

Reaching Greater Heights

Sun Life Prosperity Funds | 2007 Annual Report





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

Upon written request of any shareholder of record entitled to notice of and vote at the meeting, the company shall furnish such shareholder with a copy of the company's annual report on SEC Form 17-A without charge. Any such written request shall be addressed to:

The Corporate Secretary
Sun Life Prosperity Funds
15F Tower II, The Enterprise Center
Ayala Ave., cor. Paseo de Roxas
Makati City, Philippines

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Letter to Shareholders

DEAR SHAREHOLDERS,

Despite a generally volatile financial market, the Sun Life Prosperity Funds performed exceptionally well in 2007, once again proving the funds' capability to outpace the unstable movements in the local bourse. The year was characterized by a strong demand for equity investments as punctuated by a commendable fiscal performance, a firm peso, ample liquidity, and low inflation.


Returns during the past year were promising with the Equity Fund and Balanced Fund keeping a stronghold amidst the challenges. As of end December 2007, the Sun Life Prosperity Phil. Equity Fund yielded a full year return of 20.6% and a 5-year return of 224.9%. The Sun Life Prosperity Balanced Fund, on the other hand, posted a full year return of 17.2%, and a five-year return of 171.1%.

During the year, we significantly increased our managed assets realizing a hefty growth of 60% from Php11.4 billion in 2006, to Php18.2 billion in 2007. Sales almost doubled from Php5.9 billion to Php11.2 billion, indicative of the increasing public acceptance of mutual funds as an alternative investment instrument providing better returns compared to the traditional bank deposit products.

We also take pride in having received honors from the Investment Companies Association of the Philippines (ICAP) which bestowed on us seven awards in 2007, including the citation for having the biggest family of mutual funds in the country today.

We have exceeded our 2006 performance in terms of managed assets and gross sales and have provided optimum returns while prudently managing risks. We hope to continue building on our strengths to provide the best investment management services tailored for our shareholders' investment objectives. It has always been our commitment to deliver business results that will be beneficial to our target publics. We are focused on our priorities. We have the experience. We have the expertise and the professionals to help you to make better financial decisions for a brighter future.

Thank you for your unwavering support.



HENRY JOSEPH M. HERRERA
Chairman of the Board



RIZALINA G. MANTARING
President

Invest like a Pro!

171.1%

total net returns of the
Prosperity Balanced Fund
in just 5 years!

The Sun Life Prosperity Balanced Fund is the simplest investment choice you can make. You can get the best mix of equities and fixed income securities to optimize your money's earning potential while cushioning the impact of market fluctuations.

Sun Life Prosperity Funds	Fund Component	AFTER-TAX RETURN				
		2005	2006	2007	3-Year Return*	5-Year Return**
Bond	Fixed income	11.1%	12.0%	2.4%	27.4%	49.0%
Balanced	Fixed income and stocks	10.0%	34.3%	17.2%	73.1%	171.1%
Philippine Equity	Primarily stocks	11.3%	44.0%	20.6%	93.4%	224.9%

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

* Period is from December 31, 2004 to December 31, 2007.

** Period is from December 31, 2002 to December 31, 2007.



Investing made easy.

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

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



Sun Life Of Canada Prosperity Bond Fund, Inc.

2007 PERFORMANCE REVIEW. Return on Investment (ROI) for the year was 2.38% and lagged portfolio benchmark of 2.78 %. Net Asset Value per Share (NAVPS) closed moderately higher at Php1.9139 at yearend.

Market uncertainty prompted market players to push up bids at yearend and this took its toll on bond asset valuations. Still, we are confident that a defensive asset allocation strategy that is aggressively biased towards loans would pay off in the long term. Under the current mix, the portfolio is expected to greatly benefit from steady accrual income that would provide insulation against heightened market volatility in the coming months.

FINANCIAL MARKETS IN 2007 REVIEW

The year 2007 was a rousing period for global financial markets. The deflation of the housing bubble in the United States and the ensuing capital and funding crises threatened to throw the country into recession. Massive asset write downs, corporate downgrades and dire aversion to risky assets were the theme staples. European markets reeled from cooling housing markets and bad credit.

Certainly, the Philippine financial markets were not spared from the global credit rout. The resulting sell down of Emerging Market assets indicated that these regions have not decoupled enough to be immune to the broad re-pricing of credit risk. Overall, markets remained reasonably resilient as the appreciating peso, benign inflation, robust OFW remittances and increased government spending on developmental and social services underpinned an unprecedented consumption boom. Notably, government finances were shored up by the sale of privatized assets and benefited from reduced borrowing costs due to a strong currency and low interest rates.

For a while, the scandal over the alleged involvement of the First Family in the overpriced national broadband network project threatened to

eclipse the country's favourable economic gains. However, renewed attempts to unseat President Arroyo were nipped in the bud due to the ruling coalition's overwhelming control of the lower house.

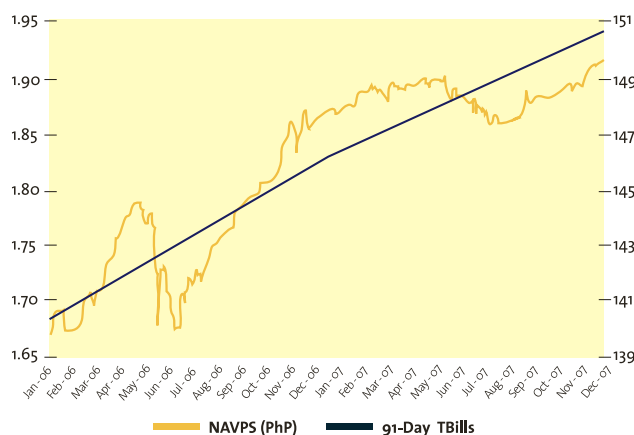
System liquidity remained high as ever and interest rates traded along a steeper yield curve. The average 91-day Treasury bill slid to 4.19% from 5.24% in 2007, while yields in the 7-year belly went flat. In contrast, the longer dated 20-year tenor rose to 8.33% compared to 7.77% in end-2006. The spate of U.S. Fed rate cuts in the 2nd half encouraged similar cuts by local monetary authorities albeit in a lesser magnitude.

INVESTMENT APPROACH

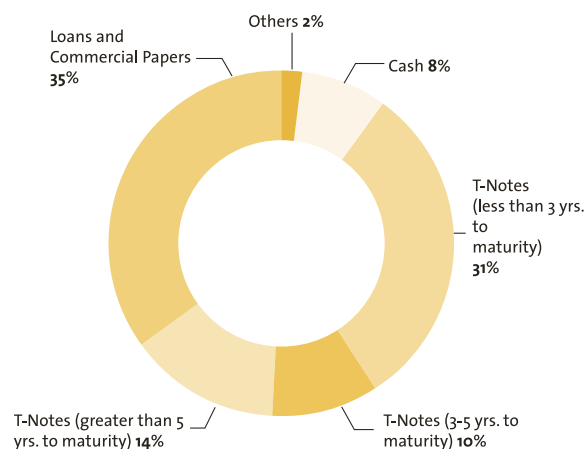
Investment doctrine is geared towards investing in high yield, investment grade assets with an overall risk profile of less than average. Private lending is restricted to prime corporate issues and collateral is required as practicable. Bond portfolio duration was maintained amid highly volatile market conditions in the first nine months, and increased thereafter in anticipation of aggressive rate cuts by the U.S. Fed.



Sun Life Prosperity Bond Fund vs. 91-Day TBills



Portfolio Asset Allocation



LONG TERM PERFORMANCE REVIEW

Local financial markets are expected to take its cue from the U.S. credit markets in 2008. However, the country’s sound macro-economic fundamentals should provide some cushion against acute external shocks. Despite the global monetary easing led by the Federal Reserve, there is no quick remedy to the residential property downswing in the U.S., and the risk of damaging effects on the broader global economy remains a cause for concern.

Further policy rate cuts are expected along with efforts to stave off a recession in the United States that could bring forth parallel response in both local and regional markets. Benign inflation outlook due to easing oil prices and the slowdown in money supply growth are supportive of more rate cuts. Lower interest rates should augur well for bond asset valuations just as interest rates are projected to trade in a narrow range with mild downward bias.

FINANCIAL RESULTS

The AUM was 46% lower than December 31, 2006 mainly due to heavy redemptions made by investors in 2007 due to unattractive returns for the year, as more and more investors shifted their investments to Balanced and Equity Fund. In 2007, the total redemptions amounting to Php4.4 billion exceeded total new investments of Php1.8 billion hence resulting to a Php 3.0 billion net assets at the end of the year.

Gross investment income for the year amounting to Php476 million was 15% lower than that of 2006 which posted Php562 million mainly due to lower average volume of fixed income securities held by the fund. Operating expenses were lower by 24% for the same reason, coupled by lower DST payments brought about by lower sales of new stocks this year. With the recognition of unrealized loss on the revaluation of Treasury Notes for 2007 amounting to Php254 million, the net effect to the Fund’s investment performance was a 86% decrease in net investment income from Php588 million in 2006 to Php81 million this year.

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

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

Sun Life Of Canada Prosperity Balanced Fund , Inc.

2007 PERFORMANCE REVIEW. The Fund continued to beat the benchmark return performance for the year, despite the large cash levels and low volatility. The Fund ended the year with a 17.2% return compared to the composite benchmark of 12.04%. Total fund collections for 2007 amounted to Php 6.88billion, as against redemptions of Php 1.99billion.

FINANCIAL MARKET REVIEW

It was supposed to be another-record breaking year for the Philippines, wherein the convergence of sound macro-economic fundamentals, a benign U.S. Federal Reserve policy and the fulfillment of earnings targets should have resulted in lower market volatility and a more consistent growth trend.

However, two completely unexpected events shocked the financial markets just as it was headed for a new all time high. The first event occurred in the first quarter, wherein the Chinese government's efforts to tame runaway inflation and market speculation resulted in an unprecedented one-day drop of 8% in the PSEi. While the drop had no local fundamental basis, the emergence of China as a new global market factor meant that there was a new source of external shocks, which has to be considered when making investments. When the risks from China became clearer and quantifiable, investors were able to regain their lost footing. The PSEi slowly recovered and went on to post a new all-time-high, closing at 3,786, translating to a YTD return of 27%.

Just as the market reached another milestone, the second unexpected external event occurred in the form of the U.S. sub-prime mortgage crisis. This event, together with the U.S. Federal Reserve's reluctance to proactively manage the looming crisis, caused the PSEi to drop by 24% in one month and set the stage for a massive global liquidity crisis. The crisis finally forced the U.S. Federal Reserve to hastily loosen monetary policy, resulting in a 9.8% single-day recovery in the PSEi, which went on to another

milestone closing level of 3,873, early in the fourth quarter, for a YTD return of 30%. However, unlike the earlier crisis precipitated by China, this would have no quick resolution.

In the fixed income market, system liquidity remained high as ever and interest rates traded along a steeper yield curve. The average 91-day Treasury bill slid to 4.19% from 5.24% in 2007, while yields in the 7-year belly went flat. In contrast, the longer dated 20-year tenor rose to 8.33% compared to 7.77% in end-2006. The spate of U.S. Fed rate cuts in the 2nd half encouraged similar cuts by local monetary authorities albeit in a lesser magnitude.

The massive increase in volatility brought about by external factors which could not be quantified, resulted in a negative return for nearly every local IPO and follow-on offering. Similarly, efforts by the US Federal Reserve to stabilize financial markets forced interest rates to drop, which made the risk-return profile of the yield curve terribly unattractive.

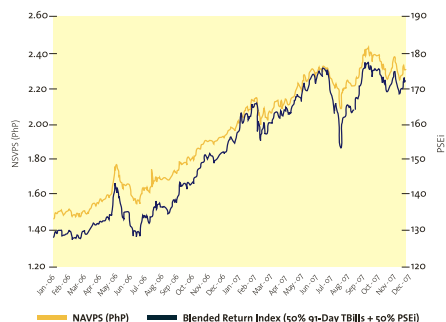
While the external backdrop continued to deteriorate, local fundamentals allowed the PSEi to close the year with a respectable 21.4% return with the following sector performances:

Property:	+ 16.56%
Holding Firms:	+ 17.60%
Financials:	+ 5.05%
Industrials:	+ 12.23%
Mining:	+ 84.98%
ALL SHARES:	+ 19.16%

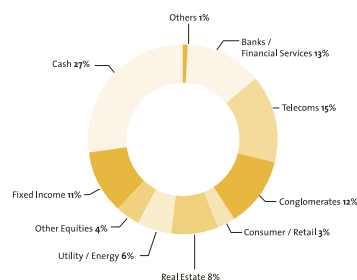
Average 91-day T-bill Return: 3.36%



Sun Life of Canada Prosperity Balanced Fund vs. Blended Return Index



Portfolio Asset Allocation



INVESTMENT APPROACH

Early in the year, it became increasingly apparent that the increased impact of unexpected external factors would be a substantial challenge. What was supposed to be a continuation of the 2006 growth strategy was quickly re-focused to risk management - focused on providing returns, at the lowest possible volatility. This became the underlying driver for most investment decisions and proved successful when the equity market collapsed by 24% mid-year and interest rates spiked across the board.

The flexibility of the Balanced Fund proved valuable in 2007 as the investment team swung the asset mix near the full limits of the spectrum and allowed it to avoid a substantial portion of the volatility within both asset classes.

LONG TERM PERFORMANCE OVERVIEW

The lack of clarity and resolution in the crisis brought about by the implosion of the U.S. sub-prime mortgage market dictates a very cautious stance for 2008. We will be extremely defensive and underweight in all sectors and maintain a large cash position, for the first half of the year, or until the magnitude of the crisis becomes quantifiable.

However, the continued strengthening of the Philippine economy provides a very sustainable long-term recovery story, which should be viewed as an opportunity to accumulate fundamentally sound issues, especially in the telecoms/utility sector.

FINANCIAL RESULTS

The Fund registered an astounding 221.81% growth in net assets from Php3.2 billion in 2006 to Php10.2 billion in 2007. Out of the Php7 billion increase in

net assets, Php6.5 billion came from fresh investments tagged as “Deposits for Future Subscription,” Php4.4 billion from fresh investments issued as shares of stocks, and another Php837 million in net investment income inclusive of unrealized appreciation of equity and fixed income holdings. These were partially offset by redemptions totaling Php4.8 billion during the year.

Gross investment income in 2007 was Php877 million as the fund cashed in on gains from the stock market and higher dividends from listed shares resulting to a 456% increase in gross investment income from Php158 million posted in the same period last year. For the same period, operating expenses grew by 418% from Php37 million to Php192 million due to increase in operating expenses related to net asset size which resulted to an increase in net investment income from Php395 million in 2006 to Php837 million in 2007.

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

Sun Life Of Canada Prosperity Philippine Equity Fund, Inc.

2007 PERFORMANCE REVIEW. The Fund closely shadowed the benchmark return performance for the year, despite the low average investment levels, structural impediments and low volatility. The Fund ended the year with a 20.6% return compared to the benchmark PSEi of 21.4%. Total fund collections for 2007 amounted to Php 2.47billion, as against redemptions of Php 914 million.

FINANCIAL MARKET REVIEW

It was supposed to be another-record breaking year for the Philippines, wherein the convergence of sound macro-economic fundamentals, a benign U.S. Federal Reserve policy and the fulfillment of earnings targets should have resulted in lower market volatility and a more consistent growth trend.

However, two completely unexpected events shocked the financial markets just as it was headed for a new all time high. The first event occurred in the first quarter, wherein the Chinese government's efforts to tame runaway inflation and market speculation resulted in an unprecedented one-day drop of 8% in the PSEi. While the drop had no local fundamental basis, the emergence of China as a new global market factor meant that there was a new source of external shocks, which has to be considered when making investments. When the risks from China became clearer and quantifiable, investors were able to regain their lost footing. The PSEi slowly recovered and went on to post a new all-time-high, closing at 3,786, translating to a YTD return of 27%.

Just as the market reached another milestone, the second unexpected external event occurred in the form of the U.S. sub-prime mortgage crisis. This event, together with the U.S. Federal Reserve's reluctance to proactively manage the looming crisis, caused the PSEi to drop by 24% in one month and set the stage for a massive global liquidity crisis. The crisis finally forced the U.S. Federal Reserve

to hastily loosen monetary policy and resulted in a 9.8%, single-day recovery in the PSEi, which went on to another milestone closing level of 3,873, early in the fourth quarter, for a YTD return of 30%. However, unlike the earlier crisis precipitated by China, this would have no quick resolution.

This massive increase in volatility brought about by external factors which could not be quantified, resulted in a negative return for nearly every local IPO and follow-on offering. While the external backdrop continued to deteriorate, local fundamentals allowed the PSEi to close the year with a respectable 21.4% return with the following sector performances.

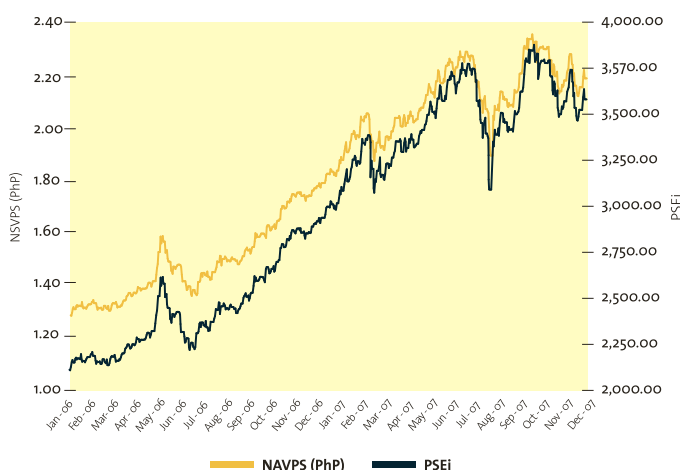
Property	+ 16.56%
Holding Firms	+ 17.60%
Financials	+ 5.05%
Industrials	+12.23%
Mining	+ 84.98%
ALL SHARES	+ 19.16%

INVESTMENT APPROACH

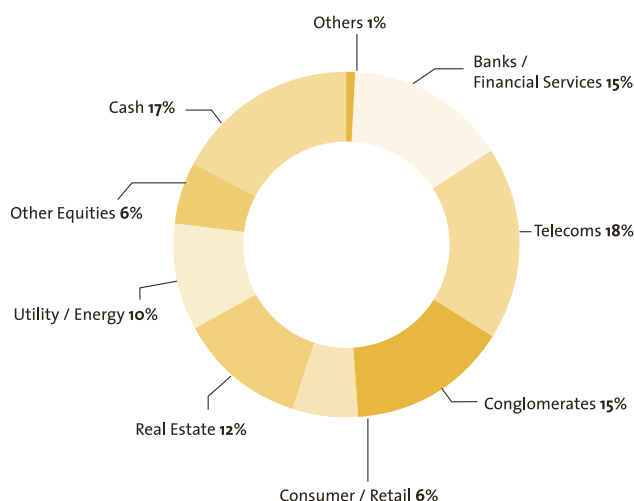
Early in the year, it became increasingly apparent that the increased impact of unexpected external factors would be a substantial challenge. What was supposed to be a continuation of the 2006 growth strategy was quickly re-focused to risk management - focused on providing returns, at the lowest possible volatility. This became the underlying driver for most investment decisions and proved successful when the market collapsed by 24% mid-year.



Sun Life Prosperity Philippine Equity Fund vs. PSEi



Portfolio Asset Allocation



LONG TERM PERFORMANCE OVERVIEW

The lack of clarity and resolution in the crisis brought about by the implosion of the U.S. sub-prime mortgage market dictates a very cautious stance for 2008. We will be extremely defensive and underweight in all sectors for the first half of the year, or until the magnitude of the crisis becomes quantifiable.

However, the continued strengthening of the Philippine economy provides a very sustainable long-term recovery story, which should be viewed as an opportunity to accumulate fundamentally sound issues, especially in the telecoms / utility sector.

FINANCIAL RESULTS

The Fund increased its AUM by 242% from Php938.5 million in 2006 to Php3.2 billion in 2007. The jump is significantly attributed to Php2.1 billion of fresh investments either issued as shares of stocks or as “Deposits for Future Subscription,” and Php250 million net investment income, inclusive of unrealized appreciation of equity and fixed income holdings. Redemptions for the period totaled Php3.3 billion.

Gross investment income increased by 194% from to Php90.5 million in 2006 to Php266 million in 2007 due to the increase in gain from trading of listed

stocks. Operating expenses consequently went up by 339% due to increased expenses related to a higher AUM such as management fees and custodian fees. The Fund therefore had a net investment income of Php250 million this year, up by 22% from the previous year’s net income of Php205 million.

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Sun Life Prosperity Dollar Advantage Fund, Inc.

2007 PERFORMANCE REVIEW. Return on Investments (ROI) closed was 3.46% compared to the average one-year U.S. Treasury Note of 4.53 %. The simmering U.S. sub-prime housing credit crisis drove investors to dump risky assets including Emerging Market issues that caused ROP bond prices to plummet in the 2nd half.

FINANCIAL MARKETS IN 2007 REVIEW

The year 2007 was a rousing period for global financial markets. The deflation of the housing bubble in the United States and the ensuing capital and funding crises threatened to throw the country into recession. Massive asset write downs, corporate downgrades and dire aversion to risky assets were the theme staples. European markets reeled from cooling housing markets and bad credit.

Certainly, the Philippine financial markets were not spared from the global credit rout. The resulting sell down of Emerging Market assets indicated that these regions have not decoupled enough to be immune to the broad re-pricing of credit risk. Overall, markets remained reasonably resilient as the appreciating peso, benign inflation, robust OFW remittances and increased government spending on developmental and social services underpinned an unprecedented consumption boom.

Fiscal consolidation efforts started to pay off and performance exceeded expectations in 2007 just as actual budget deficit numbers are expected to be way below the government's Php63.0 billion full-year target. Notably, government finances ostensibly got a boost from the sale of privatized assets amounting to over Php100 billion and benefited from reduced borrowing costs due to a strong currency and low interest rates.

Robust dollar remittances from overseas workers continued to propel the peso rally in 2007, closing at Php41.28 at yearend. In contrast, the peso-dollar exchange rate was Php49.03 in end-2006. Credit default spreads stabilized at 153 bps at yearend despite soaring to a year high of 236 bps during the global bond and equity sell-off in August.

INVESTMENT APPROACH

Investment strategy remains view-driven and all bond holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets. No equity investments have been made to date.

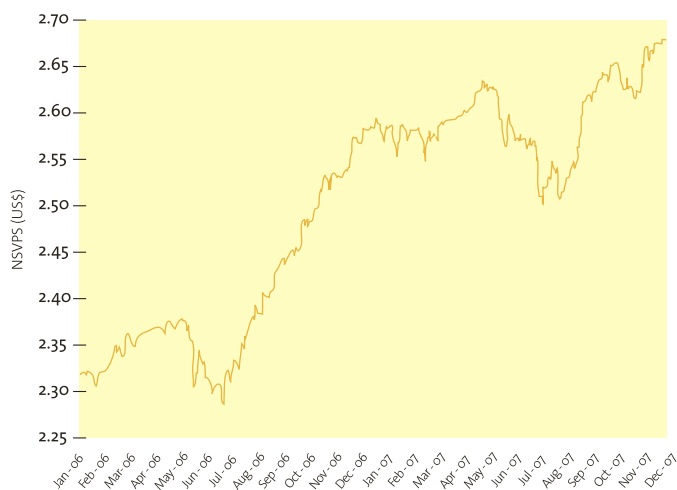
LONG TERM PERFORMANCE REVIEW

To be sure, the unwinding of sub-prime mortgage linked Collateral Debt Obligations (CDOs) and Structured Investment Vehicles (SIVs) would create a drag on bond markets. Also, Emerging Market currencies have been moving in correlation with global equity indices, with trends often driven by sentiment rather than fundamentals.

Global financial markets will take its cue from the broader U.S. credit market and trends should continue to be negative as the full impact of exposure to illiquid structured credit products has yet to unravel. Following the massive sell-off last year, an early price recovery appears unlikely as the U.S. housing crisis is set to deteriorate further.



Sun Life Prosperity Dollar Advantage Fund



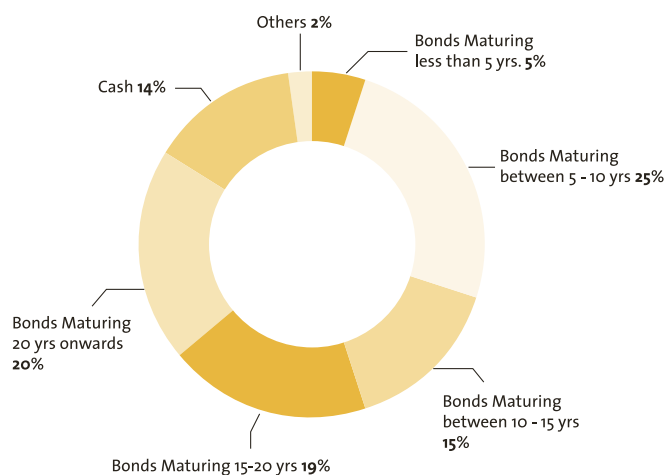
A defensive strategy consisting of shortening duration as well as paying a premium on liquidity will be implemented in 2008.

FINANCIAL RESULTS

The Company's net assets registered a 24% increase from USD23.3 million in 2006 to USD28.8 million in 2007 mainly due to fresh investments amounting to USD8.9 million, coupled by another USD1.02 million coming from net income from operations for the year. Shareholders redeemed a total of USD9.7 million during the same period.

Gross investment income, on the other hand, went up by 107% from USD905 thousand to USD1.8 million mainly due to the higher AUM in 2007. Operating expenses correspondingly went up by 101% for the same reason. However, with the further drop in market values of ROP Dollar Bonds held by the Fund, unrealized gain on mark to market valuation of investments amounted to USD81 thousand from the USD1.1 million gain last year which resulted to a net investment income of USD1 million from USD1.5 million last year.

Portfolio Asset Allocation



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Sun Life Prosperity Money Market Fund, Inc.

2007 PERFORMANCE REVIEW. Return on Investments (ROI) was 2.05 % and lagged behind the benchmark 30-day time deposit yield of 3.11 %. Due to heightened volatility in the bond and equity markets, unusually high levels of cash were maintained in overnight placements to support increased liquidity requirements that consequently dragged down returns.

Virtually all earnings came from short-term cash deposits. No short-term commercial debt issues were purchased due to liquidity concerns.

FINANCIAL MARKETS IN REVIEW

The year 2007 was a rousing period for global financial markets. The deflation of the housing bubble in the United States and the ensuing capital and funding crises threatened to throw the country into recession.

To be sure, the Philippine financial markets were not spared from the global credit rout. The resulting sell down of Emerging Market assets indicated that these regions have not decoupled enough to be immune to the broad re-pricing of credit risk. Overall, markets remained reasonably resilient as the appreciating peso, benign inflation, robust OFW remittances and increased government spending on developmental and social services underpinned an unprecedented consumption boom. Government coffers got a boost from the sale of privatized assets. It also benefited from reduced borrowing costs due to a strong currency, high market liquidity and low interest rates.

For a while, the scandal over the alleged involvement of the First Family in the overpriced national broadband network project threatened to eclipse the country's favourable economic gains. However, renewed attempts to unseat President Arroyo were nipped in the bud due to the ruling coalition's overwhelming control of the lower house.

Local financial markets remained liquid even as interest rates traded along a steeper yield curve. The average 91-day Treasury bill slid to 4.19% from 5.24% in 2007, while yields in the 7-year belly went flat. In contrast, the longer dated 20-year tenor rose to 8.33% compared to 7.77% in end-2006. The spate of U.S. Fed rate cuts in the 2nd half encouraged similar cuts by local monetary authorities albeit in a lesser magnitude.

INVESTMENT APPROACH

Under existing investment guidelines for accrual type funds, investments are restricted to assets with a term to maturity not exceeding one year.

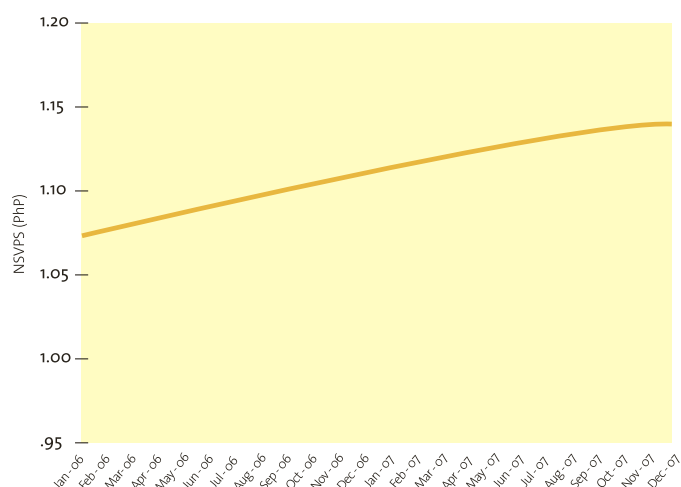
LONG TERM PERFORMANCE REVIEW

As the country makes headway towards fiscal balance in 2009, further fiscal consolidation would translate into fewer borrowings and could keep down interest rates. Conceivably, a credit upgrade in 2008 is possible if fiscal reforms are sustained.

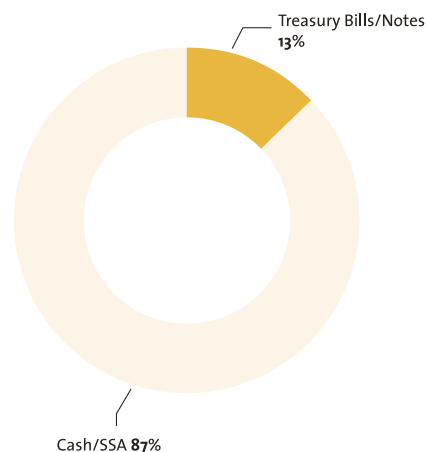
Lower returns should be expected for the year although the drop in yields should not be as acute as in 2006. Interest income from government securities will remain as the main source of revenues.



Sun Life Prosperity Money Market Fund



Portfolio Asset Allocation



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

FINANCIAL RESULTS

The Fund's net assets increased by 57% from Php247.5 million in 2006 to Php387.3 million in 2007 mainly due to fresh net investments amounting to Php3.69 billion coupled by net investment income in 2007 in the amount of Php11.2 million.

Gross investment income of Php22.7 million is 28% higher than the previous year's Php17.7 million due to higher interest income brought about by higher volume of interest-earning assets. For the same reason, total operating expenses for 2007 were 97% higher. Net investment income thus increased by 35.5%.

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Sun Life Prosperity Dollar Abundance Fund, Inc.

2007 PERFORMANCE REVIEW Return on Investments (ROI) closed was 2.55% compared to the average one-year U.S. Treasury Note of 4.53 %. The simmering U.S. sub-prime housing credit crisis drove investors to dump risky assets including Emerging Market issues that caused ROP bond prices to plummet in the 2nd half.

FINANCIAL MARKETS IN 2007 REVIEW

The year 2007 was a rousing period for global financial markets. The deflation of the housing bubble in the United States and the ensuing capital and funding crises threatened to throw the country into recession. Massive asset write downs, corporate downgrades and dire aversion to risky assets were the theme staples. European markets reeled from cooling housing markets and bad credit.

Certainly, the Philippine financial markets were not spared from the global credit rout. The resulting sell down of Emerging Market assets indicated that these regions have not decoupled enough to be immune to the broad re-pricing of credit risk. Overall, markets remained reasonably resilient as the appreciating peso, benign inflation, robust OFW remittances and increased government spending on developmental and social services underpinned an unprecedented consumption boom.

Fiscal consolidation efforts started to pay off and performance exceeded expectations in 2007 just as actual budget deficit numbers are expected to be way below the government's Php63.0 billion full-year target. Notably, government finances ostensibly got a boost from the sale of privatized assets amounting to over Php100 billion and benefited from reduced borrowing costs due to a strong currency and low interest rates.

Robust dollar remittances from overseas workers continued to propel the peso rally in 2007, closing at Php41.28 at yearend. In contrast, the peso-dollar exchange rate was Php49.03 in end-2006. Credit default spreads stabilized at 153 bps at yearend despite soaring to a year high of 236 bps during the global bond and equity sell-off in August.

INVESTMENT APPROACH

Investment strategy remains view-driven and all bond holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets.

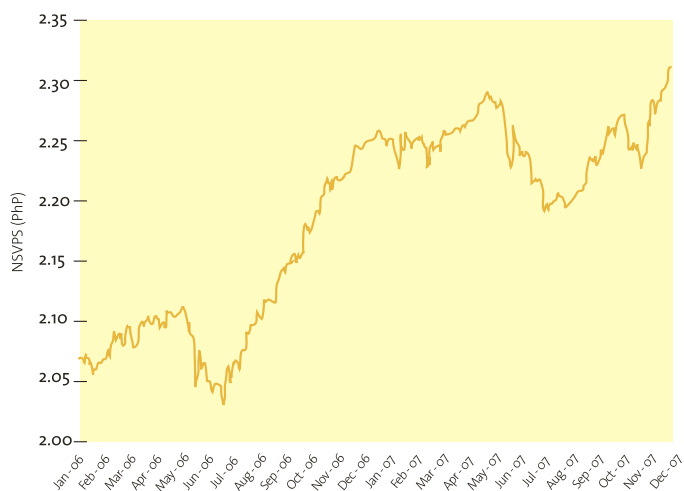
LONG TERM PERFORMANCE REVIEW

To be sure, the unwinding of sub-prime mortgage linked Collateral Debt Obligations (CDOs) and Structured Investment Vehicles (SIVs) would create a drag on bond markets. Also, Emerging Market currencies have been moving in correlation with global equity indices, with trends often driven by sentiment rather than fundamentals.

Global financial markets will take its cue from the broader U.S. credit market and trends should continue to be negative as the full impact of exposure to illiquid structured credit products has yet to unravel. Following the massive sell-off last year, an early price recovery appears unlikely as the U.S. housing crisis is set to deteriorate further.



Sun Life Prosperity Dollar Abundance Fund



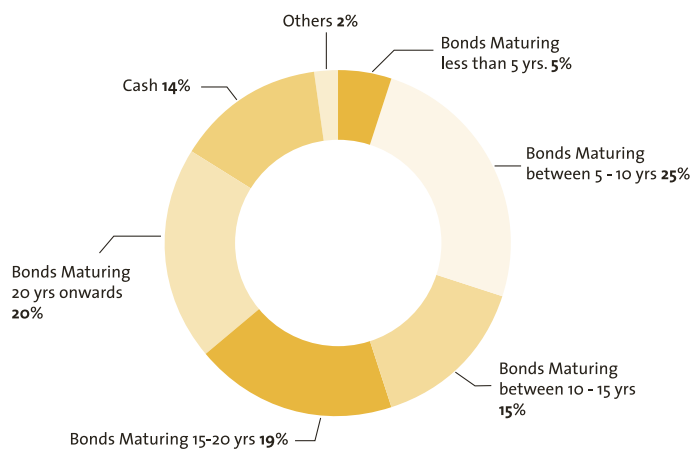
A defensive strategy consisting of shortening duration as well as paying a premium on liquidity will be implemented in 2008.

FINANCIAL RESULTS

The Fund's net assets decreased by 10% from USD3.5 million in 2006 to USD3.2 million in 2007 due to USD8.9 million fresh investments brought in, offset by USD9.7 million redemptions. The Fund earned a total of USD76 thousand dollars from its operations in 2007.

Gross investment income went up by 69% from USD133 thousand to USD225 thousand mainly due to the higher average AUM in 2007 and the higher yielding investments held by the Fund in 2007 vs. 2006. The increase in operating expenses is 45% due to higher AUM. However, with the further drop in market values of ROP Dollar Bonds held by the Fund, unrealized loss on mark to market valuation of investments amounted to USD51 thousands from the USD162 thousand gain last year which resulted to Net investment income of USD76 thousand from USD217 thousand last year.

Portfolio Asset Allocation



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

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

Sun Life GS Fund, Inc.

2007 PERFORMANCE REVIEW. Return on Investments (ROI) was 3.8% higher than portfolio benchmark of 2.72 %. Fund performance has consistently exceeded portfolio benchmarks and yields remained competitive against other funds with similar asset profiles.

FINANCIAL MARKETS IN 2007 REVIEW

The year 2007 was a rousing period for global financial markets. The deflation of the housing bubble in the United States and the ensuing capital and funding crises threatened to throw the country into recession. Massive asset write downs, corporate downgrades and dire aversion to risky assets were the theme staples. European markets reeled from cooling housing markets and bad credit.

Certainly, the Philippine financial markets were not spared from the global credit rout. The resulting sell down of Emerging Market assets indicated that these regions have not decoupled enough to be immune to the broad re-pricing of credit risk. Overall, markets remained reasonably resilient as the appreciating peso, benign inflation, robust OFW remittances and increased government spending on developmental and social services underpinned an unprecedented consumption boom. Notably, government finances were shored up by the sale of privatized assets and benefited from reduced borrowing costs due to a strong currency and low interest rates.

For a while, the scandal over the alleged involvement of the First Family in the overpriced national broadband network project threatened to eclipse the country's favourable economic gains. However, renewed attempts to unseat President Arroyo were nipped in the bud due to the ruling coalition's overwhelming control of the lower house.

System liquidity remained high as ever and interest rates traded along a steeper yield curve. The average 91-day Treasury bill slid to 4.19% from 5.24% in

2007, while yields in the 7-year belly went flat. In contrast, the longer dated 20-year tenor rose to 8.33% compared to 7.77% in end-2006. The spate of U.S. Fed rate cuts in the 2nd half encouraged similar cuts by local monetary authorities albeit in a lesser magnitude.

INVESTMENT APPROACH

Investment doctrine mandates investing exclusively in risk-free, government debt issues. In 2nd half 2007, bond portfolio duration was increased shortly before the spate of global and local interest rate cuts as an offshoot of the sub-prime housing mortgage mess in the United States.

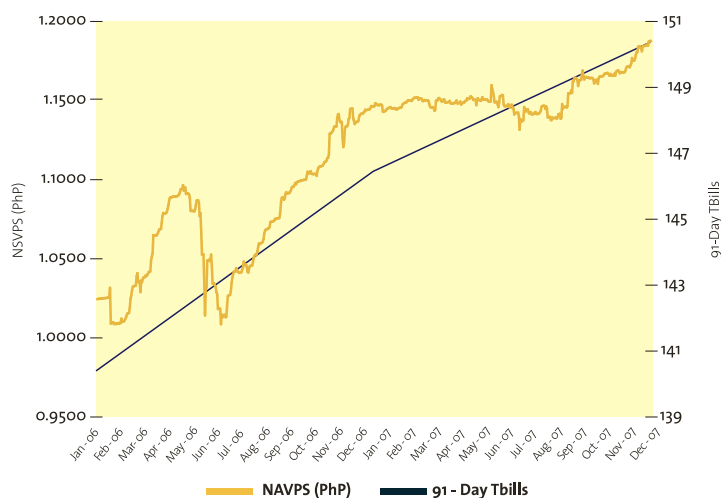
LONG TERM PERFORMANCE REVIEW

Local financial markets are expected to take its cue from the U.S. credit markets in 2008. However, the country's sound macro-economic fundamentals should provide some cushion against acute external shocks. Despite the global monetary easing led by the Federal Reserve, there is no quick remedy to the residential property downswing in the U.S., and the risk of damaging effects on the broader global economy remains a cause for concern.

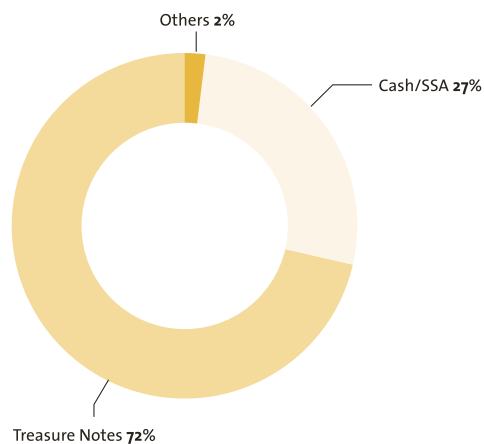
Further policy rate cuts are expected amid efforts to stave off a recession in the United States and this could bring forth parallel reaction in both local and regional markets. Benign inflation outlook due to easing oil prices and the slowdown in money supply growth are supportive of more rate cuts. Lower interest rates should augur well for bond asset valuations just as interest rates are projected to trade in a narrow range with downward bias.



Sun Life Prosperity GS Fund vs. 91-Day TBills



Portfolio Asset Allocation



FINANCIAL RESULTS

Net assets of the Fund stood at Php90.7 million by the end of 2007 representing a 6% decrease over the Php96.3 million reported as at the end of 2006. Php55 million came from new issuances of shares of stocks while another Php3.2 million came from net investment income for the period including unrealized appreciation of Treasury Notes held. Redemptions totaling Php62.9 million were recorded during the year.

Gross Investment income was 28% higher in 2007 due to higher volume of investible funds brought about by the higher average AUM and better interest rates of Treasury Notes compared to the Special Savings Accounts maintained by the Company in 2006. Total operating expenses on the other hand increased by 41% due to the higher average AUM of the Company. With the further recognition of unrealized gains from the mark to market valuation of the Treasury Notes amounting to Php860 thousand, net investment income for 2007 was 59% lower compared to 2006.

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

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

Statement of Management's Responsibility For Financial Statements

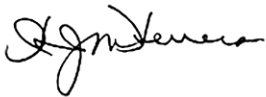
**THE BOARD OF DIRECTORS AND SHAREHOLDERS
SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY MONEY MARKET FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
SUN LIFE PROSPERITY GS FUND, INC.
(AN OPEN-END INVESTMENT COMPANIES)**

The Management of Sun Life Prosperity Funds is responsible for all information and representations contained in the financial statements for the year December 31, 2007 and 2006. The financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

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

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the Companies.

Manabat Delgado Amper & Co. (formerly C.L. Manabat & Co.), the independent auditors appointed by the stockholders, has examined the financial statements of the Companies in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.



Henry Joseph M. Herrera
Chairman of the Board



Rizalina G. Mantaring
President



Edel Mary D. Vegamora
Chief Finance Officer, SLAMC



Patrick Edwin L. De Leon
Treasurer



Deloitte.

**THE BOARD OF DIRECTORS AND SHAREHOLDERS
SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
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SUN LIFE PROSPERITY MONEY MARKET FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
SUN LIFE PROSPERITY GS FUND, INC.
(AN OPEN-END INVESTMENT COMPANIES)**

Manabat Delgado Amper & Co.
3rd - 6th Floor, Salamin Building,
197 Salcedo St., Legaspi Village,
Makati City, Philippines
Tel: +63 (2) 812 0535
Fax: +63 (2) 810 5047

We have audited the accompanying financial statements of Sun Life Prosperity Funds which comprise the balance sheets as of December 31, 2007 and 2006, and the related statements of income, changes in net assets attributable to shareholders and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes, as indicated on pages 30 to 57 of the annual report.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

In our opinion, the financial statements present fairly, in all material respects, the financial positions of Sun Life Prosperity Funds as of December 31, 2007 and 2006, and its financial performances and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Financial Statements

As of and for the years ended December 31, 2007 and 2006

SUN LIFE PROSPERITY FUNDS

(Open-End Investment Companies)

	Bond		Balanced		Philippine Equity		
	For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		
	2007	2006	2007	2006	2007	2006	
	Philippine	Philippine	Philippine	Philippine	Philippine	Philippine	
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos	
ASSETS							
Current Assets							
Cash	P 48,826,668	P 22,679,369	P 192,600,393	P 79,966,001	P 135,206,593	P 63,866,729	
Accrued interest receivable	51,164,239	85,481,919	27,434,000	7,012,562	645,737	619,883	
Dividends receivable		-	4,476,256	4,706,071	2,025,244	1,787,084	
Financial assets at fair value through profit or loss	1,835,251,319	4,287,068,899	10,012,344,204	3,073,368,607	3,095,443,006	880,132,644	
Available-for-sale investments							
Due from Broker					20,732,941		
Prepayments and other current assets	4,866,549	-	61,582,265		-	-	
Total Current Assets	1,940,108,775	4,395,230,187	10,298,437,118	3,165,053,241	3,254,053,521	946,406,340	
Non-current Assets							
Held-to-maturity investments					-	-	
Loans and receivables	1,078,403,997	1,218,613,087	31,320,000	37,200,000			
Other non-current assets	5,528,298	4,667,057	214,703	168,397	-	-	
Total Non-Current Assets	1,083,932,295	1,223,280,144	31,534,703	37,368,397	-	-	
	P3,024,041,070	P5,618,510,331	P10,329,971,821	P3,202,421,638	P3,254,053,521	P 946,406,340	
LIABILITIES							
Current Liabilities							
Accounts payable and accrued expenses	P 3,990,829	P 2,857,190	P 106,473,535	P 24,888,916	P 31,642,294	P 6,016,403	
Income tax payable	331,435	651,500	5,372	16,023		-	
Payable to fund manager	3,877,520	7,229,314	18,743,210	6,461,724	5,914,579	1,851,940	
Total Current Liabilities (excluding net assets attributable to shareholders)	8,199,784	10,738,004	125,222,117	31,366,663	37,556,873	7,868,343	
Net Assets Attributable to Shareholders	3,015,841,286	5,607,772,327	10,204,749,704	3,171,054,975	3,216,496,648	938,537,997	
	P3,024,041,070	P5,618,510,331	P10,329,971,821	P3,202,421,638	P3,254,053,521	P 946,406,340	
Net Assets Value Per Share	P1.9147	P1.8694	P 2.2114	P 1.9243	P 2.1063	P 1.7817	



BALANCE SHEETS

	Dollar Advantage		Money Market		Dollar Abundance		GS	
	For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
	2007	2006	2007	2006	2007	2006	2007	2006
	U.S.	U.S.	Philippine	Philippine	U.S.	U.S.	Philippine	Philippine
	Dollars	Dollars	Pesos	Pesos	Dollars	Dollars	Pesos	Pesos
	\$1,061,143	\$1,149,484	P 55,042,373	P 20,282,857	\$236,257	\$434,043	P 6,827,278	P 3,698,563
	692,107	523,860	1,512,234	3,049,239	79,540	55,182	1,938,173	1,564,119
		-		-		-		-
	27,265,209	21,797,758	281,930,000	186,960,000	2,872,572	3,048,864	81,997,792	91,028,928
	-	-	-	-	-	-	-	-
	29,018,459	23,471,102	338,484,607	210,292,096	3,188,369	3,538,089	90,763,243	96,291,610
	-	-	50,693,912	61,984,512	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	50,693,912	61,984,512	-	-	-	-
	\$29,018,459	\$23,471,102	P 389,178,519	P 272,276,608	\$3,188,369	\$3,538,089	P 90,763,243	P 96,291,610
	\$ 67,998	\$ 78,486	P 1,596,703	P 24,560,621	\$ 3,027	\$ 2,668	P 1,114,165	P 1,841,258
	80,569	58,615		-	6,792	6,345		-
	45,299	41,844	280,204	260,004	6,000	7,874	137,533	231,095
	193,866	178,945	1,876,907	24,820,625	15,819	16,887	1,251,698	2,072,353
	28,824,593	23,292,157	387,301,612	247,455,983	3,172,550	3,521,202	89,511,545	94,219,257
	\$29,018,459	\$23,471,102	P 389,178,519	P 272,276,608	\$3,188,369	\$3,538,089	P 90,763,243	P 96,291,610
	\$2,5657	\$2,5274	P 1.0974	P 1.0971	\$2,2217	\$2,2085	1.1394	P1.1193

Financial Statements

As of and for the years ended December 31, 2007 and 2006

SUN LIFE PROSPERITY FUNDS

(Open-End Investment Companies)

	Notes	Bond		Balanced		Philippine Equity	
		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
		2007	2006	2007	2006	2007	2006
		Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos
Revenues							
Interest	10	P385,074,151	P533,969,297	P 153,388,067	P 34,550,821	18,730,305	8,023,173
Net Realized gain on investments	9	90,066,471	27,651,574	628,541,704	102,718,390	204,221,801	71,962,446
Dividends			-	94,693,072	20,415,501	42,929,262	10,544,850
Other income	12	1,206,154	75,000	150,000	-		-
		476,346,776	561,695,871	876,772,843	157,684,712	265,881,368	90,530,469
Operating Expenses							
Investment management fees	13	71,357,370	92,647,059	160,747,542	27,936,755	52,222,955	11,555,357
Taxes and licenses		4,552,720	7,796,547	29,435,465	8,104,817	12,547,086	2,687,874
Custodian fees		224,821	514,876	574,786	327,996	232,582	202,660
Printing and supplies		527,921	433,211	620,007	335,541	445,460	267,011
Professional fees		204,916	113,816	138,459	113,817	81,924	113,816
Directors' fees	8	160,993	80,000	200,000	180,000	240,497	160,000
Other operating expenses			-	527	-	479	-
		77,028,741	101,585,509	191,716,786	36,998,926	65,770,983	14,986,718
Income Before Unrealized Gains on Investments and Tax		399,318,035	460,110,362	685,056,057	120,685,786	200,110,385	75,543,751
Net Unrealized Gain (Loss) on Investments	5	(254,102,728)	229,535,541	188,009,384	280,864,120	53,955,868	130,632,762
Income Before Tax		145,215,307	689,645,903	873,065,441	401,549,906	254,066,253	206,176,513
Income Tax Expense	14	63,830,763	101,751,973	35,650,943	6,779,362	3,699,559	1,594,559
Change in Net Assets Attributable to Shareholders		P81,384,544	P587,893,930	P837,414,498	P394,770,544	P250,366,694	P204,581,954
Basic Earnings per share	13	Po.04	Po.19	Po.24	Po.51	Po.21	Po.58



INCOME STATEMENTS

	Dollar Advantage		Money Market		Dollar Abundance		GS	
	For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
	2007	2006	2007	2006	2007	2006	2007	2006
	U.S. Dollars	U.S. Dollars	Philippine Pesos	Philippine Pesos	U.S. Dollars	U.S. Dollars	Philippine Pesos	Philippine Pesos
	\$1,740,172	\$904,634	P22,685,083	P17,684,255	\$192,000	\$132,914	P 5,984,875	P 4,505,771
	122,631	-	-	-	30,744	-	-	194,084
	-	-	-	-	-	-	-	-
	9,675	-	43,586	25,347	1,875	-	11,132	-
	1,872,478	904,634	22,728,669	17,709,602	224,619	132,914	5,996,007	4,699,855
	486,249	239,871	4,918,684	2,656,744	56,514	39,835	1,690,025	1,121,688
	29,079	8,548	685,197	87,979	862	373	33,528	21,861
	4,914	3,869	7,169	5,164	792	528	5,580	23,454
	9,829	10,260	412,034	241,972	9,265	4,967	374,076	236,870
	2,457	2,280	63,283	114,204	1,606	2,280	58,719	113,816
	4,755	2,684	160,000	60,000	4,676	2,687	120,000	100,000
	1,000	-	-	-	-	-	-	-
	538,283	267,512	6,246,367	3,166,063	73,715	50,670	2,281,928	1,617,689
	1,334,195	637,122	16,482,302	14,543,539	150,904	82,244	3,714,079	3,082,166
	81,032	1,119,865	-	-	(50,752)	161,929	859,561	5,693,019
	1,415,227	1,756,987	16,482,302	14,543,539	100,152	244,173	4,573,640	8,775,185
	397,771	216,850	5,243,152	3,870,396	24,057	27,194	1,346,459	982,706
	\$1,017,456	\$1,540,137	P11,239,150	P10,673,143	\$76,095	\$216,979	P 3,227,181	P 7,792,479
	\$0.09	\$0.25	P0.02	P0.04	\$0.05	\$0.20	P0.04	P0.13

Financial Statements

As of and for the years ended December 31, 2007 and 2006

SUN LIFE PROSPERITY FUNDS

(Open-End Investment Companies)

	Bond		Balanced		Phil. Equity		
	For the Years Ended		For the Years Ended		For the Years Ended		
	December 31		December 31		December 31		
	2007	2006	2007	2006	2007	2006	
	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos	
Balance at 1 January	P 5,607,772,327	P 5,609,414,364	P 3,171,054,975	P 594,031,633	P 938,537,997	P 274,579,767	
Issue of redeemable shares during the year	1,761,002,372	2,978,659,866	4,386,168,910	404,687,774	3,223,310,407	571,013,973	
Redemptions of redeemable shares during	(4,434,317,957)	(3,568,195,833)	(4,750,299,931)	(707,121,983)	(3,302,720,256)	(381,683,134)	
Deposits for future stock subscriptions		-	6,560,411,252	2,484,687,007	2,107,001,806	270,045,437	
Change in net assets attributable to shareholders	81,384,544	587,893,930	837,414,498	394,770,544	250,366,694	204,581,954	
Foreign currency translation adjustment		-		-		-	
Balance at 31 December	P 3,015,841,286	P 5,607,772,327	P 10,204,749,704	P 3,171,054,975	P 3,216,496,648	P 938,537,997	



STATEMENTS OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Dollar Advantage		Money Market		Dollar Abundance		GS	
For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
2007	2006	2007	2006	2007	2006	2007	2006
U.S. Dollar	U.S. Dollar	Philippine Pesos	Philippine Pesos	U.S. Dollar	U.S. Dollar	Philippine Pesos	Philippine Pesos
\$23,292,157	\$8,859,094	P247,455,983	P106,222,998	\$3,521,202	\$2,014,809	P94,219,257	P54,192,486
8,919,300	9,719,688	3,690,171,359	1,227,365,267	803,655	1,828,127	54,991,832	43,335,795
(9,650,574)	(4,449,254)	(3,700,590,452)	(1,235,319,959)	(1,228,402)	(538,713)	(62,926,725)	(11,101,503)
5,246,254	7,622,492	139,025,572	138,514,534	-	-	-	-
1,017,456	1,540,137	11,239,150	10,673,143	76,095	216,979	3,227,181	7,792,479
-	-	-	-	-	-	-	-
\$28,824,593	\$23,292,157	P 387,301,612	P 247,455,983	\$3,172,550	\$3,521,202	P 89,511,545	P 94,219,257

Financial Statements

As of and for the years ended December 31, 2007 and 2006

SUN LIFE PROSPERITY FUNDS

(Open-End Investment Companies)

	Bond		Balanced		Phil. Equity	
	For the Years Ended		For the Years Ended		For the Years Ended	
	December 31		December 31		December 31	
	2007	2006	2007	2006	2007	2006
	Philippine	Philippine	Philippine	Philippine	Philippine	Philippine
	Pesos	Pesos	Pesos	Pesos	Pesos	Pesos
Cash Flows from Operating Activities						
Income before tax	P 145,215,307	P 689,645,903	P 873,065,441	P 401,549,906	P 254,066,253	P 206,176,513
Unrealized appreciation of investments						
Adjustment for net unrealized loss (gain) on investments	254,102,728	(229,535,541)	(188,009,384)	(280,864,120)	(53,955,868)	(130,632,762)
Realized gain on investments						
Gain from borrower's pre-termination of loans	(1,206,154)		(150,000)			
Net purchases of investments						
Interest income	(385,074,151)	(533,969,297)	(153,388,067)	(34,550,821)	(18,730,305)	(8,023,173)
Dividend Income			(94,693,072)	(20,415,501)	(42,929,262)	(10,544,850)
Operating cash flows before working capital changes	13,037,730	(73,858,935)	436,824,918	65,719,464	138,450,818	56,975,728
Decrease in financial assets	2,197,714,852	229,005,341				
Decrease (Increase) in financial assets at fair value through profit or loss						
Net disposals (purchases) of Investments			(6,750,966,213)	(2,239,692,217)	(2,161,354,494)	(477,629,164)
Increase in due from broker					(20,732,941)	
Increase in:						
Prepayments and other current assets	(4,866,549)	-	(61,582,265)			
Other non-current assets	(861,241)	-	(46,306)			
Increase (Decrease) in:						
Accrued expenses	1,133,639	282,101	81,584,619	22,312,954	25,625,891	5,603,853
Payable to fund manager	(3,351,794)	(312,579)	12,281,486	5,375,618	4,062,639	1,344,902
Cash generated from (used in) operations	2,202,806,637	155,115,928	(6,281,903,761)	(2,146,284,181)	(2,013,948,087)	(413,704,681)
Income taxes paid	(64,150,828)	(103,420,519)	(35,661,594)	(6,864,274)	(3,699,559)	(1,594,559)
Net cash from operating activities	2,138,655,809	51,695,409	(6,317,565,355)	(2,153,148,455)	(2,017,647,646)	(415,299,240)
Cash Flows from Investing Activities						
Interest received	419,391,831	525,738,794	132,966,629	29,327,303	18,704,451	8,000,796
Dividends received			94,922,887	16,212,928	42,691,102	8,988,258
Proceeds from issuance of redeemable shares	1,761,002,372	2,978,659,866	10,946,580,162	2,889,374,781	5,330,312,213	841,059,410
Pretermination of Loans and receivables	124,283,077	-	5,150,000	-		
Payments on redemption of redeemable shares	(4,434,317,957)	(3,568,195,833)	(4,750,299,931)	(707,121,983)	(3,302,720,256)	(381,683,134)
Principal payments received on corporate loans	17,132,167	1,040,000	880,000	680,000		
Net cash from (used in) investing activities	(2,112,508,510)	(62,757,173)	6,430,199,747	2,228,473,029	2,088,987,510	476,365,330
Net Increase (Decrease) in Cash	26,147,299	(11,061,764)	112,634,392	75,324,574	71,339,864	61,066,090
Cash, Beginning	22,679,369	33,741,133	79,966,001	4,641,427	63,866,729	2,800,639
Cash, End	P 48,826,668	P 22,679,369	P 192,600,393	P 79,966,001	P 135,206,593	P 63,866,729



STATEMENTS OF CASH FLOWS

	Dollar Advantage		Money Market		Dollar Abundance		GS	
	For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
	2007	2006	2007	2006	2007	2006	2007	2006
	U.S. Dollars	U.S. Dollars	Philippine Pesos	Philippine Pesos	U.S. Dollars	U.S. Dollars	Philippine Pesos	Philippine Pesos
	\$1,415,227	\$1,756,987	P 16,482,302	P 14,543,539	\$ 100,152	\$ 244,173	P 4,573,640	P 8,775,185
							(859,561)	(5,693,019)
	(81,032)	(1,119,865)			50,752	(161,929)		
			(83,679,400)	(148,976,898)				
	(1,740,172)	(904,634)	(22,685,083)	(17,684,255)	(192,000)	(132,914)	(5,984,875)	(4,505,771)
	(405,977)	(267,512)	(89,882,181)	(152,117,614)	(41,096)	(50,670)	(2,270,796)	(1,423,605)
	(5,386,419)	(13,240,666)						
					125,540	(1,609,021)		
							9,890,697	(32,715,909)
	(10,488)	51,064	(22,963,918)	24,422,332	359	875	(727,093)	1,744,354
	3,455	16,668	20,200	151,925	(1,874)	1,805	(93,562)	107,830
	(5,799,429)	(13,440,446)	(112,825,899)	(127,543,357)	82,929	(1,657,011)	6,799,246	(32,287,330)
	(375,817)	(174,943)	(5,243,152)	(3,870,396)	(23,610)	(20,849)	(1,346,459)	(982,706)
	(6,175,246)	(13,615,389)	(118,069,051)	(131,413,753)	59,319	(1,677,860)	5,452,787	(33,270,036)
	1,571,925	492,324	24,222,088	17,160,137	167,642	98,862	5,610,821	3,024,673
	14,165,554	17,342,180	3,829,196,931	1,365,879,801	803,655	1,828,127	54,991,832	43,335,795
	(9,650,574)	(4,449,254)	(3,700,590,452)	(1,235,319,959)	(1,228,402)	(538,713)	(62,926,725)	(11,101,503)
	6,086,905	13,385,250	152,828,567	147,719,979	(257,105)	1,388,276	(2,324,072)	35,258,965
	(88,341)	(230,139)	34,759,516	16,306,226	(197,786)	(289,584)	3,128,715	1,988,929
	1,149,484	1,379,623	20,282,857	3,976,631	434,043	723,627	3,698,563	1,709,634
	\$ 1,061,143	\$ 1,149,484	P 55,042,373	P 20,282,857	\$ 236,257	\$ 434,043	P 6,827,278	P 3,698,563

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

1. CORPORATE INFORMATION

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

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

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

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

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

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

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.

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

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

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

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

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



SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

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

SUN LIFE PROSPERITY GS FUND, INC.

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

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

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

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

2. ADOPTION OF NEW STANDARDS

The following accounting standards that have been published by the International Accounting Standards Board (IASB) and issued by the Financial Reporting Standards Council (FRSC) in the Philippines were adopted by the Companies effective January 1, 2007:

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

These new accounting standards prescribe new disclosure requirements applicable to the Companies. The effects of these new Philippine Financial Reporting Standards (PFRS) on the Companies' accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

PFRS 7, "Financial Instruments: Disclosures," requires disclosure of information about the significance of financial instruments for the Companies' financial position and performance. It supersedes the disclosure requirements of PAS 30, "Disclosures in the Financial Statements of Banks and Similar Financial Institutions," and PAS 32, "Financial Instruments: Presentation and

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

Disclosures.” The remaining parts of PAS 32 deal only with financial instruments presentation matters.

The adoption of PFRS 7 resulted in additional disclosures.

Amendments to PAS 1, “Capital Disclosures,” adds requirements for disclosures on: (a) the entity’s objectives, policies and processes for managing capital; (b) quantitative data about what the entity regards as capital; (c) whether the entity has complied with any capital requirements; and (d) if it has not complied, the consequences of such non-compliance.

Note 7 provide the additional disclosure required by Amendments to PAS 1.

3. FINANCIAL REPORTING FRAMEWORK

STATEMENT OF COMPLIANCE

The financial statements of the Companies have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS). PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis, except for financial assets carried either at fair value or at amortized cost. Net assets attributable to shareholders are stated at redemption amount.

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Companies operate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH

Cash represents cash in banks.

INVESTMENT INCOME

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

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

Dividend income from investments is recognized when the shareholders’ right to receive payment has been established, normally at ex-dividend rate.

OPERATING EXPENSES

All expenses are accounted for on an accrual basis.



FINANCIAL ASSETS

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

Financial assets are derecognized by the Companies when:

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

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

Investments at fair value through profit or loss

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

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in statements of income incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Loans that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables the recognition of interest would be immaterial.

Held-to-maturity investments

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

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

IMPAIRMENT OF FINANCIAL ASSETS

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

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

Financial assets carried at amortized cost

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

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

FINANCIAL LIABILITIES

Financial liabilities are recognized in the Companies' financial statements when the Companies become a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial measurement of all financial liabilities.

Since the Companies do not have financial liabilities classified as at fair value through profit or loss, all financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

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 discounts estimated future cash payments through the expected life of the financial liability, or, when appropriate, a shorter period.

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

Net assets attributable to shareholders

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

RELATED PARTIES

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



TAXATION

The tax expense represents the sum of the final withholding taxes on interest income, tax currently payable and deferred tax, if any.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of 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.

EARNINGS PER SHARE

The Companies compute its basic earnings per share by dividing change in net assets attributable to shareholders of the Companies by the average number of issued shares during the period.

SUBSEQUENT EVENTS

The Companies identify subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Companies' financial position at the balance sheet date are reflected in the financial statements. Events that are non adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Companies' 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 have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Fair value estimation

The fair value of financial instruments traded in active market is based on quoted market prices at the balance sheet date. The fair values of investments in treasury notes are based on quoted bid prices. Listed equity securities were valued at closing price in compliance with SRC Rule 52.1 par. e, which states that securities shall be valued at the last sales price. If no sale of such security is made on that date, bid prices will then be considered as the closing price. The fair value of special savings accounts approximates its carrying value due to its short-term nature.

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

Revenue recognition

The Companies' revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may non-result in material adjustments in future periods.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial assets

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

Asset impairment

The Companies are required to perform an impairment review when certain impairment indicators are present. Determining the fair value of loans and receivables, held-to-maturity investments and available-for-sale investments, which require the determination of future cash flows expected to be generated from ultimate disposition of such assets, requires the Companies to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Companies to conclude that investments are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

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

6. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Companies' activities expose it to a variety of financial risks: Interest rate risk; credit risk; liquidity risk and market risk, which includes fair value interest risk and equity price risk; The Fund Manager exerts best efforts to anticipate events that would negatively affect the value of the Companies' 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:



Liquidity risk

The Companies manage liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows. The Companies maintain adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

The following table details the Companies' expected maturity for its financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except when the Companies anticipate that the cash flows will occur in a different period.

BOND FUND

	Weighted Average Effective Interest Rate	Less than One Month	Three Months to One Year	One-Five Years	Five+ Years	Total
2007						
Non-interest bearing	-	P 48,827	P -	P -	P -	P 48,827
Fixed interest rate instruments	9.32%	188,560	2,188	2,104,191	618,716	2,913,655
		P237,387	P2,188	P2,104,191	P618,716	P2,962,482
2006						
Non-interest bearing	-	P 22,679	P -	P -	P -	P 22,679
Fixed interest rate instruments	10.01%	944,600	-	3,839,295	721,787	5,505,682
		P967,279	P -	P3,839,295	P721,787	P5,528,361

BALANCED FUND

	Weighted Average Effective Interest Rate	Less than One Month	Three Months to One Year	One-Five Years	Five+ Years	Total
2007						
Non-interest bearing		P 192,600	P -	P -	P -	P 192,600
Fixed interest rate instruments	5.69%	2,507,680	48,097	1,012,924	92,964	3,661,665
		P2,700,280	P48,097	P1,012,924	P92,964	P3,854,265
2006						
Non-interest bearing		P 79,966	P -	P -	P -	P 79,966
Fixed interest rate instruments	5.57%	1,232,370	101,412	173,026	58,426	1,565,234
		P1,312,336	P101,412	P173,026	P58,426	P1,645,200

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

EQUITY FUND

	Weighted Average Effective Interest Rate	Less than One Month	One-Five Years	Total
2007				
Non-interest bearing	-	P135,207	P -	P135,207
Fixed interest rate instruments	4.76%	459,400	11,171	470,571
		P594,607	P11,171	P605,778
2006				
Non-interest bearing	-	P 63,867	P -	P 63,867
Fixed interest rate instruments	5.35%	240,290	11,782	252,072
		P304,157	P11,782	P315,939

DOLLAR ADVANTAGE FUND

	Weighted Average Effective Interest Rate	Less than One Month	Three Months to One Year	One-Five Years	Five+ Years	Total
2007						
Non-interest bearing		\$1,061	\$ -	\$ -	\$ -	\$ 1,061
Fixed interest rate instruments	6.38%	3,267	202	1,318	22,478	27,265
		\$4,328	\$202	\$1,318	\$22,478	\$28,326
2006						
Non-interest bearing		\$1,149	\$ -	\$ -	\$ -	\$ 1,149
Fixed interest rate instruments	6.63%	3,486	-	1,563	16,749	21,798
		\$4,635	\$ -	\$1,563	\$16,749	\$22,947

MONEY MARKET FUND

	Weighted Average Effective Interest Rate	Less than One Month	Three Months to One Year	Total
2007				
Non-interest bearing	-	P 55,042	P -	P 55,042
Fixed interest rate instruments	4.36%	281,930	50,694	332,624
		P336,972	P50,694	P387,666
2006				
Non-interest bearing	-	P 20,283	P -	P 20,283
Fixed interest rate instruments	7.57%	186,960	61,984	248,944
		P207,243	P61,984	P269,227



DOLLAR ABUNDANCE FUND

	Weighted Average Effective Interest Rate	Less than One Month	Three Months to One Year	One-Five Years	Five+ Years	Total
2007						
Non-interest bearing	-	\$1,061	\$ -	\$ -	\$ -	\$ 1,061
Fixed interest rate instruments	6.49%	3,267	202	1,318	22,478	27,265
		\$4,328	\$202	\$1,318	\$22,478	\$28,326
2006						
Non-interest bearing	-	\$1,149	\$-	\$-	\$-	\$1,149
Fixed interest rate instruments	7.33%	3,486	-	1,563	16,749	21,798
		\$4,635	\$-	\$1,563	\$16,749	\$22,947

GS FUND

	Weighted Average Effective Interest Rate	Less than One Month	One-Five Years	Five+ Years	Total
2007					
Non-interest bearing	-	P 6,827	P -	P -	P 6,827
Fixed interest rate instruments	7.08%	16,620	50,265	15,113	81,998
		P23,447	P50,265	P15,113	P88,825
2006					
Non-interest bearing	-	P 3,699	P -	P -	P 3,699
Fixed interest rate instruments	7.38%	39,320	23,157	28,551	91,028
		P43,019	P23,157	P28,551	P94,727

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Companies. The Companies have adopted a policy of only dealing with creditworthy counterparties, and only transacts with entities that are rated the equivalent of investment grade of AAA down to minimum BBB. This information is supplied by independent rating agencies when available and if not available, the Companies use other publicly available financial information and its own trading records to rate its major customers. The Companies exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Companies do not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Companies define counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 10% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are commercial banks with high credit-ratings assigned by international credit-rating agencies.

Notes to the Financial Statements

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The carrying amount of financial assets recorded in the financial statements represents the Companies maximum exposure to credit risk. The Companies ensure that exposure to any one single counterparty does not exceed 10% of gross monetary assets at any time during the year. Carrying amounts of actual exposure as at the end of the year to private corporations are as follows:

	BOND FUND		BALANCED FUND		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2007	2006	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	US Dollar	US Dollar	US Dollar	US Dollar
Asian Terminals Inc.	P100,000,000	P100,000,000	-	-	-	-	-	-
Ayala Land Inc.	231,583,997	231,951,548	-	-	-	-	-	-
Filinvest Land Inc.	165,000,000	165,000,000	P25,000,000	P25,000,000	-	-	-	-
Fort Bonifacio Realty	1,820,000	3,200,000	1,320,000	2,200,000	-	-	-	-
Globe Telecom Inc.	190,000,000	190,000,000	5,000,000	5,000,000	-	-	-	-
LaFarge Holdings Inc.	-	138,461,539	-	-	-	-	-	-
Manila Water Companies Inc.	200,000,000	200,000,000	-	-	-	-	-	-
PLDT Bonds	-	-	-	-	\$329,235	\$113,060	\$1,698,853	\$904,480
San Miguel Corporation	-	-	-	5,000,000	-	-	-	-
SM Investments Companies Inc.	190,000,000	190,000,000	-	-	-	-	-	-
	P1,078,403,997	P1,218,613,087	P31,320,000	P37,200,000	\$329,235	\$113,060	\$1,698,853	\$904,480

Interest rate risk

The primary source of the Companies' interest rate risk relates to Cash and Fixed Rate Treasury Notes it holds. The interest rates on these financial assets are disclosed in the liquidity risk management section of this note.

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

A 2% increase or decrease in the market value of Fixed Rate Treasury Notes has been determined for sensitivity analysis based on the exposure to interest rates for Fixed Rate Treasury Notes at the balance sheet date. The same is used for reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable effect of a possible change in interest rates.

There are no other interest rate risk which significantly affect the Companies performance.



Capital Risk Management

The Companies manage its capital to ensure that the Companies will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high-quality debt and equity securities from domestic issuers. The Companies are 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 Companies are governed by the following fundamental investment policies:

1. It does not issue senior securities.
2. 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 an asset coverage of at least 300% for all its borrowings.
3. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own capital stock.
4. It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects.
5. It does not invest directly in real estate properties and developments.
6. It does not purchase or sell commodity futures contracts.
7. It does not engage in lending operations to other interested persons such as the members of the Board of Directors, officers of the Companies and any affiliates, or affiliated corporations of the Companies.
8. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions.
9. It does not change its investment objectives without the prior approval of a majority of its shareholders.

7. ACCRUED INTEREST RECEIVABLE

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Treasury Notes	P26,656,743	P61,622,086	P23,992,214	P5,129,419	P421,590	P421,590
Corporate Loans	24,415,388	23,004,525	616,078	835,939	-	-
Dollar Denominated Bonds	-	-	-	-	-	-
Special Savings Accounts	92,108	855,308	2,825,708	1,047,204	224,147	198,293
	P51,164,239	P85,481,919	P27,434,000	P7,012,562	P645,737	P619,883

	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Treasury Notes	\$688,493	\$522,019	P1,137,500	P2,929,808
Corporate Loans	-	-	-	-
Dollar Denominated Bonds	-	-	-	-
Special Savings Accounts	3,614	1,841	374,734	119,431
	\$692,107	\$523,860	P1,512,234	P3,049,239

Notes to the Financial Statements

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	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Treasury Notes	-	-	P1,932,079	P1,553,634
Corporate Loans	-	-	-	-
Dollar Denominated Bonds	\$79,472	\$54,450	-	-
Special Savings Accounts	68	732	6,094	10,485
	\$79,540	\$55,182	P1,938,173	P1,564,119

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Investments in fixed-income securities						
Special savings	P188,560,000	P 944,610,000	P2,507,680,000	P1,232,370,000	P459,400,000	P240,290,000
Treasury Bills	-	-	-	-	-	-
Treasury Notes	1,646,691,319	3,342,458,899	1,122,665,022	295,664,512	11,171,008	11,782,532
	P1,835,251,319	4,287,068,899	3,630,345,022	1,528,034,512	470,571,008	252,072,532
Investments in listed equity securities	-	-	6,381,999,182	1,545,334,095	2,624,871,998	628,060,112
	P1,835,251,319	P4,287,068,899	P10,012,344,204	P3,073,368,607	P3,095,443,006	P880,132,644

	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Investments in fixed-income securities				
Special savings	\$3,267,200	\$ 3,485,600	P281,930,000	P186,960,000
Treasury Bills	-	-	-	-
Treasury Notes	23,998,009	18,312,158	-	-
	\$27,265,209	\$21,797,758	P281,930,000	P186,960,000
Investments in listed equity securities	-	-	-	-
	\$27,265,209	\$21,797,758	P281,930,000	P186,960,000

	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Investments in fixed-income securities				
Special savings	\$165,900	\$1,246,100	P16,620,000	P39,320,000
Treasury Bills	-5	-	-	-
Treasury Notes	2,706,672	1,802,764	65,377,792	51,708,928
	\$2,872,572	\$3,048,864	P81,997,792	P91,028,928
Investments in listed equity securities	-	-	-	-
	\$2,872,572	\$3,048,864	P81,997,792	P91,028,928



The movements are summarized as follows:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Balance at beginning of the year	P4,287,068,899	P4,981,951,786	P3,073,368,607	P 577,812,270	P880,132,644	P271,870,718
Net purchases (disposals)	(2,168,088,544)	(864,328,200)	6,780,174,044	2,218,140,304	2,161,297,158	477,579,377
Amortization of discounts (premium)	(29,626,308)	(60,090,228)	(29,207,831)	(3,448,087)	57,336	49,787
Unrealized fair value gains (Loss)	(254,102,728)	229,535,541	188,009,384	280,864,120	53,955,868	130,632,762
Balance at end of the year	P1,835,251,319	P4,287,068,899	P10,012,344,204	P3,073,368,607	P3,095,443,006	P880,132,644

	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Balance at beginning of the year	\$21,797,758	\$ 7,437,227	P186,960,000	P60,501,845
Net purchases (disposals)	5,565,582	13,301,400	94,970,000	126,458,155
Amortization of discounts (premium)	(179,163)	(60,734)	-	-
Unrealized fair value gains (Loss)	81,032	1,119,865	-	-
Balance at end of the year	\$27,265,209	\$ 21,797,758	P281,930,000	P186,960,000

	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Balance at beginning of the year	\$3,048,864	\$1,277,914	P91,028,928	P52,620,000
Net purchases (disposals)	(114,331)	1,614,450	(9,121,463)	33,123,670
Amortization of discounts (premium)	(11,209)	(5,429)	(769,234)	(407,761)
Unrealized fair value gains (Loss)	(50,752)	161,929	859,561	5,693,019
Balance at end of the year	\$2,872,572	\$3,048,864	P81,997,792	P91,028,928

The fair values of investments in listed equity securities and treasury notes in 2007 and 2006, respectively, are based on quoted market prices, which are usually, bid prices. However, for listed equity securities, closing price are used since it is the more appropriate valuation used by the players of the mutual funds industry. For the purpose of following the industry standard, closing prices was adopted in 2007 and the comparative statements of the 2006. Below is the reconciliation of valuation between closing and bid prices of the Balanced and Equity Funds:

	Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006
Investments in listed equity securities (closing price)	P6,381,999,182	P1,545,334,095	P2,624,871,998	P628,060,112
Adjustment to bid prices	(73,977,039)	(15,742,990)	(31,859,633)	(6,226,291)
Investments in listed equity securities (bid price)	P6,308,022,143	P1,529,591,105	P2,593,012,365	P621,833,821

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

Investments in special savings are carried at cost, which approximates fair value. Net fair value gains recognized in the statements of income under the “Net Unrealized Gain (Loss) on Investments” account amounted to as follows:

	2007	2006
Bond Fund	(P254,102,728)	P229,535,541
Balanced Fund	P188,009,384	P280,864,120
Phil. Equity Fund	P53,955,868	P130,632,762
Dollar Advantage Fund	\$81,032	\$1,119,865
Money Market Fund	-	-
Dollar Abundance Fund	(\$50,752)	\$161,929
GS Fund	P859,561	P5,693,019

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

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Due in one year or less	P 190,748,160	P1,344,782,090	P2,555,777,390	P1,333,782,360	P459,400,000	P240,290,000
Due after one year through five years	1,225,786,733	2,546,648,817	1,038,269,674	135,826,207	11,171,008	11,782,532
Due after five years through ten years	143,865,600	395,637,992	36,297,958	56,868,000	-	-
Due after ten years	274,850,826	-	-	1,557,945	-	-
	P1,835,251,319	P4,287,068,899	P3,630,345,022	P1,528,034,512	P470,571,008	P252,072,532

	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Due in one year or less	\$ 3,468,700	\$ 3,694,320	-	-
Due after one year through five years	1,987,781	1,354,453	-	-
Due after five years through ten years	6,418,603	3,108,523	-	-
Due after ten years	15,390,125	13,640,462	-	-
	\$27,265,209	\$21,797,758	-	-

	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Due in one year or less	\$165,900	\$1,246,100	P16,620,000	P39,320,000
Due after one year through five years	103,500	218,719	50,265,292	23,157,400
Due after five years through ten years	666,360	338,445	15,112,500	28,551,528
Due after ten years	1,936,812	1,245,600	-	-
	\$2,872,572	\$3,048,864	P81,997,792	P91,028,928



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

BALANCED FUND:

	2007		2006	
	No. of shares	Market Value	No. of shares	Market Value
Philippine Long Distance Telephone Company	285,174	P905,427,450	77,684	P198,094,200
Ayala Corporation	1,321,400	746,591,000	283,000	166,970,000
Bank of the Philippine Islands	8,655,490	532,312,635	2,002,390	127,151,765
Globe Telecom, Inc.	307,890	483,387,300	118,920	146,866,200
Ayala Land, Inc.	33,661,920	479,682,360	8,825,000	134,581,250
SM Investments Corp.	1,268,458	431,275,720	114,030	37,059,750
International Container Terminal Services	8,017,600	364,800,800	3,070,900	63,721,175
Metropolitan Bank and Trust Company	6,248,900	340,565,050	1,122,600	57,813,900
Banco de Oro Universal Bank	5,096,758	308,353,859	1,081,900	49,767,400
Megaworld Properties & Holdings	56,151,000	210,566,250	-	-
SM Prime Holdings, Inc.	20,179,972	206,844,713	6,943,500	74,642,625
Manila Water Company, Inc.	8,942,200	165,430,700	3,008,000	28,275,200
Security Bank Corporation, Inc.	2,030,800	159,417,800	990,200	64,858,100
Manila Electric Company "B"	1,723,902	142,221,915	614,620	33,804,100
Petron Corporation	24,326,000	138,658,200	6,101,000	25,014,100
Cebu Holdings, Inc.	37,052,000	133,387,200	19,512,000	62,438,400
First Gen. Corporation	1,882,900	112,032,550	770,700	43,544,550
GMA Holdings, Inc.	13,278,000	98,257,200	-	-
Jollibee Foods Corporation	1,433,150	74,523,800	1,768,450	74,274,900
Holcim Philippines, Inc.	9,565,000	73,650,500	6,973,000	54,389,400
First Philippine Holdings Corporation	977,520	70,870,200	484,920	30,549,960
DMCI Holdings Inc.	7,224,300	69,353,280	159,000	969,900
ABS-CBN, Phils. Depository Receipt	1,258,000	41,514,000	-	-
San Miguel Corporation "B"	418,600	24,906,700	-	-
Manulife Financial Corporation	11,060	17,917,200	11,060	18,249,000
Aboitiz Equity Ventures, Inc.	2,184,000	15,069,600	-	-
San Miguel Corporation	195,100	11,510,900	-	-
Filinvest Land, Inc.	7,026,250	9,555,700	253,000	541,420
Universal Robina Corporation	520,000	7,280,000	700,000	13,475,000
Union Bank of the Phils.	59,000	2,537,000	100,000	4,900,000
GMA Network, Inc.	203,000	1,563,100	-	-
Benpres Holdings, Inc.	240,000	1,104,000	240,000	518,400
PNOC Energy Development Corp.	160,000	1,040,000	3,200,000	15,520,000
Ionics Circuits, Inc.	275,000	390,500	275,000	594,000
Equitable PCI Bank	-	-	201,800	16,749,400
	262,188,344	P6,381,999,182	P69,002,674	P1,545,334,095

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EQUITY FUND:

	2007		2006	
	Number of Shares Held	Market Values	Number of Shares Held	Market Value
Common Stocks				
Phil. Long Distance Telephone Company	103,136	P 327,456,800	30,036	P 76,591,800
Ayala Corporation	507,370	286,664,050	92,878	54,798,020
Ayala Land, Inc.	14,121,860	201,236,505	3,047,800	46,478,950
Bank of the Philippine Islands	2,939,192	180,760,308	751,592	47,726,092
Globe Telecom, Inc.	99,462	156,155,340	49,722	61,406,670
SM Investments Inc..	411,116	139,779,440	53,230	17,299,750
Banco de Oro Universal Bank	2,146,348	129,854,054	521,100	23,970,600
Megaworld Properties & Holdings	31,237,000	117,138,750	-	-
International Container Terminal Services	2,454,500	111,679,750	1,209,500	25,097,125
SM Prime Holdings, Inc.	9,926,325	101,744,831	2,434,500	26,170,875
Metropolitan Bank and Trust Company	1,786,900	97,386,050	520,000	26,780,000
Manila Electric Company "B"	906,100	74,753,250	282,600	15,543,000
Security Bank Corporation, Inc.	883,000	69,315,500	389,700	25,525,350
Philex Mining Corporation "B"	6,500,000	61,750,000	-	-
Manila Water Company, Inc.	3,044,000	56,314,000	1,094,000	10,283,600
First General Corporation	940,900	55,983,550	351,000	19,831,500
Jollibee Foods Corporation	1,041,050	54,134,600	665,950	27,969,900
DMCI Holdings Inc.	5,447,300	52,294,080	75,000	457,500
Petron Corporation	8,845,000	50,416,500	2,586,000	10,602,600
Cebu Holdings, Inc.	12,044,000	43,358,400	8,099,000	25,916,800
PNOC Energy Development Corporation	6,625,000	43,062,500	3,200,000	15,520,000
First Philippine Holdings Corp.	536,540	38,899,150	246,540	15,532,020
GMA Holdings, Inc.	5,077,000	37,569,800	-	-
ABS-CBN, Phils. Depository Receipt	743,100	24,522,300	-	-
Holcim Philippines, Inc.	3,036,000	23,377,200	2,838,000	22,136,400
Filinvest Land, Inc.	14,362,000	19,532,320	136,000	291,040
San Miguel Corporation	272,400	16,071,600	-	-
Universal Robina Corporation	1,114,500	15,603,000	500,000	9,625,000
Ginebra San Miguel, Inc.	400,000	10,400,000	-	-
JG Summit Holdings Inc.	890,000	10,235,000	-	-
Manulife Financial Corporation	4,700	7,614,000	4,700	7,755,000
San Miguel Corporation "B"	72,000	4,284,000	7,000	542,500
Aboitiz Equity Ventures, Inc.	300,000	2,070,000	-	-
Benpres Holdings Inc.	401,000	1,844,600	401,000	866,160
GMA Network, Inc.	121,000	931,700	-	-
Union Bank of the Philippines	13,200	567,600	13,200	646,800
Ionics Circuits, Inc.	78,500	111,470	478,500	1,033,560
Equitable PCI Bank	-	-	140,500	11,661,500
	139,431,499	P2,624,871,998	30,219,048	P628,060,112



9. LOANS AND RECEIVABLES

Bond

Loans and receivables pertain to amortized costs of corporate loans which bear an average annual interest of 10.58% and 13.88% in 2007 and 2006, respectively, with maturity ranging from two (2) to six (6) years.

Balanced

Loans and receivables pertain to amortized costs of corporate loans which bear an average annual interest of 11.42% and 12.04% in 2007 and 2006, respectively, with maturity ranging from two (2) to four (4) years.

The movements in loans and receivables are summarized as follows:

	Bond Fund		Balanced Fund	
	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Balance at beginning of the year	P1,218,613,087	P 524,240,000	P37,200,000	P12,880,000
Additions (net of maturities during the year)	-	695,413,087	-	25,000,000
Pre-termination	(123,076,923)	-	(5,000,000)	-
Amortization of principal	(17,132,167)	(1,040,000)	(880,000)	(680,000)
Balance at end of the year	P1,078,403,997	P1,218,613,087	P31,320,000	P37,200,000

The following presents the breakdown by contractual maturity dates on Bond Fund:

	2007	2006
	Philippine Peso	Philippine Peso
Due after one year through five years	P 878,403,997	P 813,613,087
Due after five years through ten years	200,000,000	405,000,000
	P1,078,403,997	P1,218,613,087

10. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments pertain to the amortized cost of treasury notes which bear annual coupon rates of 11.375% and 14% in 2007 and 2006, respectively, and with remaining maturity of three (3) and seven (7) months as of December 31, 2007 and 2006, respectively.

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

	Money Market	
	2007	2006
	Philippine Peso	Philippine Peso
Balance, beginning	P61,984,512	P39,465,769
Additions	52,803,447	61,984,512
Maturities	(64,094,047)	(39,465,769)
Balance, end	P50,693,912	P61,984,512

Notes to the Financial Statements

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11. ACCRUED EXPENSES

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Due to Investors	P2,815,948	P701,497	P71,198,722	P3,121,496	P21,647,906	P 189,152
Withholding Taxes	574,245	1,057,002	2,803,786	755,057	788,252	222,706
Subscriptions	225,000	400,000	3,289,878	11,024,218	243,000	2,438,554
Professional fees	152,765	104,404	103,788	104,404	63,143	104,404
Documentary stamp tax	112,871	454,287	22,289,451	7,242,070	6,696,983	1,723,458
Custodian fees	30,000	140,000	120,000	90,000	50,000	50,000
Due to Brokers	-	-	-	2,551,671	-	1,288,129
Transfer Fee	-	-	-	-	-	-
Others	80,000	-	6,667,910	-	2,153,010	-
	P3,990,829	P2,857,190	P106,473,535	P24,888,916	P31,642,294	P6,016,403

	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Due to Investors	\$21,238	\$70,600	P 400,686	143,375
Withholding Taxes	4,419	3,648	37,709	29,057
Subscriptions	10,000	2,088	452,758	2,230,633
Professional fees	1,741	2,150	49,318	38,506
Documentary stamp tax	-	-	82,072	104,404
Custodian fees	3,032	-	2,000	2,100
Due to Brokers	-	-	-	-
Transfer Fee	-	-	-	-
Others	27,568	-	572,160	22,012,546
	\$67,998	\$78,486	P 1,596,703	P24,560,621

	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Due to Investors	-	-	P1,002,914	-
Withholding Taxes	361	430	17,187	17,718
Subscriptions	-	-	-	1,700,000
Professional fees	1,056	2,088	46,010	104,404
Documentary stamp tax	-	-	1,600	2,136
Custodian fees	110	150	1,000	12,000
Due to Brokers	-	-	-	-
Transfer Fee	-	-	5,454	5,000
Others	1,500	-	40,000	-
	\$3,027	\$2,668	P1,114,165	P1,841,258



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

Others pertain to bank overdrafts as of December 31, 2007 due to timing difference on interfund transfers to other mutual funds and accrued transfer fees.

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

12. RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

a. Investment management

Management fees charged by SLAMC to the Companies in 2007 and 2006 included in the statements of income under "Investment management fees" are shown in the table below.

The table likewise shows the accrued management fees as of December 31, 2007 and 2006 as shown under the caption "Payable to fund manager" in the balance sheets.

	Management Fee Expenses		Accrued Management Fee	
	2007	2006	2007	2006
Bond Fund	P 71,357,370	P92,647,059	P 3,877,520	P7,229,314
Balanced Fund	P160,747,542	P27,936,755	P18,743,210	P6,461,724
Phil. Equity Fund	P52,222,955	P11,555,357	P5,914,579	P1,851,940
Dollar Advantage Fund	\$486,249	\$239,871	\$45,299	\$41,844
Money Market Fund	P4,918,684	P2,656,744	P280,204	P260,004
Dollar Abundance Fund	\$56,514	\$39,835	\$6,000	\$ 7,874
GS Fund	P1,690,025	P1,121,688	P137,533	P231,095

b. Remuneration of key management personnel

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

	Directors' Fees	
	2007	2006
Bond Fund	P 160,993	P 80,000
Balanced Fund	P200,000	P180,000
Phil. Equity Fund	P240,497	P160,000
Dollar Advantage Fund	\$4,755	\$2,684
Money Market Fund	P160,000	P60,000
Dollar Abundance Fund	\$4,676	\$2,687
GS Fund	P120,000	P100,000

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

- c. As of December 31, 2007, SLOCPI held the following number of shares in the Funds:

	# of Shares	% of Net Assets
Bond Fund	49,999,397	3.17%
Balanced Fund	49,999,397	1.08%
Phil. Equity Fund	49,999,397	3.27%
Dollar Advantage Fund	499,397	4.45%
Money Market Fund	49,659,689	14.07%
Dollar Abundance Fund	520,192	36.43%
GS Fund	52,019,992	66%

13. NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

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

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

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

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

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

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Net Assets attributable to shareholders	P3,015,841,286	P5,607,772,327	P10,204,749,704	P3,171,054,975	P3,216,496,648	P938,537,997
Issued and fully paid shares	1,575,088,703	2,999,832,763	199,998,841	199,860,813	199,997,779	199,992,675
Deposits for future subscription	-	-	4,414,698,238	1,448,065,674	1,327,118,118	326,784,924
Net Assets Value Per Share	P1.9147	P1.8694	P2.2114	P1.9243	P2.1063	1.7817



	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Net Assets attributable to shareholders	\$28,824,593	\$23,292,157	387,301,612	P247,455,983
Issued and fully paid shares	6,173,954	6,199,831	99,978,337	99,305,001
Deposits for future subscription	5,060,707	3,015,942	252,941,482	126,255,158
Net Assets Value Per Share	\$2.5657	\$ 2.5274	P1.0974	P1.0971

	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Net Assets attributable to shareholders	\$3,172,550	\$3,521,202	P89,511,545	P94,219,610
Issued and fully paid shares	1,427,981	1,594,373	78,560,413	84,177,355
Deposits for future subscription	-	-	-	-
Net Assets Value Per Share	\$2.2217	\$2.2085	P1.1394	P1.1193

Issued and fully paid shares are shown as follows:

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Balance at January 1	2,999,832,763	3,359,591,583	199,860,813	199,383,192	199,992,675
Issuances	947,502,993	1,709,570,534	2,241,957,593	423,033,186	1,670,989,798	244,229,049
Redemptions	(2,372,247,053)	(2,069,329,354)	(2,241,819,565)	(422,555,565)	(1,670,984,694)	(242,996,042)
Balance at December 31	1,575,088,703	2,999,832,763	199,998,841	199,860,813	199,997,779	199,992,675
Deposit for future stock subscriptions			4,414,698,238	1,448,065,674	1,327,118,118	326,784,924
	1,575,088,703	2,999,832,763	4,614,697,079	1,647,926,487	1,527,115,897	526,777,599

	Dollar Advantage Fund		Money Market Fund		Dollar Abundance Fund	
	2007	2006	2007	2006	2007	2006
	Balance at January 1	6,199,831	3,817,048	99,305,001	98,615,261	1,594,373
Issuances	3,888,916	4,953,039	3,369,506,377	1,131,203,360	394,240	889,798
Redemptions	(3,914,793)	(2,570,256)	(3,368,833,041)	(1,130,513,620)	(560,632)	(270,750)
Balance at December 31	6,173,954	6,199,831	99,978,337	99,305,001	1,427,981	1,594,373
Deposit for future stock subscriptions	5,060,707	3,015,942	252,941,482	126,255,158	-	-
	11,234,661	9,215,773	352,919,819	225,560,159	1,427,981	1,594,373

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

	GS Fund	
	2007	2006
Balance at January 1	84,177,355	53,507,441
Issuance	50,591,520	41,976,078
Redemptions	(56,208,462)	(11,306,164)
Balance at December 31	78,560,413	84,177,355

The authorized capital stocks of the Companies are as follows:

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

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

	2007	2006
Balanced Fund	2,966,632,564	1,241,018,819
Phil. Equity Fund	1,000,333,194	307,976,528
Dollar Advantage Fund	2,044,765	3,015,942
Money Market Fund	126,686,324	126,255,158

14. INTEREST INCOME

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Treasury notes	P255,221,053	P402,804,988	P62,038,848	P 10,325,904	P 1,402,836	P1,395,287
Corporate loans	111,118,411	91,994,952	4,333,358	4,102,100	-	-
Special savings	18,522,728	39,004,284	86,338,941	20,008,298	16,856,417	6,575,173
Cash in bank	211,959	165,073	676,920	114,519	471,052	52,713
Treasury bills	-	-	-	-	-	-
	P385,074,151	P533,969,297	P153,388,067	P 34,550,821	P18,730,305	P8,023,173



	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Treasury notes	\$1,573,759	\$805,001	P4,567,834	P 5,155,751
Corporate loans	-	-	-	-
Special savings	159,266	95,125	17,366,242	11,835,623
Cash in bank	7,147	4,508	356,560	39,272
Treasury bills	-	-	394,447	653,609
	\$1,740,172	\$904,634	P22,685,083	P17,684,255

	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Treasury notes	\$169,076	\$120,152	P4,871,766	P3,220,013
Corporate loans	-	-	-	-
Special savings	20,532	11,028	1,074,692	1,277,524
Cash in bank	2,392	1,734	38,417	8,234
Treasury bills	-	-	-	-
	\$192,000	\$132,914	P5,984,875	P4,505,771

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

Interest income earned on financial assets, analyzed by category, as follows:

	Bond Fund		Money Market	
	2007	2006	2007	2006
	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos
Interest revenue:				
Investments at fair value through profit or loss	P 273,743,781	P 441,809,272	P 17,760,689	P 11,835,623
Held-to-maturity investments	-	-	4,567,834	5,809,360
Loans Receivables	111,118,411	91,994,952		
Bank deposits	211,959	165,073	356,560	39,272
	P 385,074,151	P 533,969,297	P 22,685,083	P 17,684,255

15. NET REALIZED GAIN ON INVESTMENTS

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
Net realized gains (losses)	-	-	-	-	-	-
Listed equity securities	P -	P -	P628,541,704	P102,590,173	P204,221,801	P71,962,446
Fixed income securities	90,066,471	27,651,574	-	128,217	-	-
	P90,066,471	P27,651,574	P628,541,704	P102,718,390	P204,221,801	P71,962,446

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

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

16. OTHER INCOME BOND FUND

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

MONEY MARKET FUND

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

17. EARNINGS PER SHARE

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

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso	Philippine Peso
Change in net assets attributable to shareholders	P81,384,544	P587,893,930	P837,414,498	P394,770,544	P250,366,694	P204,581,954
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,195,829,496	3,109,785,170	3,446,414,350	775,779,978	1,173,047,174	355,094,914
Basic earnings per share	Po.04	Po.19	Po.24	Po.51	Po.21	Po.58

	Dollar Advantage Fund		Money Market Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Change in net assets attributable to shareholders	\$1,017,456	\$1,540,137	P11,239,150	P10,673,143
Weighted average number of ordinary shares for the purpose of basic earnings per share	11,527,900	6,129,511	480,147,764	272,985,282
Basic earnings per share	\$ 0.09	\$ 0.25	Po.02	Po.04

	Dollar Abundance Fund		GS Fund	
	2007	2006	2007	2006
	US Dollar	US Dollar	Philippine Peso	Philippine Peso
Change in net assets attributable to shareholders	\$76,095	\$216,979	P3,227,180	P7,792,479
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,476,966	1,104,586	86,596,884	60,860,528
Basic earnings per share	\$0.05	\$0.20	Po.04	Po.13

As of December 31, 2007 and 2006, the Companies have no dilutive potential ordinary shares.



18. INCOME TAXES

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

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

	Bond Fund		Balanced Fund		Phil. Equity Fund	
	2007	2006	2007	2006	2007	2006
Statutory income tax rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Tax effects of:						
Net operating loss carry-over (NOLCO)	(8.51)	0.48	7.52	2.87	9.06	2.53
Non-deductible expenses	-	-	1.17	0.30	0.01	0.01
Dividend income	-	-	(3.80)	(1.96)	(5.91)	(1.79)
Income subjected to final tax	(22.06)	(7.68)	(3.06)	(1.09)	(1.14)	(0.59)
Unrealized fair value gains	-	-	(7.54)	(24.48)	-	-
Realized gain on investments	-	-	-	-	-	-
Unrealized depreciation of investments	61.24	-	-	-	-	-
Non-taxable income	(21.71)	(13.05)	(25.21)	(8.95)	(35.56)	(34.39)
Effective income tax rate	43.96%	14.75%	4.08%	1.69%	1.46%	0.77%

	Dollar Advantage Fund		Money Market Fund		Dollar Abundance Fund	
	2007	2006	2007	2006	2007	2006
Statutory income tax rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Tax effects of:						
Net operating loss carry-over (NOLCO)	-	-	13.17	7.56	(6.77)	-
Non-deductible expenses	4.43	1.22	7.88	4.01	-	-
Dividend income	-	-	-	-	-	-
Income subjected to final tax	(6.28)	(1.99)	(24.24)	(19.96)	(15.13)	(0.65%)
Unrealized fair value gains	(2.00)	(21.89)	-	-	17.74	(23.21%)
Realized gain on investments	(3.04)	-	-	-	(10.74)	-
Unrealized depreciation of investments	-	-	-	-	-	-
Non-taxable income	-	-	-	-	3.92	-
Effective income tax rate	28.11%	12.34%	31.81%	26.61%	24.02%	11.14%

	GS Fund	
	2007	2006
Statutory income tax rate	35.00%	35.00%
Tax effects of:		
Net operating loss carry-over (NOLCO)	17.38	6.45
Non-deductible expenses	5.89	1.63
Dividend income	-	-
Income subjected to final tax	(22.25)	(8.40)
Unrealized fair value gains	(6.58)	(22.71)
Realized gain on investments	-	-
Unrealized depreciation of investments	-	-
Non-taxable income	-	(0.77)
Effective income tax rate	29.44%	11.20%

Notes to the Financial Statements

As of and for the years ended December 31, 2007 and 2006

Details of the Companies' NOLCO are as follows:

BOND FUND

Year Incurred	Year of Expiry	2006 Balance	Additions	Expired	2007 Balance
2004	2007	P 16,010,500	-	(P16,010,500)	P -
2005	2008	17,819,281	-	(17,819,281)	-
2006	2009	9,515,557	-	(1,466,043)	8,049,514
2007	2010	-	-	-	-
		P 43,345,338		(P35,295,824)	P 8,049,514

BALANCED FUND

Year Incurred	Year of Expiry	2006 Balance	Additions	Expired	2007 Balance
2004	2007	P 1,564,858	P -	(P1,564,858)	P -
2005	2008	10,973,495	-	-	10,973,495
2006	2009	32,896,826	-	-	32,896,826
2007	2010	-	187,233,428	-	187,233,428
		P45,435,179	P187,233,428	(P1,564,858)	P231,103,749

PHIL. EQUITY FUND

Year Incurred	Year of Expiry	2006 Balance	Additions	Expired	2007 Balance
2004	2007	P 4,174,662	P -	(P4,174,662)	P -
2005	2008	6,190,860	-	-	6,190,860
2006	2009	14,986,718	-	-	14,986,718
2007	2010	-	65,770,983	-	65,770,983
		P 25,352,240	P65,770,983	(P4,174,662)	P 86,948,561

MONEY MARKET FUND

Year Incurred	Year of Expiry	2006 Balance	Additions	Expired	2007 Balance
2004	2007	P 683,955	-	P(683,955)	P -
2005	2008	1,457,406	-	-	1,457,406
2006	2009	3,140,716	-	-	3,140,716
2007	2010	-	6,202,781	-	6,202,781
		P5,282,077	P6,202,781	P(683,955)	P10,800,903



GS FUND

Year Incurred	Year of Expiry	2006 Balance	Additions	Expired	2007 Balance
2005	2008	P1,536,608	-	-	P1,536,608
2006	2009	1,617,689	-	-	1,617,689
2007	2010		2,270,796	-	2,270,796
		P3,154,297	P2,270,796	-	P5,425,093

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

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

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

The carry forward benefit of the Bond Fund's MCIT of P2,246,491 and P1,841,399 in 2007 and 2006, respectively, which is included as part of "Other non-current assets" account, is valid until 2010 and 2009, respectively.

On the other hand, the carry forward benefit of the Balanced Fund's MCIT amounting to P89,667 and P82,042 in 2007 and 2006, is valid until 2010 and 2009, respectively.

Held-to-maturity investments amounting to P1,218,613,087 in 2006 was reclassified to loans and receivables to conform with the current year classification.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by Management and authorized for issue on February 26, 2008. The Companies did not grant anyone the power to amend the financial statements once issued to the public.

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Curriculum Vitae of the Directors and Executives



Henry Joseph M. Herrera

Chairman of the Sun Life Prosperity Funds
Director and President & CEO,
Sun Life Asset Management Company, Inc.

Mr. Herrera, Filipino, is currently the President and Chief Executive Officer of Sun Life of Canada (Philippines), Inc., Sun Life Asset Management Company, Inc. and Sun Life Financial Plans, Inc. He has also served as President of the Philippine Asia Life Assurance Corporation and Philippine Life Insurance Association, Inc. A Fellow of the Actuarial Society of the Philippines, Mr. Herrera received his Bachelor of Science in Statistics (Cum Laude) and Master of Business Administration (Finance) from the University of the Philippines.



Edel Mary D. Vegamora

Director, Sun Life Prosperity Dollar Advantage Fund, Inc.
Director, Sun Life Prosperity Dollar Abundance Fund, Inc.
Director, Sun Life Asset Management Company, Inc.

Ms. Vegamora, Filipino, is currently the Treasurer and Chief Finance Officer of Sun Life of Canada (Philippines), Inc., Sun Life Asset Management Company, Inc. and Sun Life Financial Plans, Inc. She had also served as Assistant Vice President for Regional Finance of Sun Life Assurance Company of Canada. Prior to rejoining Sun Life, she had also served as Head of Finance of the ING Bank N. V.-Manila Branch. A Certified Public Accountant and Certified Internal Auditor, Ms. Vegamora received her Bachelor of Science in Business Administration (major in Accounting) (Magna Cum Laude) from the University of the East.



Aleli Angela G. Quirino

Independent Director,
Sun Life of Canada Prosperity Bond Fund, Inc.
Independent Director,
Sun Life Prosperity Money Market Fund, Inc.

Atty. Quirino, Filipino, is a Senior Partner of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRALAW). The main focus of Atty. Quirino's practice is in the areas of intellectual property (IP) law and business law. She is consistently cited as a leading IP lawyer in Asia in the publications of AsiaLaw Profiles, Asia Pacific Legal 500, and PLC "Which Lawyer" (Practical Law Company). She received her Bachelor of Arts and Bachelor of Science in Education (Magna Cum Laude) from Assumption College and Bachelor of Laws (with honors) from the Ateneo de Manila University.



Rizalina G. Mantaring

President of the Sun Life Prosperity Funds
Director, Sun Life Asset Management Company, Inc.

Ms. Mantaring, Filipino, is currently the Chief Operating Officer of Sun Life of Canada (Philippines), Inc. (SLOCPI) and Director of Sun Life Financial Plans, Inc. She has also served as Operations Head for SLOCPI and Information Systems Head, Asia Pacific Division of the Sun Life Assurance Company of Canada. Ms. Mantaring received her Bachelor of Science in Electrical Engineering (Cum Laude) from the University of the Philippines and Master of Science in Computer Science from the State of University of New York at Albany. She is also a Fellow, Life Management Institute (with distinction) and Associate, Customer Service (with honors).



Raoul Antonio E. Littaua

Director,
Sun Life of Canada Prosperity Bond Fund, Inc.
Director,
Sun Life Prosperity Money Market Fund, Inc.

Mr. Littaua, Filipino, is the Senior Vice President for Marketing of Sun Life of Canada (Philippines), Inc. Except for a short stint as Regional Manager, National Capital Region, at East Asiatic Co. (Ltd.) in 1993, Mr. Littaua had worked for Sun Life since 1991. Mr. Littaua received his Bachelor of Arts in Psychology from the De La Salle University.



Feliciano L. Miranda, Jr.

Independent Director,
Sun Life of Canada Prosperity Bond Fund, Inc.
Independent Director,
Sun Life Prosperity Money Market Fund, Inc.

Mr. Miranda, Filipino, is a respected banker, currently serving as the Chairman of the Boards of Allied Savings Bank and Bulawan Mining Corporation. He is also a member of the Boards of the PNB group of companies, including the Philippine National Bank. A Certified Public Accountant, Mr. Miranda received his Bachelor of Commerce (major in Accounting) from the Far Eastern University and Master of Arts in Economics (Comparative Monetary Policies) from Georgetown University. Mr. Miranda started his distinguished career at the Central Bank of the Philippines and retired from said institution as Deputy Governor, Bank Supervision and Examination.



Nilo B. Peña

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

Atty. Peña, Filipino, has actively and continuously engaged in the practice of law from 1960 with the law firm Quasha Ancheta Peña & Nolasco (originally William H. Quasha & Associates), first as an underbar and now as a Senior Partner. He is a member of the Boards of Trustees of the St. Luke’s Medical Center, Inc. and St. Luke’s College of Medicine. He also serves as Chairman of the Board of Trustees of Standard Chartered Bank Employees’ Retirement Fund. Having served as Bar Examiner in Mercantile Law during the 1997 and 2006 Bar Examinations, Atty. Peña received his AA and Bachelor of Laws from the University of the Philippines.



Erlinda S. Echanis

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

Dr. Echanis, Filipino, is a distinguished member of the academe, currently serving as Dean of the College of Business Administration, University of the Philippines. A Certified Public Accountant, she has been published locally and internationally on subjects such as fundamentals of management, investment management, financial reporting, corporate finance and the Philippine stock market. She is also the President of Mayer Consultants, Inc. Dr. Echanis received her Bachelor of Science in Business Administration (major in Accounting), Master of Business Administration and Doctor of Business Administration from the University of the Philippines.



Rafael M. Alunan III

Independent Director,
Sun Life of Canada Prosperity Balanced Fund, Inc.

Mr. Alunan, Filipino, has a distinguished career in private and public service. He had served in the cabinets of President Fidel V. Ramos and President Corazon C. Aquino as Secretary of Interior and Local Government and Secretary of Tourism, respectively. He is now the President of First Philippine Infrastructure Development Corporation, as well as independent director of Sun Life of Canada (Philippines), Inc. and Sun Life Financial Plans, Inc. He has also served as President of Maynilad Water Services, Inc., Manila Hotel, General Reliance Corporation, ATIK Trading International Corporation and Kybernan Group, Inc. Mr. Alunan received his Bachelor of Arts (major in History and Political Science) and Bachelor of Science (major in Business Administration) from the De La Salle University, Master of Business Administration from the Ateneo De Manila University, and Master in Public Administration from Harvard University’s John F. Kennedy School of Government.



Ponciano S. Intal, Jr.

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

Dr. Intal, Filipino, is a Full Professor at the College of Business and Economics and the Executive Director of the Angelo King Institute for Economic and Business Studies, both of the De La Salle University. He has served as Deputy Director-General of the National Economic and Development Authority and as President of the Philippine Institute of Developmental Studies. Dr. Intal received his Bachelor of Science in Business Administration (Summa Cum Laude) from the Mindanao State University, Master of Arts in Economics from the University of the Philippines, Master of Arts in Economics, Master of Philosophy in Economics and Doctor of Philosophy in Economics from Yale University.

Curriculum Vitae of the Directors and Executives



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

Prof. Faustino is the Goodyear Company Professor of Business Management and the Program Director of the Marketing Strategy Course of the Asian Institute of Management's (AIM) Executive Education and Lifelong Learning Center (EXCELL). In 1991, he received the Agora Award for excellence in Marketing Education, bestowed by the Philippine Marketing Association. His twenty years of work experience as professional manager and entrepreneur were in the areas of marketing, operation, and general management. Prof. Faustino received his Bachelor of Arts (Cum Laude) from the Ateneo de Manila University, Master in Business Administration from the Harvard Business School, and Master of Arts in Economics from Amherst College. He also attended the AIM's Top Management Program.



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

Mr. Reyes, Filipino, has served as Country Chairman of the Shell companies in the Philippines and as a Director of Pilipinas Shell Petroleum Corporation. He also serves as a member of the Boards of Directors of Sun Life of Canada (Philippines), Inc., Sun Life Financial Plans, Inc., Philippine Long Distance Telephone Company, Bank of the Philippine Islands, Universal Robina Corporation, SMART Communications, Inc. and Manila Water Company. He is the Chairman of Unicapital Securities Corporation and Link Edge, Inc. Mr. Reyes received his Bachelor of Arts in Economics (Cum Laude) and Master of Business Administration from the Ateneo de Manila University and Diploma in Business Administration and Certificate in Export Promotion from Waterloo University.



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

Atty. Orbos, Filipino, is a distinguished public servant and award-winning journalist. He started his career in public service first as Representative and then as Governor of the Province of Pangasinan. He had also served in the cabinet of President Corazon C. Aquino as Secretary of Transportation and Communication and Executive Secretary. Atty. Orbos received his Bachelor of Science in Economics and Bachelor of Laws from the University of the Philippines.



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

Atty. Camania, Filipino, is Counsel for Sun Life of Canada (Philippines), Inc. and general counsel for Sun Life Asset Management Company, Inc. Prior to joining Sun Life, she had worked as an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices. She received her Bachelor of Arts in Psychology and Bachelor of Laws from the University of the Philippines. She is also an Associate, Life Management Institute and Associate, Customer Service (with honors).



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

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



Patrick Edwin L. De Leon
Treasurer of the Sun Life Prosperity Funds

Mr. De Leon, Filipino, is currently the Finance Officer of Sun Life Asset Management Company, Inc. Prior to joining Sun Life, he had worked for the Manila Branch of Standard Chartered Bank. A Certified Public Accountant, Mr. De Leon received his Bachelor of Science in Accountancy from the De La Salle University. He also completed the Basic Management Program course of the Asian Institute of Management in 2006.

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