th Floor Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City, Philippines
----
(Company's Address)

8555-88-88

(Telephone No.)

December 31

(Fiscal Year Ending)
(Month & Day)

SEC FORM 17-Q

Form Type

____
Amendment Designation (If applicable)

March 31, 2022

Period Ended Date

OPEN-END INVESTMENT COMPANY

Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **March 31, 2022**

2. Commission identification number: **CS200417434**

3. BIR Tax Identification No: **234-718-559-000**

4. Exact name of issuer as specified in its charter

Sun Life Prosperity Dollar Abundance Fund, Inc.

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

Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office: Postal Code

6th Floor Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634

8. Issuer's telephone number, including area code

(02) – 8555-8888

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of March 31, 2022)
Common Shares (Unclassified)	**3,201,161 shares**

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

Yes [ ] No [x]

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

________________________ ____________________

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [x] No [ ]

PART A - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2022 AND DECEMBER 31, 2021
(In US Dollars)

	Notes	(Unaudited) 2022	(Audited) 2021
ASSETS			
Current Assets			
Cash in banks	4	**$ 1,524,702**	$ 677,319
Financial assets at fair value through profit or loss	5	**7,483,162**	9,828,407
Accrued interest receivable	6	**50,996**	81,035
Due from brokers	8	**519,136**	-
Other current assets	7	**1,307**	5
		$9,579,303	$10,586,766
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other payables	9	**$ 60,694**	$ 66,034
Due to brokers	8	**19**	-
Payable to fund manager	10	**13,681**	15,078
Income tax payable		**43**	-
Total Current Liabilities		**74,437**	81,112
Equity			
Share capital	11	**135,309**	135,309
Additional paid-in capital	12	**18,111,383**	18,111,604
Retained earnings		**2,331,111**	3,078,408
		20,577,803	21,325,321
Treasury shares	11	**(11,072,937)**	(10,819,667)
Total Equity		**9,504,866**	10,505,654
		$9,579,303	$10,586,766
Net Asset Value Per Share	13	**$ 2.9692**	$ 3.1950
Total Equity		**9,504,866**	10,505,654
Capital Stock - Php1.00 per share			
Authorized - 10,000,000 shares			
Total number of shares outstanding		**3,201,161**	3,288,119
Net Asset Value Per Share	13	**$ 2.9692**	**$ 3.1950**

See Notes to Financial Statements.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021

(In US Dollars)

		(Unaudited)	(Unaudited)
	Notes	**2022**	2021
Investment Income - net			
Net realized gain (loss) on investments	5	**($230,040)**	($86,795)
Interest income	14	**57,728**	41,949
Others		**19**	-
		(172,293)	(44,846)
Operating Expenses			
Management fees	10	**24,226**	30,893
Distribution fees	10	**20,128**	25,733
Directors fees	10	**1,649**	1,317
Custodian fees		**1,131**	1,114
Professional fees		**982**	938
Taxes and licenses		**374**	438
Printing and supplies		**15**	19
Miscellaneous		**404**	423
		48,909	60,875
Profit Before Net Unrealized Losses on Investments		**(221,202)**	(105,721)
Net Unrealized Losses on Investments	5	**(526,046)**	(375,484)
Profit (Loss) Before Tax		**(747,248)**	(481,205)
Income Tax Expense		**49**	57
Total Comprehensive Income (Loss) for the Period		**($747,297)**	($ 481,262)
Basic earnings (loss) per share	15	**($0.230)**	($0.124)

See Notes to Financial Statements.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021
(In US Dollars)

	Notes	Share Capital	Additional Paid-in Capital	Retained Earnings (Deficit)	Treasury Shares	Total
Balance, January 1, 2022	10, 11	$135,309	$18,111,604	$3,078,408	($10,819,667)	$10,505,654
Total Comprehensive Loss for the Period		-	-	(747,297)	-	(747,297)
Transactions with owners:	10					
Acquisition of treasury shares during the period		-	-	-	(613,168)	(613,168)
Reissuance of treasury shares during the period		-	(221)	-	359,898	359,677
Total transactions with owners		-	(221)	-	(253,270)	(253,491)
Balance, March 31, 2022	10, 11	**$ 135,309**	**$ 18,111,383**	**$ 2,331,111**	**$ (11,072,937)**	**$ 9,504,866**

	Share Capital	Additional Paid-in Capital	Retained Earnings (Deficit)	Treasury Shares	Total
Balance, January 1, 2021	$135,309	$18,105,583	$3,128,934	($8,507,887)	$ 12,861,939
Total Comprehensive Income for the Period			(481,262)		(481,262)
Transactions with owners:					
Acquisition of treasury shares during the period	-	-	-	(787,289)	(787,289)
Reissuance of treasury shares during the period	-	117	-	122,587	122,704
Total transactions with owners	-	117	-	(664,702)	(664,585)
Balance, March 31, 2021	$ 135,309	$ 18,105,700	$ 2,647,672	$ (9,172,589)	$ 11,716,092

See Notes to Financial Statements.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021
(In US Dollars)

	Notes	2022	2020
Cash Flows from Operating Activities			
Profit (Loss) before tax		**($ 747,248)**	($481,205)
Adjustments for:			
Net unrealized loss on investments	5	**526,046**	375,484
Net realized gain on investments	5	**230,040**	86,795
Interest income	14	**(57,728)**	(41,949)
Operating cash flows before working capital changes		**(48,890)**	(60,875)
Decrease (Increase) in:			
Other current assets		**(1,302)**	(777)
Increase (Decrease) in:			
Accrued expenses and other payables		**(5,340)**	26,865
Payable to fund manager		**(1,397)**	(1,393)
Cash generated from operations		**(56,929)**	(36,180)
Acquisition of financial assets at fair value through profit or loss		**(7,173,836)**	(9,014,689)
Proceeds from disposal of financial assets at fair value through profit or loss		**8,243,878**	10,416,351
Interest received		**87,767**	25,684
Income taxes paid		**(6)**	(3)
Net cash generated from (used in) operating activities		**1,100,874**	1,391,163
Cash Flows from Financing Activities			
Payments on acquisition of treasury shares	10	**(613,168)**	(787,289)
Proceeds from reissuance of treasury shares	10	**359,677**	122,704
Net cash generated from (used in) financing activities		**(253,491)**	(664,585)
Net Increase in Cash in Banks		**847,383**	726,578
Cash in Banks, Beginning		**677,319**	118,992
Cash in Banks, End		**$ 1,524,702**	$ 845,570

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements of the Company as at and for the three-month period ended March 31, 2022 have been prepared in accordance with PAS 34, Interim Financial Reporting. These unaudited condensed consolidated interim financial statements do not include all the notes normally included in an annual audited financial report. Accordingly, these unaudited condensed consolidated interim financial statements are to be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021, which have been prepared in accordance with the Philippine Financial Reporting Standards (PRFS).

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.

In preparing the condensed consolidated interim financial statements, the significant accounting estimates and judgments made by the Company in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2021.

Functional Currency

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

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2021

The Company adopted all accounting standards and interpretations effective as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines were assessed to be applicable to the Company's financial statements and are as follows:

PIC Q&A No. 2020-07, *PAS 12, Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill*

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation discussed that impact on the financial statements ending December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020;
- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed; and
- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the financial statements

For the financial statements ending December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense(income) may include "any adjustments recognized in the period for current tax of prior periods" and "the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes";
- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed;
- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return;
- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates; and
- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021.

The management assessed that CREATE bill had reduced income tax expense by $3 and increase net income and net assets by the same amount. The increase was recorded in 2021 following the provisions of PIC Q&A 2020-07.

New Accounting Standards Effective after the Reporting Period Ended December 31, 2021

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 on June 2020 and adopted by FRSC on 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 if 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. 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 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 1 January 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 future adoption of the amendments will have no 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 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.

The Company will continue its assessment and will finalize the same upon the effectivity of these amendments.

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 statement 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 statement 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 future adoption of the amendment will have no effect on the Company's financial statements as the Company does 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 labor 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 future adoption of the amendments will have no effect on the Company's financial statements as the Company does not issue and enter into onerous contracts.

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 future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have subsidiary as first-time adopter; has no financial liabilities to be derecognized, does not have lease contracts and leasehold improvements and does not have biological assets covered by PAS 41 that need to exclude its cash flows for taxation on its financial statements.

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 will continue its assessment and will finalize the same upon the effectivity of these amendments.

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 did 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

- 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 FRSC 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 the Board of Accountancy.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Financial assets

Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at 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 March 31, 2022 and December 31, 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 statement 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 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 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 probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default 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 statement 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.

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.

Deposit for future stock subscriptions (DFFS)

DFFS is recorded at historical cost. According to Financial Reporting Bulletin (FRB) No. 6 as issued by SEC, it is classified as equity when all of the following criteria are met:

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

Deposit for future stock subscriptions is classified as liability, when the above criteria are not met.

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.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Realized gains or losses

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

Fair value gains or losses

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

Other income

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

Expense Recognition

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

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

Fair Value

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Related Party Transactions

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

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

Taxation

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

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax expense is calculated using 25% regular corporate income tax (RCIT) rate or 1% minimum corporate income tax (MCIT), rate and 30% RCIT rate or 2% MCIT rate, whichever is higher, in 2021 and 2020, respectively.

Final tax

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

Deferred tax

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

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

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

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

Current and deferred taxes for the year

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

Foreign Currency

Foreign currency transactions

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

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

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

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 deposits for future stock subscriptions which are dilutive potential ordinary shares.

Net Asset Value per Share (NAVPS)

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

Events After the Reporting Period

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

4. CASH IN BANKS

	March 2022	December 2021
Cash in banks	**$ 1,524,702**	$ 677,319

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 2022	December 2021
Investments in fixed-income securities	**$ 7,390,269**	$ 8,656,691
Investments in global mutual funds	**92,893**	1,171,716
	$ 7,483,162	$ 9,828,407

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

	March 2022	December 2021
Net realized gains (losses) on investments		
Equity securities	**($ 49,688)**	$ 282,039
Fixed-income securities	**(180,352)**	(179,472)
	(230,040)	102,567
Net unrealized losses on investments		
Equity securities	**(6,948)**	(84,173)
Fixed-income securities	**(519,098)**	(111,922)
	(526,046)	(196,095)
	($756,086)	($ 93,528)

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

	March 2022	December 2021
Balance, January 1	**$ 9,828,407**	$ 12,850,649
Additions	**7,173,855**	33,743,046
Disposals	**(8,993,054)**	(36,569,193)
Unrealized gains (losses)	**(526,046)**	(196,095)
Balance, March 31	**$ 7,483,162**	$ 9,828,407

6. ACCRUED INTEREST RECEIVABLE

	March 2022	December 2021
Fixed-income securities	**$ 50,996**	$ 81,035

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

7. OTHER CURRENT ASSETS

	March 2022	December 2021
Prepaid expense	**$ 1,307**	$ -
Prepaid tax	-	5
	$ 1,307	**$ 5**

8. DUE FROM / TO BROKERS

Due from broker account refer to amounts receive 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 $519,136 and nil as at March 31, 2022 and December 31, 2021, respectively.

Due to brokers account pertains to amounts payable to brokers for the purchase of investments processed on or before the reporting period, which are settled three days after the transaction date.

Due to brokers amounted to $19 and nil as at March 31, 2022 and December 31, 2021, respectively.

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

9. ACCRUED EXPENSES AND OTHER PAYABLES

	March 2022	December 2021
Due to investors	**$58,295**	$62,237
Withholding and documentary stamp taxes	**1,384**	1,494
Professional fees	**903**	1,890
Custodianship fees	**97**	413
Others	**15**	-
	$60,694	$66,034

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 (4) days after the transaction date.

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

10. RELATED PARTY TRANSACTIONS

Related Party Transactions

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

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

Nature of Transaction	**Transactions as of end of the Quarter**	**Outstanding Balances**		**Terms**	**Condition**	**Notes**
	Q1 2022	**Q1 2022**	December 2021			
SLAMCI – Fund Manager Management Distribution and Transfer fees	**$ 44,354**	**$ 13,681**	$ 15,078	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before 15th day of the following month	Unsecured; Unguaranteed	a
Key Management Personnel						
Directors' Fees	**$1,649**	**$ -**	$ -	Non-interest bearing; Payable on demand; Settled in cash	Unsecured; Unguaranteed	b

11. EQUITY

	2022	
	Shares	**Amount**
Authorized:		
At P1.00 par value	**10,000,000**	**$10,000,000**
Fully paid:		
At March 31	**6,765,497**	**$ 135,309**
Treasury Shares:		
At January 1	**3,477,378**	**$10,819,667**
Acquisitions	**206,869**	**613,168**
Reissuance	**(119,911)**	**(359,898)**
At March 31	**3,564,336**	**11,072,937**

Incorporation

On November 3, 2004, the Company was incorporated with 2,000,000 authorized shares at par value of P1.00 per share.

Approved changes

On March 11, 2011, the Board of Directors approved the increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00), which was approved by the shareholders on June 28, 2012.

On June 29, 2012, the Company submitted its application with the SEC for increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00).

On May 10, 2013 the SEC approved the increase and the registration statements on February 27, 2014.

Current state

As at March 31, 2022, the Company has 3,201,161 issued and outstanding shares out of the 10,000,000 ACS with a par value of P1.00 per share.

The following table shows the number of institutional and retail investors and the percentage of their investments, and the geographic concentration of investments as of March 31, 2022.

% Ownership of Institutional Investors	% Ownership of Retail Investors
9.34%	90.66%

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

12. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital pertains to excess payments over par value from investors and from reissuance of treasury shares.

	March 2022	December 2021
APIC	**$ 18,111,383**	$ 18,111,604

13. NET ASSET VALUE PER SHARE

NAVPS is computed as follows:

	March 2022	December 2021
Total equity	**$ 9,504,866**	$ **10,505,654**
Total Outstanding Shares	**3,201,161**	**3,288,119**
NAVPS	**$ 2.9692**	$ 3.1950

Net Asset Value Calculation

The net asset value shall be calculated by adding:

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

And subtracting:

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

Price Determination of the Assets of the Investment Company

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

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

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

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

Below table shows the investment company return information of the Fund in the last five (5) recently completed fiscal years as at March 31, 2022:

	Yield	NAVPS	NAVPS Date
Year on year yield (1-year)	-4.2533%	3.1011	March 31, 2021
3 Year - Simple	1.5667%	2.9784	March 29, 2019
5Year - Simple	2.8900%	2.9401	March 31, 2017

14. INTEREST INCOME

This account consists of interest income on the following:

	March 2022	March 2021
Fixed income securities	**$ 57,719**	$41,947
Cash in banks	**9**	2
	$ 57,728	$41,949

15. EARNINGS (LOSS) PER SHARE

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

	March 2022	March 2021
Total comprehensive income (loss) for the period	**($ 747,297)**	($ 481,262
Weighted average number of outstanding shares for the purpose of computing loss per share	**3,246,981**	3,887,185
Basic and diluted earnings (loss) per share	**($ 0.230)**	($ 0.124)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value on a recurring basis

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

	Level 1
March 31, 2022	
Investment in fixed-income securities	**$ 7,390,269**
Investment in global mutual funds	**92,893**
	$ 7,483,162
December 31, 2021	
Investment in fixed-income securities	$8,656,691
Investment in global mutual funds	1,171,716
	$9,828,407

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

The fair values of investments in mutual funds are based on published net asset value per share (NAVPS) of the mutual fund as at reporting date.

Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period.

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:

		Fair Values		
	Carrying Amounts	**Level 1**	Level 2	Total
March 31, 2022				
Financial Assets				
Cash in banks	$ 1,524,702	$ 1,524,702	$ -	$ 1,524,702
Due from brokers	519,136		519,136	519,136
Accrued interest receivable	50,996	-	50,996	50,996
	$ 2,094,834	$ 1,524,702	$570,132	$ 2,094,834
Financial Liabilities				
Accrued expenses and other payables	$ 59,310	$ -	$ 59,310	$ 59,310
Due to brokers	19		19	19
Payable to fund manager	13,681	-	13,681	13,681
	$ 73,010	$ -	$ 73,010	$ 73,010
December 31, 2021				
Financial Assets				
Cash in banks	$677,319	$677,319	$ -	$677,319
Accrued interest receivable	81,035	-	81,035	81,035
	$758,354	$677,319	$81,035	$758,354
Financial Liabilities				
Accrued expenses and other payables	$ 64,540	$ -	$ 64,540	$ 64,540
Payable to fund manager	15,078	-	15,078	15,078
	$ 79,618	$ -	$ 79,618	$ 79,618

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

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

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

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

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

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

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

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

Material Changes in the 1st Quarter Financial Statements

Statement of Financial Position and Statements of Changes in Equity – March 31, 2022 vs. Dec. 31, 2021

	31-Mar-22 Unaudited	31-Dec-21 Audited	Movement	Percentage (%)	MDAS
Cash in banks	$ 1,524,702	$ 677,319	$ 847,383	125.11%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	7,483,162	9,828,407	(2,345,245)	-23.86%	The decrease was due to net disposals of investments and unrealized losses brought by lower fair market values during the year.
Accrued interest receivable	50,996	81,035	(30,039)	-37.07%	Collection of interest depends on the scheduled interest payments of each asset.
Due from brokers	519,136	-	519,136	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	1,307	5	1,302	26040.00%	This pertains to prepaid expenses to be amortized until end of the accounting period.
Total Assets	**9,579,303**	**10,586,766**	**(1,007,463)**	**-9.52%**	
Accrued expenses and other payables	60,694	66,034	(5,340)	-8.09%	The decrease was due to settlement of 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.
Due to brokers	19	-	19	100.00%	This account pertains to amounts payable to brokers for the purchase of investments processed on or before the reporting period, which are settled three days after the transaction date.
Payable to fund manager	13,681	15,078	(1,397)	-9.27%	The decrease was due to lower AUM for the period
Income tax payable	43	-	43	100.00%	Accrual of income tax for the period
Total Liabilities	**74,437**	**81,112**	**(6,675)**	**-8.23%**	
Share capital	135,309	135,309	-	0.00%	
Additional paid in capital	18,111,383	18,111,604	(221)	0.00%	
Retained earnings	2,331,111	3,078,408	(747,297)	-24.28%	Net loss for the period.
Treasury Shares	(11,072,937)	(10,819,667)	(253,270)	2.34%	Due to net acquisition of treasury shares during the period.
Net Assets	**9,504,866**	**10,505,654**	**(1,000,788)**	**-9.53%**	Decrease was due to net loss during the period.
Net Assets Value per Share	**$ 2.9692**	**$ 3.1950**	($ 0.2258)	**-7.07%**	

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 interim unaudited 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 quarter.

Statement of Comprehensive Income for the Three months ended – 31 March 2022 vs. 31 Mar 2021

	31-Mar-22	31-Mar-21	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	($ 172,293)	($ 44,846)	($ 127,447)	284.19%	The decrease was mainly due to higher realized trading loss from disposal of equity securities during the period compared from the same period last year.
Operating Expenses	48,909	60,875	(11,966)	-19.66%	This is mainly due to the decrease in management and distribution fees brought by lower average AUM for the period
Net Unrealized Losses on Investments	(526,046)	(375,484)	(150,562)	40.10%	Due to impact of unfavorable market condition of foreign investments during the period
Provision for Income Tax	49	57	(8)	-14.04%	Income tax under MCIT and final taxes of interest income earned from fixed income investments.
Net Investment Income (Loss)	**($ 747,297)**	**($ 481,262)**	**(266,035)**	**-55.28%**	

Average daily net asset value from January to March 2022 and January to March 2021 are $9,937,088.02 and $12,454,572, 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 interim unaudited 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 interim unaudited financial statements.

There were no known material events subsequent to the end of the quarterly reporting period that have not been reflected in the Fund's interim unaudited financial statements as at the period ended March 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.

PART II – RISK MANAGEMENT

Item 1. Financial Risk Exposures of the Company

1. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: Interest rate risk; credit risk; and liquidity risk. The Fund Manager exerts best efforts to anticipate events that would negatively affect the value of the Company' 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:

1.1 Market Risks: The Fund is invested in fixed income securities. **Interest Rate Risk** is applicable to fixed income investments of the Fund when the value of an investment of the Fund decreases due to movement in market factors such as changes in interest rates. Changes in interest rates applicable to fixed income investments refer to the period when interest rates rise, the market price of the bonds held by the Fund, if any, may fall. The longer the overall maturity of the bonds held by the Fund, the more sensitive the prices of the bonds will be to changes in interest rates. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund for fixed income investments.

The fund will manage interest rate risk by actively monitoring the prevailing interest rate environment and spreads on Philippine bonds. During periods of rising rates and widening of credit spreads, the fund manage will reduce the duration of the portfolio. During periods of falling rates and narrowing credit spreads, the fund manager will increase the duration of the portfolio.

1.2 Credit Risk: Investments in bonds carry the risk that the issuer of the bonds might default on its interest and principal payments. In the event of default, the Fund's value will be adversely affected and may result in a write-off of the concerned asset held by the Fund. 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. Further, the credit quality of the Issuer/Borrower/Counterparty is reviewed periodically to ensure that excellent credit standing is maintained. Moreover, a 10% exposure limit to a single entity is likewise observed. It is good to note, however, that the Fund's government securities holdings are considered almost credit risk-free assets as they carry an unconditional guarantee of the Republic of the Philippines.

The manager will monitor the balance of payments position to monitor the credit risk for sovereign bonds. For corporate papers, preference will be given to companies with significant US dollar revenues.

1.3 Liquidity Risk: The Fund is usually able to service redemptions of investors within seven (7) banking days after receipt of the notice of redemption by paying out redemptions from available cash or near cash assets in its portfolio. However, when redemptions exceed the Funds available cash or near cash assets in its portfolio, the Fund will have to sell its other security holdings; and during periods of extreme market volatility, the Fund may not be able to find a buyer for such assets. Consequently, the Fund 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. As the Fund's portfolio is composed of liquid assets, liquidity risk is deemed low.

1.4 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.

1.5 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.

1.6 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.

1.7 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.

1.8 Foreign Currency Risk: The investments of the fund will be held in fixed income securities denominated in US Dollars. The value 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.

1.9 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.

1.10 **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 the 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 level of self-insurance, is maintained to provide protection against potential losses.

1.11 **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.

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

1.13 **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.

2. Capital Risk Management Objectives and Policies

The Company manages its 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 from domestic issuers.

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

The capital structure of the Company consists of issued capital.

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

- It does not issue senior securities;
- 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;
- It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;
- It does not invest directly in real estate properties and developments;
- It does not purchase or sell commodity futures contracts;
- 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;
- The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions; and
- It does not change its investment objectives without the prior approval of a majority of its shareholders.

The Investment Policies refer to the following:

- Investment Objective -to provide regular returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies, or corporations operating therein or through diversified investment companies invested in such securities.

- Benchmark - 95% Bloomberg Barclays EM Asia USD Credit Philippines Index and 5% 30-day US Dollar Deposit Rate.

- Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income 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 to 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 of March 31, 2022 and December 31, 2021, the Company is consistently in compliance with the minimum paid-in capital requirement of the SEC of P50,000,000.

4. The amount and description of the company's investment in foreign securities

As of reporting period March 31, 2022, the Company's investment in listed foreign equity securities are as follows:

Name of Issuing Entity and Association of Each Issue	Market Value
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	$ 517
SCHRODER ISF GLOBAL HIGH YIELD	31
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	48,625
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	43,720
GRAND TOTAL	**$ 92,892**

5. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy

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 depend 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.

Significant increase of credit risk

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

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

As at March 31, 2022, the Company's financial instrument measured at amortized cost has not experienced a significant increase in its credit risk.

Models and assumptions used

The Company uses various models and assumptions in measuring the fair value of financial assets 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.

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 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 March 31, 2022 and December 31, 2021, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to $135,309.

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.

<u>Probability of default (PD)</u>

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 March 31, 2022 and December 31, 2021, the Company assessed a nil probability of default for all of its financial assets measured at amortized cost.

<u>Loss Given Default (LGD)</u>

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.

<u>Estimating loss allowance for ECL</u>

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

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

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

Deferred tax assets

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

Based on Management's expectation of the Company's future taxable income, the Company did not recognize the deferred tax assets as at March 31, 2022 and December 31, 2021.

Determining the fair value of investments in debt securities, UITF and special savings deposits as financial assets at FVTPL

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

Compliance with Foreign Account Tax Compliance Act (FATCA)

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

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

SIGNATURES

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

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

Principal Financial/Accounting Officer/Comptroller:

Signature and Title : **Treasurer** **Sherwin S. Sampang**

Date : **May 18, 2022**

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

Schedule of Financial Soundness Indicators and Financial Ratios

March 31, 2022 and December 31, 2021

	Formula	2022	2021
Current/ Liquidty Ratios			
a. Current ratio	Current Assets/Current Liabilities	128.69:1	130.52:1
b. Quick ratio	Quick Assets/Current Liabilities	128.67:1	130.52:1
c. Cash ratio	Cash/Current Liabilities	20.48:1	8.35:1
d. Days in receivable	Receivable/Revenue * No. of days	N/A	N/A
e. Working capital ratio	(Current Assets-Current Liabilities)/Current Liabilites	127.69:1	129.52:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	-55.17:1	36.26:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operting Expense)	70499.88:1	16304.05:1
Solvency Ratios			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	N/A	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	0.008:1	0.008:1
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	N/A	N/A
d. Total debt to asset ratio	Total Liabilities/Total Assets	0.008:1	0.008:1
Asset to equity ratio	Total Assets/Total Equity	1.01:1	1.01:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	N/A	N/A
Profitability Ratio			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	433.71%	-48.45%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	433.71%	-48.45%
c. Pre-tax margin	EBIT/Revenue	433.71%	-48.45%
d. Effective tax rate	Income Tax/EBIT	-0.01%	-0.10%
e. Post-tax margin	Net Income After Tax/Revenue	433.74%	-48.50%
f. Return on equity	Net Income After Tax/Average Common Equity	-7.47%	-1.20%
g. Return on asset	NIAT/Average Total Assets	-7.41%	-1.19%
Capital intensity ratio	Total Assets/Revenue	-55.6:1	36.54:1
Fixed assets to total assets	Fixed assets/Total assets	N/A	N/A
Dividend payout ratio	Dividends paid/Net Income	N/A	N/A

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

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

	2022			2021		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
Treasury Notes (ISIN)						
PILIPINAS BOND BSNZPM 8.6 06/15/97	276,348	9,504,866	2.91%	276,348	10,505,654	2.63%
PHILIPPINES(REP) PHILIP 1.648 06/10/31	1,134,209	9,504,866	11.93%	1,233,105	10,505,654	11.74%
PHILIPPINES(REP) PHILIP 3.7 02/02/42	1,073,905	9,504,866	11.30%	1,210,425	10,505,654	11.52%
PHILIPPINES(REP) PHILIP 3 3/4 01/14/29	832,368	9,504,866	8.76%	900,430	10,505,654	8.57%
PHILIPPINES(REP) PHILIP 1.95 01/06/32	1,088,228	9,504,866	11.45%	1,179,426	10,505,654	11.23%
PHILIPPINES(REP) PHILIP 2.457 05/05/30	1,138,850	9,504,866	11.98%	1,237,418	10,505,654	11.78%
PHILIPPINES(REP) PHILIP 3 02/01/28	-	-	-	1,287,364	10,505,654	12.25%
PHILIPPINES(REP) PHILIP 3.2 07/06/46	1,089,030	9,504,866	11.46%	1,083,336	10,505,654	10.31%
PHILIPPINE GOV'T RPGB 1 3/8 10/08/26	234,551	9,504,866	2.47%	248,837	10,505,654	2.37%
PHILIPPINES(REP) PHILIP 4.2 03/29/47	522,780	9,504,866	5.50%	-	-	-
Mutual Funds						
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	517	9,504,866	0.01%	541	10,505,654	0.01%
SCHRODER ISF GLOBAL HIGH YIELD	31	9,504,866	0.00%	32	10,505,654	0.00%
SUN LIFE PROS DOLLAR STARTER	-	-	-	1,171,143	10,505,654	11.15%
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	48,625	9,504,866	0.51%	-	-	-
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	43,720	9,504,866	0.46%	-	-	-

ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company
As of March 31, 2022 and December 31, 2021

	2022			**2021**		
	Total Investment	Outstanding Securities of an Investee Company	% over Investee	Total Investment	Outstanding Securities of an Investee Company	% over Investee
Treasury Notes (ISIN)						
PILIPINAS BOND BSNZPM 8.6 06/15/97	150,000	**	-	150,000	**	-
PHILIPPINES(REP) PHILIP 1.648 06/10/31	1,275,000	**	-	1,275,000	**	-
PHILIPPINES(REP) PHILIP 3.7 02/02/42	1,110,000	**	-	1,110,000	**	-
PHILIPPINES(REP) PHILIP 3 3/4 01/14/29	800,000	**	-	800,000	**	-
PHILIPPINES(REP) PHILIP 1.95 01/06/32	1,200,000	**	-	1,200,000	**	-
PHILIPPINES(REP) PHILIP 2.457 05/05/30	1,200,000	**	-	1,200,000	**	-
PHILIPPINES(REP) PHILIP 3 02/01/28	-	-	-	1,200,000	**	-
PHILIPPINES(REP) PHILIP 3.2 07/06/46	1,215,000	**	-	1,065,000	**	-
PHILIPPINE GOV'T RPGB 1 3/8 10/08/26	250,000	57,808,180,000	0.00%	250,000	56,770,200,000	0.00%
PHILIPPINES(REP) PHILIP 4.2 03/29/47	500,000	**	-	-	-	-
Mutual Funds						
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	2	1,238,639	0.00%	2	1,341,448	0.00%
SCHRODER ISF GLOBAL HIGH YIELD	1	40,472,951	0.00%	1	40,600,946	0.00%
SUN LIFE PROS DOLLAR STARTER	-	-	-	1,104,226	175,080,242	0.63%
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	5,794	292,691,541	0.00%	-	-	-
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	124	10,134,665	0.00%	-	-	-

iii Total Investment in Liquid or Semi-Liquid Assets to Total Assets
As of March 31, 2022 and December 31, 2021

	2022	**2021**
Total Liquid and Semi-Liquid Assets	9,577,996	10,586,761
TOTAL ASSETS	9,579,303	10,586,766
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	99.99%	100.00%

iv. Total Operating Expenses to Total Net Worth
As of March 31, 2022 and December 31, 2021

	2022	**2021**
Total Operating Expenses	48,909	233,760
Average Daily Net Worth	9,937,088	11,685,686
Total Operating Expenses to Average Daily Net Worth	0.49%	2.00%

v. Total Assets to Total Borrowings
As of March 31, 2022 and December 31, 2021

	2022	**2021**
Total Assets	9,579,303	10,586,766
Total Borrowings	74,437	81,112
Total Assets to Total Borrowings	12869.01%	13052.03%

** Figures not available

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

Name of Issuing Entity and Association of Each Issue	March 31, 2022			December 31, 2021	
	Number of Shares / Principal Amount of Bonds and Notes	Market Value	Aggregate Cost	Number of Shares / Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet
Corporate Issued Bonds and Treasury Notes Issued by the Nat'l. Government	7,700,000	$ 7,390,269	$ 7,823,149	8,250,000	$ 8,656,691
Mutual Funds					
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	2	517	505	2	541
SCHRODER ISF GLOBAL HIGH YIELD	1	31	30	1	32
SUN LIFE PROS DOLLAR STARTER	-	-	-	1,104,226	1,171,143
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	5,794	48,625	53,461	-	-
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	124	43,720	45,069	-	-
GRAND TOTAL	7,705,921	$ 7,483,162	$ 7,922,213	9,354,229	$ 9,828,407

![Sun Life Asset Management]

FUND FACTS

Sun Life Prosperity Dollar Abundance Fund

March 31, 2022

This document contains key information clients of Sun Life Prosperity Dollar Abundance 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.

Launch Date	March 1, 2005	**Fund Structure**	Mutual Fund (Shares)	**Minimum Holding Period**	None
Fund Size	USD 9,504,788.01	**Fund Classification**	Fixed Income Fund	**Early Redemption Fee**	None
Net Asset Value Per Share	2.9692	**Minimum Subscription**	USD 1,000	**Redemption Settlement**	T+4 business days
Benchmark	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	**Minimum Subsequent**	USD 200	**Bloomberg Ticker**	SNLPRDA PM Equity
		Management and Distribution Fee	1.50%		
		Transfer Agency Fee	0.15%		

What does the Fund invest in?

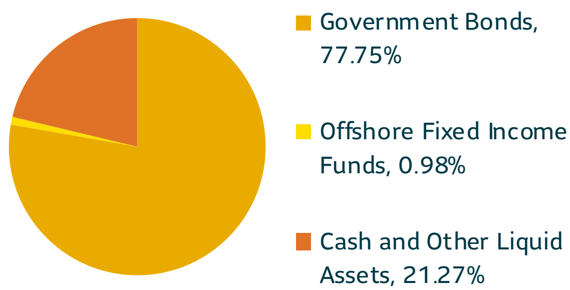
The **Sun Life Prosperity Dollar Abundance Fund** aims to provide returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies or corporations operating therein or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns in US Dollars.

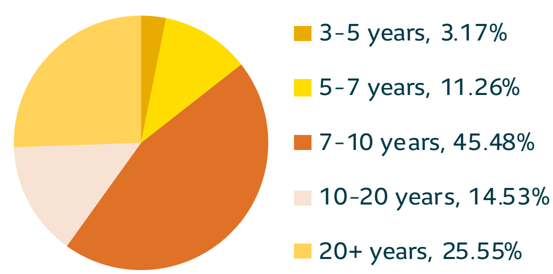
Top Fixed Income Holdings

1. ROP 2030, 11.98%
2. ROP 2031, 11.93%
3. ROP 2046, 11.46%
4. ROP 2032, 11.45%
5. ROP 2042, 11.30%

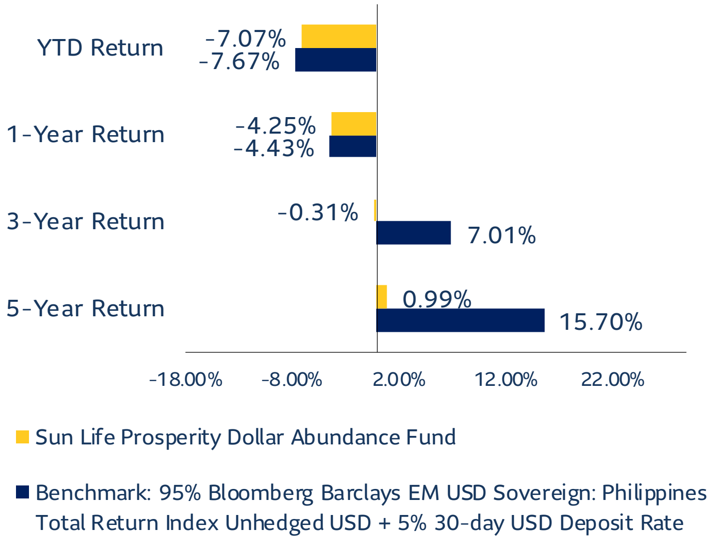
Investment Mix



Maturity Profile



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.

Market Review and Outlook

- ROP Sovereign Bond prices went down, as credit spreads remained elevated and US Treasury yields climbed.
- ROP credit spreads remained high, as the global geopolitical environment continued to be highly uncertain.
- The Department of Finance managed to issue new ROP bonds in 5, 10 and 25-year tenors.
- US Treasury yields rose as US inflation prints continued to be hot. Expectations on the number of rate hikes also rose as high energy prices added to the problem.
- The Fund will be on the lookout for possible overshoots and will trade them. This is very relevant given that some parts of the US yield curve are already inverted. This suggests that the priced-in Fed hikes will make the Fed susceptible to policy error.
- The Dollar Abundance Fund outperformed the benchmark year-to-date (-7.67%) by 60 basis points due to its underweight stance when ROP prices fell.

ANNOUNCEMENT: Please be advised that effective **19 April 2022**, the minimum initial investment amount and maintaining balance of the **Sun Life Prosperity Dollar Abundance Fund** will be lowered to **USD 500** (from USD 1,000), and its minimum additional investment and redemption amount will also be lowered to **USD 100** (from USD 200). Thank you.

FUND FACTS

Sun Life Prosperity Dollar Abundance Fund

February 28, 2022

This document contains key information clients of Sun Life Prosperity Dollar Abundance 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.

Launch Date	March 1, 2005	**Fund Structure**	Mutual Fund (Shares)	**Minimum Holding Period**	None
Fund Size	USD 9,647,254.71	**Fund Classification**	Fixed Income Fund	**Early Redemption Fee**	None
Net Asset Value Per Share	2.9614	**Minimum Subscription**	USD 1,000	**Redemption Settlement**	T+4 business days
Benchmark	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	**Minimum Subsequent**	USD 200	**Bloomberg Ticker**	SNLPRDA PM Equity
		Management and Distribution Fee	1.50%		
		Transfer Agency Fee	0.15%		

What does the Fund invest in?

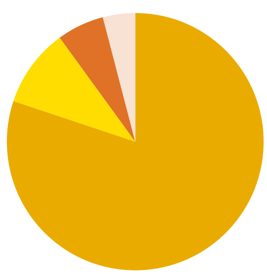
The **Sun Life Prosperity Dollar Abundance Fund** aims to provide returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies or corporations operating therein or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns in US Dollars.

Top Fixed Income Holdings

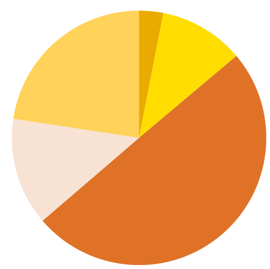
1. ROP 2046, 15.24%
2. ROP 2030, 11.85%
3. ROP 2031, 11.69%
4. ROP 2032, 11.23%
5. ROP 2042, 10.98%

Investment Mix



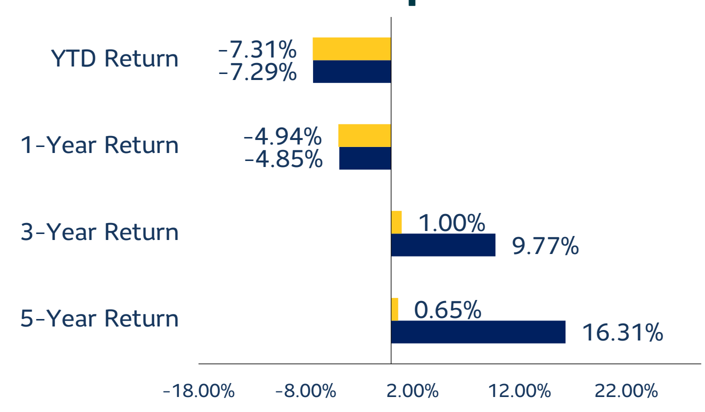
- Government Bonds, 80.12%
- Short-Term Placements, 9.87%
- Offshore Fixed Income Funds, 5.95%
- Cash and Other Liquid Assets, 4.06%

Maturity Profile



- 3-5 years, 3.07%
- 5-7 years, 10.80%
- 7-10 years, 49.84%
- 10-20 years, 13.70%
- 20+ years, 22.60%

How has the Fund performed?



- Sun Life Prosperity Dollar Abundance Fund
- Benchmark: 95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day USD Deposit Rate

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.

Market Review and Outlook

- ROP sovereign bond prices went down as U.S. Treasury yields climbed and ROP credit spreads widened.
- Market players continue to price in more hikes, as U.S. inflation continues to beat expectations.
- Despite the local reopening theme, ROP credit spreads widened as risk assets suffer as the Ukraine-Russia crisis dampens sentiment.
- The Ukraine-Russia crisis continues to be fluid and events there have the potential to affect inflation expectations, market sentiment, and Central Bank policy outlook. The Fund is being actively managed, incorporating safe haven bets and being opportunistic on possible overshoots in credit spread moves.
- The Dollar Abundance Fund performed at par against the benchmark (-7.29%) year-to-date.

ANNOUNCEMENT: Please be advised that effective **April 1, 2022**, the Sun Life Prosperity Dollar Abundance Fund will use **98% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 2% 30-Day US Dollar Deposit Savings Rate** as its new benchmark to reflect lower investments in liquid/semi-liquid assets.

FUND FACTS

Sun Life Prosperity Dollar Abundance Fund

January 31, 2022

This document contains key information clients of Sun Life Prosperity Dollar Abundance 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.

Launch Date	March 1, 2005	**Fund Structure**	Mutual Fund (Shares)	**Minimum Holding Period**	None
Fund Size	USD 10,108,168.31	**Fund Classification**	Fixed Income Fund	**Early Redemption Fee**	None
Net Asset Value Per Share	3.0798	**Minimum Subscription**	USD 1,000	**Redemption Settlement**	T+4 business days
Benchmark	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	**Minimum Subsequent**	USD 200	**Bloomberg Ticker**	SNLPRDA PM Equity
		Management and Distribution Fee	1.50%		
		Transfer Agency Fee	0.15%		

What does the Fund invest in?

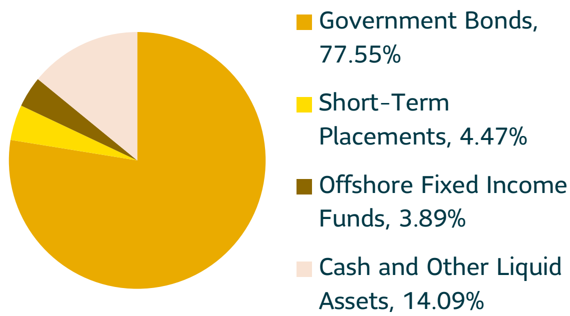
The **Sun Life Prosperity Dollar Abundance Fund** aims to provide returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies or corporations operating therein or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns in US Dollars.

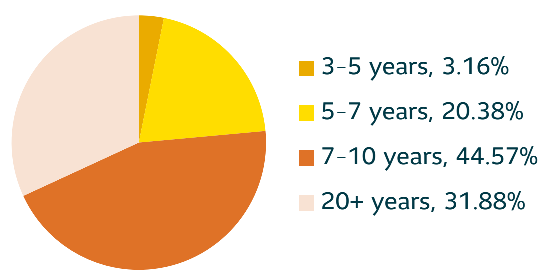
Top Fixed Income Holdings

1. ROP 2030, 11.76%
2. ROP 2031, 11.62%
3. ROP 2042, 11.22%
4. ROP 2032, 11.18%
5. ROP 2046, 10.78%

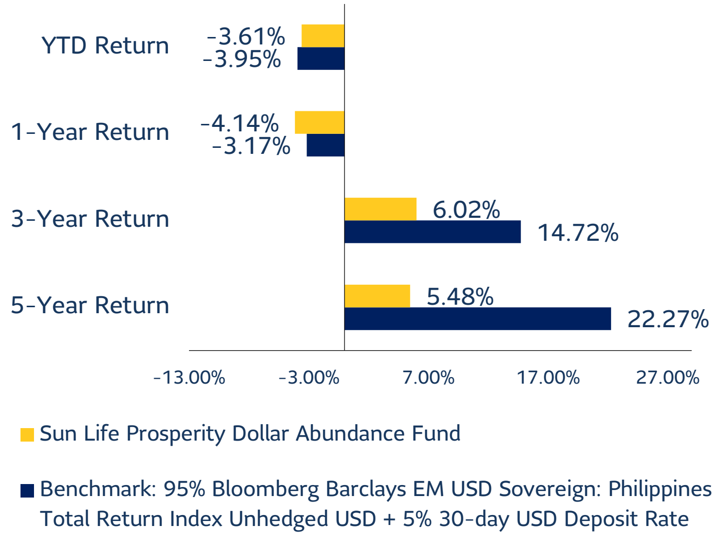
Investment Mix



Maturity Profile



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.

Market Review and Outlook

- ROP sovereign bond prices go down as US Treasury yields climb and ROP credit spreads widen.
- The minutes of the Federal Reserve (Fed) meeting last December 2021 shows the Fed's focus shifting to controlling inflation. The implied market pricing now shows the Fed hiking five times this year, up from only 3 last December 2021.
- ROP credit spreads widen as risk assets react to the hawkish pivot by the Federal Reserve.
- The Fund will maintain its underweight duration stance against the benchmark. The Fund will be actively managed as Fed futures pricing might see some overshoots.
- The Fund performed better against the benchmark (-3.95%) by 34 basis points year-to-date due to asset allocation.

sunlife_sec_communications

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Sent: Tuesday, May 10, 2022 9:50 AM
To: sunlife_sec_communications
Subject: Re: CGFD_Sun Life Prosperity Dollar Abundance Fund, Inc._SEC Form 17-L_10May2022

CAUTION This email originated from outside the organization. Please proceed only if you trust the sender.

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

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NOTICE

Please be informed that 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, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** 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)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

sunlife_sec_communications

From:	sunlife_sec_communications
Sent:	Tuesday, May 10, 2022 9:50 AM
To:	ICTD Submission; CGFD Account
Cc:	PHIL-FIN_FAR2; Sherwin S Sampang
Subject:	CGFD_Sun Life Prosperity Dollar Abundance Fund, Inc._SEC Form 17-L_10May2022
Attachments:	Sun Life Prosperity Dollar Abundance Fund, Inc._SEC Form 17-L_10May2022.pdf

To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Please see attached SEC Form 17-L of Sun Life Prosperity Dollar Abundance Fund, Inc.

Please let me know once you receive this e-mail and its attachment.

For any queries / additional comments, kindly contact us at the following e-mail addresses below.

Official email address: sunlife_sec_communications@sunlife.com
Alternative email address: sunlife_sec_communications2@sunlife.com
Official email address of authorized filer: almer.doring@sunlife.com

Thank you.

Almer M. Doring

Sun Life
Asset Management

Certification

I, Sherwin S. Sampang, the Treasurer of Sun Life Prosperity Dollar Abundance Fund, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS200417434 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 Abundance 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 Abundance 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 6th day of May, 2022.

Sherwin S. Sampang
Affiant

SUBSCRIBED AND SWORN to before me this ____day of MAY 0 6 2022 ,2022, in CITY OF MAKATI City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Sherwin S. Sampang	Passport ID No. P9427178A	06 Nov 2018	DFA NCR East

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2022
IBP No. 05729-Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-82-(2021-2022)
PTR No. 8852511 Jan. 3, 2022
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Doc. No. 336 ;
Page No. 35 ;
Book No. XIV ;
Series of 2022.

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 **March 31, 2022**

Date of this report **May 06, 2022**

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-Q**

1. SEC Identification Number **CS200417434** 2. BIR Tax Identification No. : **234-718-559-000**

3. **Sun Life Prosperity Dollar Abundance 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 [X]

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-Q for the quarter ending March 31, 2022 could not be completed and filed within the prescribed period. The Company has yet to complete the review of its financial statements and required notes disclosures. The Company undertakes to submit the report within five (5) 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

Sherwin S. Sampang
Treasurer
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 Abundance Fund, Inc.
Registrant's full name as contained in charter

SHERWIN S. SAMPANG
Treasurer

Date: **May 06, 2022**