Sun Life

Certification

I, Gerald L. Bautista, the President of Sun Life Asset Management Company, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number A199918034 and with principal office at Sun Life Center, 5th Ave. Cor. Rizal Drive Bonifacio Global City, Taguig City, on oath state:

1) That I have caused this SEC Form 17-Q to be prepared on behalf of Sun Life of Canada Prosperity Bond 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 of Canada Prosperity Bond 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 17th day of August, 2022.

Gerald L. Bautista
Affiant

AUG 1 7 2022

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

Name	Government ID No.	Valid Until	Place of Issue
Gerald L. Bautista	Passport No. P9687638B	19 April 2032	DFA Manila

Doc. No. 111;
Page No. 24;
Book No. XXV;
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

A 1 9 9 9 0 8 7 1 5
S.E.C. Registration Number

SUN LIFE OF CANADA PROSPERITY
BOND FUND INC.

8TH FLR., SUN LIFE CENTRE 5TH
AVE BONIFACIO GLOBAL FORT
BONIFACIO TAGUIG CITY

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

Merobhe T. Esmele
Contact Person

555-8888
Company Telephone Number

1 2 *Month* **3 1** *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: A199908715
File Number: ___________

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
(Company's Full Name)

8th Floor Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City, Philippines
----
(Company's Address)

555-88-88

(Telephone No.)

December 31

(Fiscal Year Ending)
(Month & Day)

SEC FORM 17-Q

Form Type

____
Amendment Designation (If applicable)

June 30, 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: **June 30, 2022**

2. Commission identification number: **A199908715**   3. BIR Tax Identification No: **204-843-519**

4. Exact name of issuer as specified in its charter

Sun Life of Canada Prosperity Bond Fund, Inc.

5. Province, country or other jurisdiction of incorporation or organization   6. Industry Classification Code: (SEC Use Only)

Philippines

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

8F 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

2. 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 June 30, 2022)
Common Shares (Unclassified)	**1,400,100,894 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 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC
STATEMENTS OF FINANCIAL POSITION
'AS 'AT JUNE 30, 2022 AND DECEMBER 31, 2021

		(Unaudited)	(Audited)
	Notes	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents	4	**P 564,808,606**	P 154,960,186
Financial assets at fair value through profit or loss	5	**3,534,173,393**	4,154,707,410
Financial assets at amortized cost - current portion	6	**28,045,427**	27,928,743
Accrued interest receivable	7	**20,969,501**	20,055,307
Prepayments and other current assets	8	**23,127,263**	22,838,988
Total Current Assets		**4,171,124,190**	4,380,490,634
Non-current Asset			
Financial assets at amortized cost - net of current portion, net	6	**219,655,166**	315,865,226
Total Non-current Asset		**219,655,166**	315,865,226
		P4,390,779,356	P4,696,355,860
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other payables	9	**P 7,298,666**	P 4,226,885
Payable to fund manager	10	**4,302,724**	5,193,731
Total Current Liabilities		**11,601,390**	9,420,616
Equity			
Share capital	11	**37,303,995**	37,303,995
Additional paid-in capital	12	**7,439,258,608**	7,420,374,329
Retained earnings		**3,708,960,463**	3,786,558,440
		11,185,523,066	11,244,236,764
Treasury shares	11	**(6,806,345,100)**	(6,557,301,520)
Total Equity		**4,379,177,966**	4,686,935,244
		P4,390,779,356	P4,696,355,860
Net Asset Value Per Share	13	**P 3.1278**	P 3.1816

Total Equity		4,379,177,966	4,686,935,244
Capital Stock - Php 0.01 par value			
Authorized - 3,800,000,000 shares			
Issued and Fully Paid Shares	13	1,400,100,894	1,473,148,823
NET ASSETS VALUE PER SHARE		P 3.1278	P 3.1816

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021

	Notes	(Unaudited) 2022	(Unaudited) 2021
Investment Income - net			
Interest income	14	P 74,313,828	P 83,998,102
Net realized losses on investments		(38,753,975)	(20,681,049)
Other income		312,057	32,785
		35,871,910	63,349,838
Investment Expenses			
Commission		140,393	-
Net Investment Income		35,731,517	63,349,838
Operating Expenses			
Management fees	10	16,258,626	18,012,079
Distribution fees	10	12,445,656	13,827,689
Reversal of expected credit losses	6	(1,042,257)	-
Taxes and licenses		590,928	542,626
Custodianship fees		201,609	202,731
Directors' fees	10	189,808	150,308
Professional fees		215,304	205,236
Printing and supplies		12,197	27,835
Miscellaneous		24,620	25,099
		28,896,491	32,993,603
Profit Before Net Unrealized Losses on Investments		6,835,026	30,356,235
Net Unrealized Losses on Investments	5	(74,003,774)	(11,215,727)
Profit (Loss) Before Tax		(67,168,748)	19,140,508
Income Tax Expense		10,429,229	11,029,404
Total Comprehensive Income (Loss) for the Period		(77,597,977)	8,111,104
Basic Earnings (Loss) per Share	15	(P 0.054)	P 0.005

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED JUNE 30, 2022 AND JUNE 30, 2021

	Notes	(Unaudited) 2022	(Unaudited) 2021
Investment Income - net			
Interest	14	P 37,226,770	P 41,572,849
Net realized gains (losses) on investments		(20,850,855)	1,874,642
Others		350,048	-
		16,725,964	43,447,491
Investment Expenses			
Commission		140,393	-
Net Investment Income		16,585,571	43,447,491
Operating Expenses			
Management Fees	10	8,041,892	8,774,888
Distribution Fees	10	6,159,996	6,726,434
Reversal of expected credit losses	6	(867,840)	-
Taxes and Licenses		323,642	270,816
Custodianship fees		101,531	78,236
Directors' fees	10	124,904	106,023
Professional fees		93,881	68,115
Printing and supplies		6,098	8,901
Miscellaneous		4,076	12,903
		13,988,181	16,046,316
Profit Before Net Unrealized Gains (Losses) on Investments		2,597,390	27,401,175
Net Unrealized Gains (Losses) on Investments	5	(43,123,370)	50,123,619
Profit (Loss) Before Tax		(40,525,980)	77,524,794
Income Tax Expense		5,297,967	5,301,296
Total Comprehensive Income (Loss) for the Quarter		(45,823,947)	72,223,498
Basic Earnings (Loss) per Share	15	(0.0323)	0.0471

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC
STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021

	NOTE	Share capital	Additional paid-in capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2022		P 37,303,995	P7,420,374,329	P3,786,558,440	(P6,557,301,520)	P4,686,935,244
Total Comprehensive Loss for the period				(77,597,977)		(77,597,977)
Transactions with owners:						
Acquisition of Treasury shares during the period	11	-		-	(471,342,000)	(471,342,000)
Reissuance of Treasury shares during the period	11	-	18,884,279	-	222,298,420	241,182,699
Total Transactions with owners		-	18,884,279	-	(249,043,580)	(230,159,301)
Balance, June 30, 2022	**11, 12**	**P 37,303,995**	**P7,439,258,608**	**P3,708,960,463**	**(P6,806,345,100)**	**P4,379,177,966**

	NOTE	Share capital	Additional paid-in capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2021		P 37,303,995	P7,343,349,508	P3,826,080,651	(P5,930,425,462)	P5,276,308,692
Profit (loss) for the period				8,111,104		8,111,104
Transactions with owners:						
Acquisition of Treasury shares during the period	11	-		-	(823,950,667)	(823,950,667)
Reissuance of Treasury shares during the period	11	-	88,224	-	424,544,017	424,632,241
Total Transactions with owners		-	88,224	-	(399,406,650)	(399,318,427)
Balance, June 30, 2021	**11, 12**	**P 37,303,995**	**P7,343,437,732**	**P3,834,191,755**	**(P6,329,832,112)**	**P4,885,101,370**

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2022 AND JUNE 30, 2021

	Notes	(Unaudited) 2022	(Unaudited) 2021
Cash Flows from Operating Activities			
Profit (Loss) before tax		(P67,168,748)	P 19,140,508
Adjustments for:			
Net unrealized losses on investments	5	74,003,774	11,215,727
Net realized losses on investments		38,753,975	20,681,049
Interest income	14	(74,313,828)	(83,998,102)
Reversal of expected credit losses	6	(1,042,257)	-
Operating cash flows before working capital changes		(29,767,084)	(32,960,818)
Increase in:			
Prepayments and other current assets		(288,275)	(333,395)
Increase (Decrease) in:			
Accrued expenses and other payables		3,071,781	(45,663,635)
Payable to fund manager		(891,007)	(594,087)
Cash used in operations		(27,874,585)	(79,551,936)
Acquisition of financial assets at fair value through profit or loss	5	(5,128,018,321)	(4,672,910,493)
Proceeds from disposal of financial assets at fair value through profit or loss	5	5,635,865,783	5,119,399,475
Interest received		73,405,851	95,211,156
Income taxes paid		(10,429,229)	(11,029,404)
Net cash generated from operating activities		542,949,499	451,118,798
Cash flows from Investing Activities			
Additions to investment in corporate loans	6	-	-
Collection of loans receivable	6	97,058,222	214,607,000
Net cash generated from investing activities		97,058,222	214,607,000
Cash Flows from Financing Activities			
Proceeds from reissuance of treasury shares	11	241,182,699	424,632,241
Payment for acquisition of treasury shares	11	(471,342,000)	(823,950,667)
Net cash used in financing activities		(230,159,301)	(399,318,426)
Net Increase in Cash and Cash Equivalents		409,848,420	266,407,372
Cash and Cash Equivalents, Beginning	4	154,960,186	71,772,945
Cash and Cash Equivalents, End		P 564,808,606	P 338,180,317

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 six-month period ended June 30, 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 and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest peso, 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.

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 January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The future adoption of the amendment 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 amendment 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 this amendment.

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 amendment 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 subsidiary as first-time adopter; does not derecognize any liabilities, 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 Company does not have changes in the inputs or measurement techniques used to develop its accounting estimates.

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 IFRS 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 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 June 30, 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 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 Company classifies its debt instruments:

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

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

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

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

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

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

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

Equity instruments

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

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

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

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 expected credit losses

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 statement of financial position

Loss allowances for ECL are presented in the statement 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.

Financial liabilities and Equity Instruments

Classification as debt or equity

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

Financial Liabilities

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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

Offsetting financial instruments

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

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

Derecognition of financial liabilities

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

<u>Equity instruments</u>

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

Share capital

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

Retained earnings

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

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

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

Deposits for future stock subscriptions

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

- 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 of has been filed with the SEC.

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

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as these are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current asset when the cost of services related to the prepayments are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Provisions, Contingent Liabilities and Assets

Provisions

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

Contingent Liabilities and Assets

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

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

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

Revenue Recognition

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

Interest income

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

Realized gains or losses

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

Fair value gains or losses

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

Other income

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

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of: s(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, whichever is higher.

Final tax

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

Deferred tax

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

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

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

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

Current and deferred taxes for the year

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

Earnings per Share

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

For the purpose of calculating diluted earnings 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 AND CASH EQUIVALENTS

	June 2022	December 2021
Cash in banks	**P 74,917,638**	P 154,960,186
Cash equivalents	**390,000,000**	-
	P 564,808,606	P154,960,186

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 2022	December 2021
Investment in Fixed-income securities	**P 2,897,446,315**	P3,628,038,792
Investment in mutual fund	**631,254,131**	521,214,745
Investments in UITF	**5,472,947**	5,453,873
	P 3,534,173,393	P4,154,707,410

Net losses on investments recognized in profit or loss arising from financial assets measured at fair value through profit or loss are as follows:

	June 2022	December 2021
Net unrealized losses on investments	**(P 74,003,774)**	(P 65,838,785)
Net realized losses on investments	**(38,753,975)**	(45,394,557)
	(P 112,757,749)	(P111,233,342)

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

	June 2022	December 2021
Balance, January 1	**P 4,154,707,410**	P 4,623,982,331
Additions	**5,128,018,321**	9,632,027,216
Disposal	**(5,674,548,564)**	(10,035,463,352)
Unrealized losses	**(74,003,774)**	(65,838,785)
Balance, June 30	**P 3,534,173,393**	P 4,154,707,410

6. **FINANCIAL ASSETS AT AMORTIZED COST**

	June 2022	December 2021
Current		
Corporate Loans	P 28,045,427	P 27,928,743
Non-current		
Corporate Loans	220,268,427	317,520,744
Less: Expected credit losses	(613,261)	(1,655,518)
	219,655,166	315,865,226
	P 247,700,593	P343,793,969

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

	June 2022	December 2021
Balance, January 1	P 343,793,968	P567,903,669
Additions	-	-
Settlements	(97,129,415)	(227,747,209)
Amortization of premium/discount	(6,217)	5,293,026
Reversal of Expected credit losses	1,042,257	(1,655,518)
Balance, June 30	P 247,700,593	P 343,793,968

7. **ACCRUED INTEREST RECEIVABLE**

	June 2022	December 2021
Fixed-income securities	P 18,495,227	P16,757,079
Corporate loan	2,300,941	3,298,228
Cash equivalents	173,333	-
	P 20,969,501	P20,055,307

8. **PREPAYMENTS AND OTHER CURRENT ASSETS**

	June 2022	December 2021
Prepaid Tax	P 20,788,897	P 20,980,953
Creditable Withholding Tax	1,967,616	1,858,035
Prepaid Expenses	250,607	-
Other current assets	120,143	-
	P 23,127,263	P 22,838,988

9. **ACCRUED EXPENSES AND OTHER PAYABLES**

	June 2022	December 2021
Due to investors	P 6,498,948	P 3,402,882
Withholding and documentary stamp taxes	439,698	509,858
Professional fees	200,677	105,368
Director's fees	124,904	-
Custodianship fees	34,439	208,777
	P 7,298,666	P 4,226,885

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 three (3) days after the transaction date.

Miscellaneous payables are non-interest bearing and are normally settled within one (1) year.

10. 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
	Q2 2022	Q2 2022	December 2021		
SLAMCI – Fund Manager					
Management Distribution and Transfer fees	P 28,704,282	P 4,302,724	P 5,193,731	Non-interest bearing; Annual rate of 1.15% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; unguaranteed
Key Management Personnel					
Directors' Fees	P 189,808	P 124,904	P -	Payable on demand;	Unsecured: Unguaranteed

11. EQUITY

	2022	
	Shares	**Amount**
Authorized:		
At P0.01 par value	**3,800,000,000**	**P 38,000,000**
At P0.01 par value	**3,800,000,000**	**P 38,000,000**
Issued and fully paid:		
At June 30	**3,730,399,542**	**P 37,303,995**
	3,730,399,542	**P 37,303,995**
Treasury shares:		
At January 1	**2,257,250,719**	**P 6,557,301,520**
Acquisition	**149,570,759**	**471,342,000**
Reissuance	**(76,522,830)**	**(222,298,420)**
At June 30	**2,330,298,648**	**P 6,806,345,100**

Incorporation

The Company was incorporated on January 19, 2000 with 200,000,000 authorized shares at an initial par value of P1.00 per share.

Approved Changes

On December 4, 2000, the Board of Directors and the shareholders held a special meeting where all present unanimously voted to increase the Company's authorized share capital by 300,000,000 (from 200,000,000 shares to 500,000,000 shares both with par value of P1.00), which was approved by the SEC on March 30, 2001.

On May 21, 2001, approval was obtained from the shareholders for the blanket increase of the Company's authorized share capital for up to P2,500,000,000 divided into 2,500,000,000 shares with a par value of P1.00.

Also, on May 21, 2001, the Board of Directors voted to increase the Company's authorized share capital by 200,000,000 shares (from 500,000,000 shares to 700,000,000 shares both with par value of P1.00), which was approved by the SEC on July 27, 2001.

On October 10, 2001, the Board of Directors approved to increase the Company's authorized share capital by 200,000,000 shares (from 700,000,000 shares to 900,000,000 shares both with par value of P1.00), which was approved by the SEC on December 21, 2001.

On May 29, 2002, the Board of Directors voted to increase the Company's authorized share capital by 1,600,000,000 shares (from 900,000,000 shares to 2,500,000,000 shares both with par value of P1.00), which was approved by the SEC on July 05, 2002.

On January 07, 2004, the SEC approved the Company's request to increase its authorized share capital by 1,300,000,000 shares (from 2,500,000,000 shares to 3,800,000,000 shares both with par value of P1.00).

On February 17, 2006 and June 28, 2013, the Board of Directors and shareholders, respectively, approved the reduction of the par value per share from P1.00 to P0.01. The SEC approved the change in the par value on May 27, 2014. On October 24, 2014, the application to amend the Registration Statement to reflect the change in par value per share was filed with the SEC. Said application was approved by the SEC on April 20, 2015.

Current State

As at June 30, 2022, the Company has 1,400,100,894 issued and outstanding shares out of the 3,800,000,000 ACS with a par value of P0.01 per share.

The following table shows the number of institutional and retail investors and the percentage of their investments, and the geographic concentration of investments as of June 30, 2022.

% Ownership of Institutional Investors	% Ownership of Retail Investors
17.92%%	82.08%%

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

12. ADDITIONAL PAID-IN CAPITAL

	June 2022	December 2021
APIC	**P 7,439,258,608**	P7,420,374,329

13. NET ASSET VALUE PER SHARE

	June 2022	December 2021
Total equity	**P 4,379,177,966**	P 4,686,935,244
Outstanding shares	**1,400,100,894**	1,473,148,823
NAVPS	**P 3.1278**	P 3.1816

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 June 30, 2022:

	Yields	**NAVPS**	**NAVPS Date**
Year on year yield (1-year)	-2.6790%	P 3.2139	June 30, 2021
3 Year - Simple	5.7011%	P 2.9591	June 28, 2019
5Year - Simple	13.3959%	P 2.7583	June 30, 2017

14. INTEREST INCOME

	June 2022	June 2021
Fixed-income securities	**P 63,259,335**	P 65,510,894
Corporate loans	**10,580,156**	18,025,881
Cash equivalents	**216,667**	415,524
Cash in banks	**257,670**	45,803
	P 74,313,828	P 83,998,102

15. EARNINGS (LOSS) PER SHARE

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

	June 2022	June 2021
Total comprehensive income (loss) for the year	**(P 77,597,977)**	P 8,111,104
Weighted average number of issued and outstanding shares	**1,441,974,369**	1,568,571,885
Basic earnings (loss) per share	**(P 0.054)**	P 0.005

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	Level 2	Total
June 30, 2022			
Fixed-income securities	**P 2,897,446,315**	**P -**	**P 2,897,446,314**
Investment in mutual fund	**631,254,131**		**52,728**
Investment in UITF	**5,472,947**	**-**	**636,674,351**
	P 3,534,173,393	**P -**	**P 3,534,173,393**
December 31, 2021			
Fixed-income securities	P3,628,038,792	P -	P3,628,038,792
Investment in mutual fund	521,214,745		521,214,745
Investment in UITF	5,453,873	-	5,453,873
	P4,154,707,410	P -	P4,154,707,410

The fair values of the special savings deposits are based on discounted cash flow analysis using prevailing market interest rates.

UITFs are valued at their published Net Assets Values Per Share (NAVPS) as at reporting date.

The fair values of fixed-income securities classified as Level 1 are based on quoted prices of either done deals or bid rates while the fair value of fixed-income securities classified as Level 2 are based on interpolated yields derived from benchmark reference rates.

No transfers in fair value hierarchy were made as at June 30, 2022 and December 31, 2021. Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period.

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**	**Level 3**	**Total**
June 30, 2022					
Financial Assets					
Cash and cash equivalents	P 564,808,606	P 564,808,606	P -	P -	P 564,808,606
Accrued interest receivable	20,969,501		20,969,501	-	20,969,501
Corporate loans	247,700,593		-	248,313,854	248,313,854
	P 833,478,700	P 564,808,606	P 20,969,501	P 248,313,854	P 834,091,961
Financial Liabilities					
Accrued expenses and other payables	P 6,858,968	P -	P 6,858,968	P -	P 6,858,968
Payable to fund manager	4,302,724	-	4,302,724	-	4,302,724
	P 11,161,692	P -	P 11,161,692	P -	P 11,161,692
December 31, 2021					
Financial Assets	P154,960,186	P154,960,186	P -	P -	P154,960,186
Cash in banks	20,055,307	20,055,307	- -		20,055,307
Accrued interest receivable	P154,960,186	P154,960,186	P -	P -	P154,960,186
Corporate loans	20,055,307	20,055,307	-	-	20,055,307
	P518,809,462	P175,015,493	P -	P359,179,950	P534,195,443
Financial Liabilities					
Accrued expenses and other payables	P3,717,027	P -	P3,717,027	P -	P3,717,027
Payable to fund manager	5,193,731	-	5,193,731	-	5,193,731
	P8,910,758	P -	P8,910,758	P -	P8,910,758

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

There were no transfers between Levels 1, 2 and 3 in 2022.

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 NAVPS.** NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding and for conversion to shares, 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 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 in 1,416,934,987vestor 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**. This determines whether the Fund was able to achieve the optimal level of liquidity by being able to meet all its scheduled payments, while maintaining at the same time the maximum investments level and minimum cash level.

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

Material Changes in the 2nd Quarter Financial Statements

Statement of Financial Position and Statements of Changes in Equity – June 30, 2022 vs. December 31, 2021

	30-Jun-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash and cash equivalents	564,808,606	154,960,186	409,848,420	264.49%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	3,534,173,393	4,154,707,410	(620,534,017)	-14.94%	The decrease was mainly driven by net disposals and maturies of investment in fixed income securities and unrealized losses incurred during the period.
Financial assets at amortized cost	247,700,592	343,793,969	(96,093,377)	-27.95%	The movement was mainly due to pre-terminatoin of certain loans and collection of principal of other corporate loans which was partly offset with the reversal of allowance for expected credit losses during the period.
Accrued interest receivable	20,969,501	20,055,307	914,194	4.56%	Collection of interest depends on the scheduled interest payments of each asset. Lower accrued interest receivable as of year-end is also aligned with the movement of investments in fixed income securities.
Prepayments and other current assets	23,127,263	22,838,988	288,275	1.26%	This account pertains to creditable withholding taxes and prepaid tax which will be applied in taxable income in future period.
Total Assets	**4,390,779,355**	**4,696,355,860**	**(305,576,505)**	**-6.51%**	
Accrued expenses and other payables	7,298,666	4,226,885	3,071,781	72.67%	The increase was due to outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled four (4) days after the transaction date.
Payable to Fund Manager	4,302,724	5,193,731	(891,007)	-17.16%	The decrease in fees payable to fund manager was brought by the lower AUM as of the period.
Total Liabilities	**11,601,390**	**9,420,615**	**2,180,775**	**23.15%**	
Share capital	37,303,995	37,303,995	(0)	0.00%	
Additional paid in capital	7,439,258,608	7,420,374,329	18,884,279	0.25%	
Retained earnings	3,708,960,463	3,786,558,440	(77,597,978)	-2.05%	The movement represents the net loss incurred during the period.
Treasury Shares	(6,806,345,100)	(6,557,301,520)	(249,043,580)	3.80%	The increase depicts the net reissuance of treasury shares during the period.
Net Assets	**4,379,177,966**	**4,686,935,244**	**(307,757,279)**	**-6.57%**	Decrease pertains to net redemption of treasury shares and net loss incurred during the period.
Net Assets Value per Share	**3.1278**	**3.1816**	**-0.0538**	**-1.69%**	

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 Six months ended – 30 June 2022 vs. 30 June 2021

	30-Jun-22	30-Jun-21	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	35,731,517	63,349,838	(27,618,321)	-43.60%	The decrease was driven by the lower interest income earned and realized losses incurred from the sale of securities. These are in line with the downward movement of investments as of the period.
Operating Expenses	28,896,491	32,993,603	(4,097,112)	-12.42%	Lower management fees have resulted from the decline in AUM during the period. The decrease also includes the reversal of expected credit losses for the period.
Net Unrealized Losses on Investments	(74,003,774)	(11,215,727)	(62,788,047)	559.82%	Unrealized losses incurred represent the impact of unfavorable market condition during the period.
Provision for Income Tax	10,429,229	11,029,404	(600,175)	-5.44%	The decrease was driven by the lower interest income earned for the period as the provision for income tax is primarily consisted of final taxes from fixed income securities.
Net Investment Income (Loss)	**(77,597,977)**	**8,111,104**	**(85,709,081.00)**	**-1056.69%**	

Average daily net asset value from January to June 2022 and January to June 2021 is P 4,573,513,933 and P 5,022,806,888, 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 June 30, 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 Risk: Interest Rate Risk is a type of Market Risk which is applicable to the Fund's investments in bonds, if any. This refers to the increase/decrease of a bond price due to movement in market factors such as changes in interest rates. A change in interest rates is the period when interest rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund.

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.

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 Risk: 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 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 this Prospectus are strictly followed.

2. Capital Risk Management

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

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

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

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

- 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 interest income and principal preservation through investments in government and high quality corporate debt securities.

- Benchmark - 98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax.

- Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income securities 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 at an annual rate of 1.00% 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 June 30, 2022 and December 31, 2021, the Company is consistently in compliance with the minimum paid-in capital requirement of the SEC of PHP 50 million.

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

The Company does not have any investment in foreign securities.

4. 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 cashflows 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 June 30, 2022 and December 31, 2021, 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 Philippine peso (PHP). The PHP is the currency of the primary economic environment in which the Company operates. It is the currency being used to report the Company's results of operations.

Puttable shares designated as equity instruments

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

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

a. it entitles the holder to a pro rata share of the entity's net assets in the event of the entity’s liquidation. The entity’s net assets are those assets that remain after deducting all other claims on its assets;
b. it is in the class of instruments that is subordinate to all other classes of instruments;
c. all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
d. apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments; and
e. the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument (excluding any effects of the instrument).

Key Sources of Estimation Uncertainty

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

Probability of default (PD)

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

As at June 30, 2022 and December 31, 2021, the Company assessed a probability of default of 0.28% and 0.95%, respectively, for all of its financial assets measured at amortized cost.

Loss Given Default (LGD)

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

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

Estimating loss allowance for ECL

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

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

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

As at June 30, 2022 and December 31, 2021, the Company's estimated credit losses for financial instruments measured at amortized cost amounted to P613,261 and P1,655,518, respectively as disclosed in Note 6.

Deferred tax assets

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

Based on Management's expectation of the Company's future taxable income, the Company did not recognize the deferred tax assets as at June 30, 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 of Canada Prosperity Bond Fund, Inc.**

Principal Financial/Accounting Officer/Comptroller:

Signature : **Gerald L. Bautista**

Title : **President, Sun Life Asset Management Company, Inc.**

Date : **August 17, 2022**

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
Schedule of Financial Soundness Indicators and Financial Ratios
June 30, 2022 and December 31, 2021

	Formula	**2022**	2021
Current/ Liquidty Ratios			
a. Current ratio	Current Assets/Current Liabilities	**359.54:1**	464.99:1
b. Quick ratio	Quick Assets/Current Liabilities	**355.13:1**	459.6:1
c. Cash ratio	Cash/Current Liabilities	**48.68:1**	16.45:1
d. Days in receivable	Receivable/Revenue * No. of days	**N/A**	N/A
e. Working capital ratio	(Current Assets-Current Liabilities)/Current Liabilities	**358.54:1**	463.99:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	**115.95:1**	38.7:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operting Expense)	**51327.43:1**	23471.63:1
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	**0.00**	0.00
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	**0.00**	0.00
Asset to equity ratio	Total Assets/Total Equity	**1.00:1**	1.00:1
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	**-187.25%**	-17.08%
b. Earnings before interest, taxes and depreciation and amortization	EBITDA/Revenue	**-187.25%**	-17.08%
c. Pre-tax margin	EBIT/Revenue	**-187.25%**	-17.08%
d. Effective tax rate	Income Tax/EBIT	**-15.53%**	-104.88%
e. Post-tax margin	Net Income After Tax/Revenue	**-216.32%**	-34.99%
f. Return on equity	Net Income After Tax/Average Common Equity	**-1.71%**	-0.79%
g. Return on asset	NIAT/Average Total Assets	**-1.71%**	-0.79%
Capital intensity ratio	Total Assets/Revenue	**122.4:1**	41.58:1
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 of Canada Prosperity Bond Fund Inc.

i. Percentage of Investment in a Single Enterprise to Net Asset Value

As of June 30, 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) - Republic of the Philippines						
PIID0525H130	543,817,080	4,379,177,966	12.42%	1,015,575,940	4,686,935,244	21.67%
PIID0324C115	1,095,101,117	4,379,177,966	25.01%	941,564,196	4,686,935,244	20.09%
PIBD0526D772	274,541,320	4,379,177,966	6.27%	-	**	0.00%
PIBD0325D270	93,910,350	4,379,177,966	2.14%	-	**	0.00%
PIID0527C159	204,266,400	4,379,177,966	4.66%	-	**	0.00%
PIID0527L140	27,007	4,379,177,966	0.00%	539,317,378	4,686,935,244	11.51%
PIBL1221F252	-	-	-	117,422,980	4,686,935,244	2.51%
PIBL1221G279	-	-	-	96,485,900	4,686,935,244	2.06%
PIBD1030G655	-	-	-	35,664,400	4,686,935,244	0.76%
PIBD1031G662	-	-	-	149,775,600	4,686,935,244	3.20%
PIBD1032A675	-	-	-	-	**	0.00%
Bonds						
ABOITIZ POWER APPM 5.2757 10/14/26	108,365,250	4,379,177,966	2.47%	111,743,625	4,686,935,244	2.38%
BNPP 7.34% 18NOV2027	66,438,335	4,379,177,966	1.52%	81,677,272	4,686,935,244	1.74%
INTL FINANCE CORP 6.3448% 22MAR2033	83,343,379	4,379,177,966	1.90%	91,154,771	4,686,935,244	1.94%
NOM 7.46% 20DEC2023	79,522,952	4,379,177,966	1.82%	82,886,436	4,686,935,244	1.77%
PHILIP 577 06/20/2024 (NOM CLN)	46,937,786	4,379,177,966	1.07%	50,966,617	4,686,935,244	1.09%
SAN MIGUEL CORP SMCPM 6 1/4 03/19/23	82,152,720	4,379,177,966	1.88%	83,469,760	4,686,935,244	1.78%
SINDICATUM REN SINDIC 7.4 08/15/28	49,033,949	4,379,177,966	1.12%	54,427,115	4,686,935,244	1.16%
SM PRIME HOLDINGS INC 5.0583% 25MAR2	94,975,600	4,379,177,966	2.17%	92,640,600	4,686,935,244	1.98%
SAN MIGUEL CORP SMCPM 5.2704 03/04/27	23,714,062	4,379,177,966	0.54%	-	**	0.00%
SM INVESTMENTS CORP 3.5915 02/18/25	22,452,326	4,379,177,966	0.51%	-	**	0.00%
CONVERGE ICT SOL CNVRPM 5.5942 04/08	28,846,682	4,379,177,966	0.66%	-	**	0.00%
SAN MIGUEL BREW SMBPM 6.6 04/02/22	-	-	-	83,266,202	4,686,935,244	1.78%
Corporate Loans						
.VLL 3 7.125% 19JUL2024	50,865,158	4,379,177,966	1.16%	62,243,334	4,686,935,244	1.33%
ANGAT HYDROPOWER CORPORATION	78,307,547	4,379,177,966	1.79%	80,113,074	4,686,935,244	1.71%
MPIL 83231 08/16/2033	970,966	4,379,177,966	0.02%	971,795	4,686,935,244	0.02%
MWIDE 08242024	63,942,252	4,379,177,966	1.46%	64,533,565	4,686,935,244	1.38%
SMDC 5213 01/27/2027	53,614,669	4,379,177,966	1.22%	53,593,717	4,686,935,244	1.14%
MPI LOAN 78275 05/17/2033	-	-	-	51,455,644	4,686,935,244	1.10%
MPIL 84063 05/17/2033	-	-	-	30,882,839	4,686,935,244	0.66%
Investments in UITF						
RIZAL PESO CASH MGMT FUND	5,420,219	4,379,177,966	0.12%	5,401,339	4,686,935,244	0.12%
SB PESO MONEY MARKET FUND	52,728	4,379,177,966	0.00%	52,534	4,686,935,244	0.00%
Investments in Mutual Fund						
SUN LIFE PROSPERITY PESO STARTER FUND	631,254,131	4,379,177,966	14.41%	521,214,745	4,686,935,244	11.12%

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

As of June 30, 2022 and December 31, 2021

	2022			2021		
	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee
Treasury Notes (ISIN) (in Amounts) - Republic of the Philippines						
PIID0525H130	578,000,000	**	-	1,043,500,000	**	-
PIID0324C115	1,123,100,000	**	-	946,800,000	**	-
PIBD0526D772	292,000,000	**	-	-	**	-
PIBD0325D270	95,000,000	**	-	-	**	-
PIID0527C159	208,000,000	**	-	-	**	-
PIID0527L140	28,000	**	-	535,728,000	**	-
PIBL1221F252	-	**	-	40,000,000	**	-
PIBL1221G279	-	**	-	156,000,000	**	-
PIBD1030G655	-	**	-	118,000,000	**	-
PIBD1031G662	-	**	-	97,000,000	**	-
PIBD1032A675	-	**	-	-	**	-
Bonds						
ABOITIZ POWER APPM 5.2757 10/14/26	105,000,000	**	-	105,000,000	**	-
BNPP 7.34% 18NOV2027	77,988,420	**	-	77,988,420	**	-
INTL FINANCE CORP 6.3448% 22MAR2033	80,415,840	**	-	84,070,720	**	-
NOM 7.46% 20DEC2023	79,515,000	**	-	79,515,000	**	-
PHILIP 577 06/20/2024 (NOM CLN)	47,734,960	**	-	47,734,960	**	-
SAN MIGUEL CORP SMCPM 6 1/4 03/19/23	80,000,000	**	-	80,000,000	**	-
SINDICATUM REN SINDIC 7.4 08/15/28	50,300,000	**	-	50,300,000	**	-

SM PRIME HOLDINGS INC 5.0583% 25MAR2	100,000,000	**	-	100,000,000	**	-
SAN MIGUEL CORP SMCPM 5.2704 03/04/27	23,500,000	**	-	-	**	-
SM INVESTMENTS CORP 3.5915 02/18/25	23,280,000	**	-	-	**	-
CONVERGE ICT SOL CNVRPM 5.5942 04/08	28,200,000	**	-	-	**	-
SAN MIGUEL BREW SMBPM 6.6 04/02/22	-	**	-	82,300,000	**	-
Corporate Loans						
.VLL 3 7.125% 19JUL2024	50,625,000	**	-	61,875,000	**	-
ANGAT HYDROPOWER CORPORATION	78,387,000	**	-	80,214,000	**	-
MPIL 83231 08/16/2033	979,000	**	-	982,000	**	-
MWIDE 08242024	64,152,000	**	-	64,800,000	**	-
SMDC 5213 01/27/2027	53,892,000	**	-	53,946,000	**	-
MPI LOAN 78275 05/17/2033	-	**	-	52,009,375	**	-
MPIL 84063 05/17/2033	-	**	-	31,205,625	**	-
Investments in UITF						
RIZAL PESO CASH MGMT FUND	4,720,212	557,240,680	0.85%	4,720,212	586,465,614	0.80%
SB PESO MONEY MARKET FUND	36,581	12,886,159,149	0.00%	36,581	16,544,786,392	0.00%
Investments in Mutual Fund						
SUN LIFE PROSPERITY PESO STARTER FUND	476,130,737	96,547,968,729	0.49%	396,180,256	96,602,859,957	0.41%

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

As of June 30, 2022 and December 31, 2021

	2022	2021
Total Liquid and Semi-Liquid Assets	4,119,951,500	4,329,722,903
Total Assets	4,390,779,356	4,696,355,860
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	93.83%	92.19%

iv. Total Operating Expenses to Total Net Worth

As of June 30, 2022 and December 31, 2021

	2022	2021
Total Operating Expenses	28,896,491	66,407,848
Average Daily Net Worth	4,573,513,933	4,915,537,259
Total Operating Expenses to Total Net Worth	0.63%	1.35%

Total Assets to Total Borrowings

As of June 30, 2022 and December 31, 2021

	2022	2021
Total Assets	4,390,779,356	4,696,355,860
Total Borrowings	11,601,390	9,420,616
Total Assets to Total Borrowings	37847.01%	49851.90%

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

Name of Issuing Entity and Association of Each Issue	June 30, 2022		December 31, 2021	
	Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet	Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet
Investments at Fair Value Through P&L				
Treasury Bonds and Notes - Republic of the Philippines	2,296,128,000	2,211,663,274	2,937,028,000	P2,895,806,394
Corporate Bonds				
ABOITIZ POWER CORP	105,000,000	108,365,250	105,000,000	111,743,625
BREEZE FINANCE LTD	77,988,420	66,438,335	77,988,420	81,677,272
INTL FINANCE CORP	80,415,840	83,343,379	84,070,720	91,154,771
NOMURA BANK INTERNATIONAL PLC	79,515,000	79,522,952	79,515,000	82,886,436
NOMURA INTERNATIONAL FUNDING PTE LTD	47,734,960	46,937,786	47,734,960	50,966,617
SAN MIGUEL CORP	80,000,000	82,152,720	80,000,000	83,469,760
SINDICATUM RENEWABLE ENERGY CO PTE LTD	50,300,000	49,033,949	50,300,000	54,427,115
SM PRIME HOLDINGS INC	100,000,000	94,975,600	100,000,000	92,640,600
SAN MIGUEL CORP	23,500,000	23,714,062	-	-
SM Investments Corp	23,280,000	22,452,326	-	-
CONVERGE ICT SOLUTION	28,200,000	28,846,682	-	-
SAN MIGUEL BREWERY INC	-	-	82,300,000	83,266,202
	695,934,220	**685,783,040**	**706,909,100**	**732,232,398**
Investments in UITF				
SB PESO MONEY MARKET FUND	36,581	52,728	36,581	52,534
RIZAL PESO CASH MANAGEMENT FUND	4,720,212	5,420,219	4,720,212	5,401,339
	4,756,793	**5,472,947**	4,756,793	5,453,873
Investments in Mutual Fund				
SUN LIFE PROSPERITY PESO STARTER FUND, INC.	**476,130,737**	**631,254,131**	396,180,256	521,214,745
TOTAL	**3,472,949,750**	**P3,534,173,393**	**4,044,874,149**	**P4,154,707,410**

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
Schedule of Investments
Investment in Corporate Loans

Name of Issuing Entity and Association of Each Issue	June 30, 2022		December 31, 2021	
	Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet	Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet
Corporate Loans				
.VLL 3 7.125% 19JUL2024	50,625,000	P 50,865,158	61,875,000	P 62,243,334
ANGAT HYDROPOWER CORPORATION	78,387,000	78,307,547	80,214,000	80,113,074
MPIL 83231 08/16/2033	979,000	970,966	982,000	971,795
MWIDE 08242024	64,152,000	63,942,252	64,800,000	64,533,565
SMDC 5213 01/27/2027	53,892,000	53,614,669	53,946,000	53,593,717
MPI LOAN 78275 05/17/2033	-	-	52,009,375	51,455,644
MPIL 84063 05/17/2033	-	-	31,205,625	30,882,839
TOTAL	**248,035,000**	**P 247,700,593**	**345,032,000**	**P 343,793,969**

FUND FACTS

Sun Life of Canada Prosperity Bond Fund

June 30,2022

This document contains key information clients of Sun Life of Canada Prosperity Bond 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	April 5, 2000	**Fund Structure**	Mutual Fund (Shares)	**Transfer Agency Fee**	0.15%
Fund Size	PHP 4,379,168,565.31	**Fund Classification**	Fixed Income Fund	**Minimum Holding Period**	None
Net Asset Value Per Share	3.1278	**Minimum Subscription**	PHP 1,000	**Early Redemption Fee**	None
Benchmark	98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax	**Minimum Subsequent**	PHP 1,000	**Redemption Settlement**	T+3 business days
		Management and Distribution Fee	1.00%	**Bloomberg Ticker**	SNCPRBF PM Equity

What does the Fund invest in?

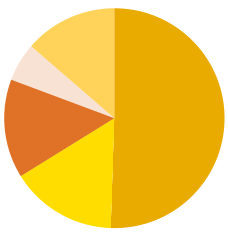
The **Sun Life of Canada Prosperity Bond Fund** aims to provide regular interest and principal preservation through investments in government and high-quality corporate debt securities.

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.

Top Fixed Income Holdings

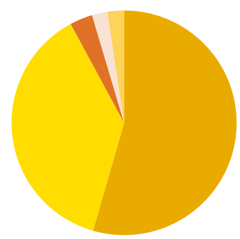
1. Treasury Bond 2024, 25.01%
2. Sun Life Prosperity Peso Starter Fund, 14.41%
3. Treasury Bond 2025, 12.42%
4. Time Deposit, 8.91%
5. Treasury Bond 2026, 6.27%

Investment Mix



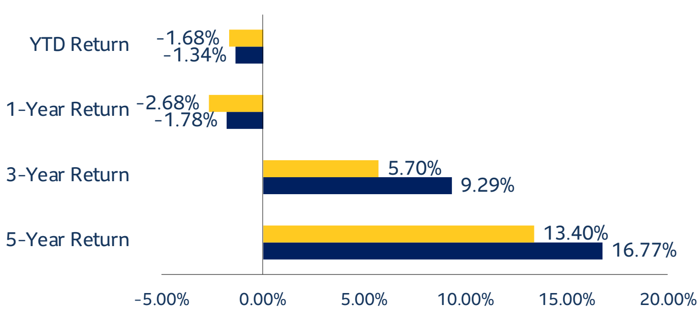
- Government Bonds, 50.50%
- Corporate Bonds, 15.66%
- Money Market Placements, 14.54%
- Corporate Loans, 5.67%
- Time Deposits and Other Liquid Assets, 13.63%

Maturity Profile



- 0-3 years, 54.45%
- 3-5 years, 37.68%
- 5-7 years, 3.27%
- 7-10 years, 2.22%
- 10-20 years, 2.38%

How has the Fund performed?



- Sun Life of Canada Prosperity Bond Fund
- Benchmark: 98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax

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

***Bond Benchmark Effectivity Date:**

HSBC Local Currency Bond Philippines Liquid Total Return: May 25, 2009 to April 30, 2016
Bloomberg Sovereign Bond Index, net of tax (adjusted by Sun Life): May 1, 2016 to February 28, 2017
Bloomberg Sovereign Bond Index 1 to 5 Year, net of tax (adjusted by Sun Life): March 1, 2017 to present

Market Review and Outlook

- Local yields climbed led by the front-end on Bangko Sentral ng Pilipinas (BSP) tightening outlook amid accelerating inflation.
- June local inflation came in at 5.4%, in-line with consensus. Transport and energy led the increase. Other items in the basket clearly showed second round effects.
- BSP increased its overnight borrowing rate for the second straight meeting. The policy rate moved to 2.50% from 2.25%. The move was telegraphed by the BSP, but some analysts penciled in a more aggressive 50 basis points hike as inflation continued its ascent and as the Peso continued to weaken against the U.S. Dollar.
- Bureau of Treasury (BTR) awarded auction bids with significant yield concession as market appetite was still lacking amid the unfavorable inflation and policy outlook.
- The Fund will continue its underweight duration stance against the benchmark. However, yields of some issues are already worthy of consideration. The weekly bond auctions will serve as a good avenue to take advantage of these issues.
- The Fund slightly lags the benchmark (-1.34%) year-to-date (-34 basis points).

Doc. Ver. No. 1

![Sun Life Asset Management]

FUND FACTS

Sun Life of Canada Prosperity Bond Fund

May 31,2022

This document contains key information clients of Sun Life of Canada Prosperity Bond 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	April 5, 2000	**Fund Structure**	Mutual Fund (Shares)	**Transfer Agency Fee**	0.15%
Fund Size	PHP 4,462,799,012.24	**Fund Classification**	Fixed Income Fund	**Minimum Holding Period**	None
Net Asset Value Per Share	3.1389	**Minimum Subscription**	PHP 1,000	**Early Redemption Fee**	None
Benchmark	98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax	**Minimum Subsequent**	PHP 1,000	**Redemption Settlement**	T+3 business days
		Management and Distribution Fee	1.00%	**Bloomberg Ticker**	SNCPRBF PM Equity

What does the Fund invest in?

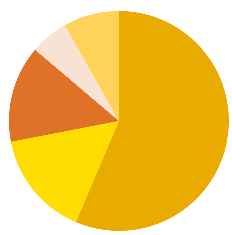
The **Sun Life of Canada Prosperity Bond Fund** aims to provide regular interest and principal preservation through investments in government and high-quality corporate debt securities.

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.

Top Fixed Income Holdings

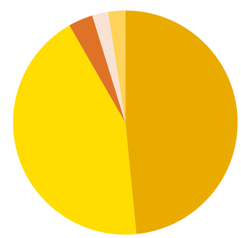
1. Treasury Bond 2024, 24.67%
2. Treasury Bond 2025, 15.85%
3. Sun Life Prosperity Peso Starter Fund, 14.13%
4. Treasury Bond 2026, 6.19%
5. Treasury Bond 2025, 5.10%

Investment Mix



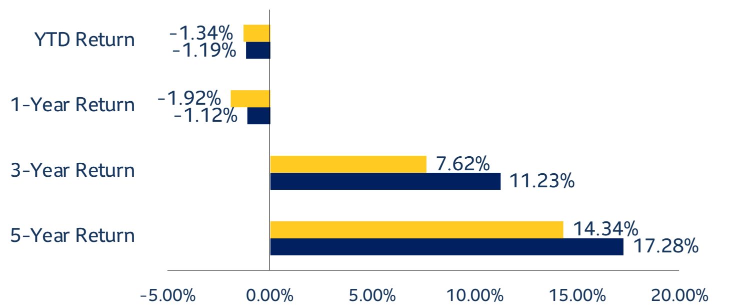
- Government Bonds, 56.40%
- Corporate Bonds, 15.56%
- Money Market Placements, 14.25%
- Corporate Loans, 5.61%
- Cash and Other Liquid Assets, 8.19%

Maturity Profile



- 0-3 years, 48.43%
- 3-5 years, 43.26%
- 5-7 years, 3.53%
- 7-10 years, 2.32%
- 10-20 years, 2.45%

How has the Fund performed?



- Sun Life of Canada Prosperity Bond Fund
- Benchmark: 98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax

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

***Bond Benchmark Effectivity Date:**

HSBC Local Currency Bond Philippines Liquid Total Return: May 25, 2009 to April 30, 2016
Bloomberg Sovereign Bond Index, net of tax (adjusted by Sun Life): May 1, 2016 to February 28, 2017
Bloomberg Sovereign Bond Index 1 to 5 Year, net of tax (adjusted by Sun Life): March 1, 2017 to present

Market Review and Outlook

- Local yields climbed on inflation pressures and BSP hike.
- April local inflation came in at 4.9%, higher than consensus (4.6%). Also, 2022 1st quarter Gross Domestic Product (GDP) came in at 8.3%, higher than consensus (6.8%).
- BSP increased its overnight borrowing rate to 2.25% from 2.00%. The move was widely anticipated following the strong GDP and higher than expected inflation prints.
- Bureau of Treasury continued to award auction bids at levels way above the street as market appetite for duration remained weak.
- The Fund will continue its underweight duration stance against the benchmark as local inflation path remains open to the upside. The Fund will participate in weekly auctions as trading opportunities might arise.
- The Fund is flat versus the benchmark (-1.19%) year-to-date (-15 basis points).

Sun Life Asset Management

FUND FACTS
Sun Life of Canada Prosperity Bond Fund
April 29, 2022

This document contains key information clients of Sun Life of Canada Prosperity Bond 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	April 5, 2000	**Fund Structure**	Mutual Fund (Shares)	**Transfer Agency Fee**	0.15%
Fund Size	PHP 4,533,734,566.12	**Fund Classification**	Fixed Income Fund	**Minimum Holding Period**	None
Net Asset Value Per Share	3.1586	**Minimum Subscription**	PHP 1,000	**Early Redemption Fee**	None
Benchmark	98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax	**Minimum Subsequent**	PHP 1,000	**Redemption Settlement**	T+3 business days
		Management and Distribution Fee	1.00%	**Bloomberg Ticker**	SNCPRBF PM Equity

What does the Fund invest in?

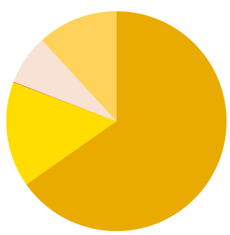
The **Sun Life of Canada Prosperity Bond Fund** aims to provide regular interest and principal preservation through investments in government and high-quality corporate debt securities.

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.

Top Fixed Income Holdings

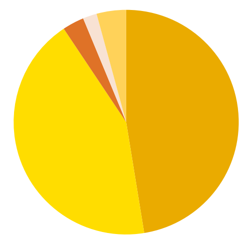
1. Treasury Bond 2024, 29.51%
2. Treasury Bond 2025, 15.68%
3. Treasury Bond 2027, 9.39%
4. Treasury Bond 2026, 6.15%
5. Treasury Bond 2025, 4.50%

Investment Mix



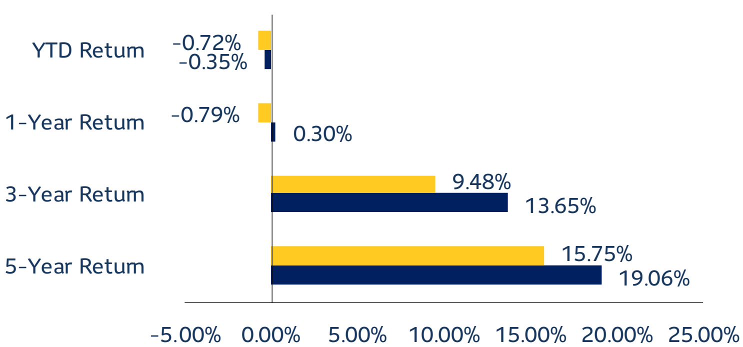
- Government Bonds, 65.24%
- Corporate Bonds, 15.48%
- Money Market Placements, 0.12%
- Corporate Loans, 7.35%
- Cash and Other Liquid Assets, 11.80%

Maturity Profile



- 0-3 years, 47.44%
- 3-5 years, 43.20%
- 5-7 years, 3.11%
- 7-10 years, 2.01%
- 10-20 years, 4.24%

How has the Fund performed?



- Sun Life of Canada Prosperity Bond Fund
- Benchmark: 98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax

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

***Bond Benchmark Effectivity Date:**
HSBC Local Currency Bond Philippines Liquid Total Return: May 25, 2009 to April 30, 2016
Bloomberg Sovereign Bond Index, net of tax (adjusted by Sun Life): May 1, 2016 to February 28, 2017
Bloomberg Sovereign Bond Index 1 to 5 Year, net of tax (adjusted by Sun Life): March 1, 2017 to present

Market Review and Outlook

- Local yields moved sideways as major geopolitical events took a breather.
- Dubai crude, a barometer of local fuel prices, closed flat month-on-month as Ukraine-Russia war became a non-factor, at least for that time being.
- March local inflation, which was published in April, printed 4.0% versus consensus forecast of 3.7%. The beat reflected pressures of elevated energy prices on local goods.
- Bureau of Treasury still had difficulty awarding bonds as auction bids continued to price a significant yield premium against last dealt levels.
- The Fund will continue its underweight duration stance against the benchmark as inflation outlook remains unfavorable. The Fund will participate opportunistically in weekly auctions to gather yield pick-up.
- The Fund slightly underperformed versus the benchmark (-0.35%) year-to-date by 37 basis points.

From:	ICTD Submission
To:	sunlife_sec_communications
Subject:	Re: CGFD_Sun Life of Canada Prosperity Bond Fund, Inc._SEC Form 17-L_09August2022
Date:	Tuesday, August 9, 2022 4:46:50 PM

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

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, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST 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 ELECTRONIC FILING AND SUBMISSION TOOL (eFAST) 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 go to SEC website:

https://apps010.sec.gov.ph

For your information and guidance.

✓

Sun Life

Certification

I, Gerald L. Bautista, the President of Sun Life Asset Management Company, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number A199918034 and with principal office at Sun Life Center, 5th Ave. Cor. Rizal Drive Bonifacio Global City, Taguig City, on oath state:

1) That I have caused this SEC Form 17-L to be prepared on behalf of Sun Life of Canada Prosperity Bond 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 of Canada Prosperity Bond 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 8th day of August, 2022.

Gerald L. Bautista
Affiant

AUG 0 9 2022 MAKATI CITY

SUBSCRIBED AND SWORN to before me this ____day of__________,2022, in ________ City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Gerald L. Bautista	Passport No. P3872620A	08-05-2017	Muntinlupa City

Doc. No. 142;
Page No. 30;
Book No. XXIV
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

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 **June 30, 2022**

Date of this report **August 08, 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 **A199908715** 2. BIR Tax Identification No. **204-843-519-000**

3. **Sun Life of Canada Prosperity Bond 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) – 85558888**
   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 June 30, 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

Gerald L. Bautista
President, Sun Life Asset Management Company, Inc.
Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634
8555-8888

(b) Have all other periodic reports required under Section 17 of the Code and under Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months, or for such shorter period that the issuer was required to file such report(s), been filed? If the answer is no, identify the report(s).

Yes [✓] No [ ] Reports: ....

(c) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes [ ] No [✓]

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

SIGNATURE

Pursuant to the requirements of the SRC Rule 17-1, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sun Life of Canada Prosperity Bond Fund, Inc.
Registrant's full name as contained in charter

GERALD L. BAUTISTA
President, Sun Life Asset Management Company, Inc.

Date: **August 08, 2022**

From:	sunlife_sec_communications
To:	ICTD Submission; CGFD Account
Cc:	PHIL-FIN_FAR2; Candy Esteban
Subject:	CGFD_Sun Life of Canada Prosperity Bond Fund, Inc._SEC Form 17-L_09August2022
Date:	Tuesday, August 9, 2022 4:46:00 PM
Attachments:	Sun Life of Canada Prosperity Bond Fund, Inc._SEC Form 17-L_09August2022.pdf

To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Please see attached SEC Form 17-L of Sun Life of Canada Prosperity Bond 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.
Thank you.
Official email address: sunlife_sec_communications@sunlife.com
Alternative email address: sunlife_sec_communications2@sunlife.com
Official email address of authorized filer: joycelyn.alday@sunlife.com

Best regards,

Joycelyn P. Alday
Financial Accounting & Reporting Specialist | Sun Life Asset Management
joycelyn.alday@sunlife.com
5F Sun Life Centre Fifth Ave. cor. Rizal Drive, Bonifacio Global City, Taguig 1634

Sun Life
Life's brighter under the sun