

GROWING

BEYOND



ANNUAL REPORT 2005



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About the Cover:

In the last 12 months, SLAMC continued to gain new grounds—planting seeds on one hand while harvesting the fruits of prosperity on the other.

Dear Shareholders,

The Sun Life Prosperity Funds made solid strides forward on several fronts in 2005. Along the line of Return on Investment (ROI), our Bond Fund had a net of tax return of 11.1%. Balanced Fund had a net after tax return of 10.0%, while Equity, which had the highest return among the funds, registered a yield of 11.3%. Dollar Advantage, on the other hand, posted a 7.4% net of tax return while Money Market Fund ended the year with a yield of 4.9%.

In terms of Assets Under Management, again our funds posted healthy gains with the Balanced Fund leading the pack with a record 244.3% increase, now with a total AUM of PHP589.7 Million from the previous year's PHP171.3 Million. The Dollar Advantage fund was second highest performer with an increase of 93.8% with an AUM of USD8.86 Million from USD4.57 Million a year ago. Equity Fund's assets stood at PHP272.2 Million representing an increase of 47.4% over last year, while Money Market Fund's AUM was at PHP106.2 Million or up by 30.8%. Bond Fund's assets stood at an all time high of PHP5.6 Billion, up by 20.8%.

2005 was generally a much-improved year with the economy regaining momentum. Except for the political noise caused by the failed impeachment proceedings against the country's chief executive, it was a year aptly perceived as peaceful and stable with the country realizing an economic growth of 5.1%. The Peso steadily gained against the US Dollar closing the year at PHP53.067/USD1, compared to PHP56.267/USD1 in the previous year.

Running parallel to these national developments, your Company pursued its efforts to expand its product portfolio with the launching of the Prosperity Dollar Abundance Fund and the Prosperity Government Securities Fund. The new additions have made the family of Sun Life Prosperity Funds the biggest in the industry.

Another milestone to note is the shift to the International Accounting Standards (IAS) as mandated by the Securities & Exchange Commission, our regulator. Sun Life achieved this shift to IAS a full year ahead of the SEC's target date.

In the conduct of our business, we are consistently guided by our commitment of upholding and promoting a strong ethical business culture and good corporate governance. Our fund managers ensure that your funds are invested properly to meet the objectives set out for the various funds.

As we continuously change and forge ahead, we will always keep in mind that we exist because of the support of our shareholders. Our commitment to provide value to you grows with us. We thank you for your continued patronage.



Esther C. Tan
ESTHER C. TAN

Chairperson



Caesar P. Altarejos, Jr.

CAESAR P. ALTAREJOS, JR.

President



SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

FINANCIAL MARKETS IN REVIEW

The Philippine financial markets displayed remarkable resiliency despite the never-ending political wrangling that pestered the nation for the most part of the year. Positive developments such as the implementation of the Expanded Value Added-Tax (EVAT), high market liquidity and a strengthening peso augured well for investor sentiment.

Despite the delayed implementation of the EVAT, government fiscal deficit for 2005 reached only PHP146.5 billion, lower than the PHPs180 billion program for 2005. Still, credit rating agencies are not expected to confer any rating upgrade on the Philippines until fiscal consolidation

is sustained. Overall, the odds of a full-blown debt crisis are now less compared to conditions in 2004. Notably, credit default spreads have fallen to 268 at yearend from 484 in January 2005.

The decline in oil prices towards yearend provided a much-needed respite amid escalating supply-side inflation pressures. Inflation in December pulled back to 6.6% while the average for 2005 was 7.7%. Market liquidity remained high and interest rates slid to near-time lows as government securities remained popular among risk-wary investors. The benchmark 91-day treasury-bill rate slid to 5.15% in November from 7.87% in January 2005.

INVESTMENT APPROACH

Investment protocol focuses on 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 will be gradually increased after the successful shift to market-to-market valuation last October 17, 2005.

2005 PERFORMANCE REVIEW

Return on Investments (ROI) was 11.1% and handily surpassed the 91-day T-bill rate of 5.1%, net of taxes. Fund performance has consistently exceeded portfolio benchmarks and yields remained competitive against peers.

Government securities contributed the biggest share of earnings. No corporate loans were advanced in preparation for the shift to mark-to-market valuation.

LONG TERM PERFORMANCE REVIEW

Improved government finances would invariably result in low interest rates and portfolio yields could slide down to single-digit levels. Interest income from government securities will remain as the main source of revenues even as loan generation bookings will be given

more emphasis. Inflation remains high due to supply side pressures but teeming liquidity should ease pressure on interest rates. A sovereign credit rating upgrade in late 2006 is possible if fiscal consolidation is sustained.

FINANCIAL STATEMENTS ANALYSIS

Net assets of the Fund registered a 20.8% growth from PHP4.6 billion in 2004 to PHP5.6 billion by the end of year 2005. Out of this, 44.8% is attributable to fresh investments which came in to the fund in 2005, 33.4% came from net interest income for the year, and 21.7% was brought about by the shift to Mark to Market valuation in October 2005.

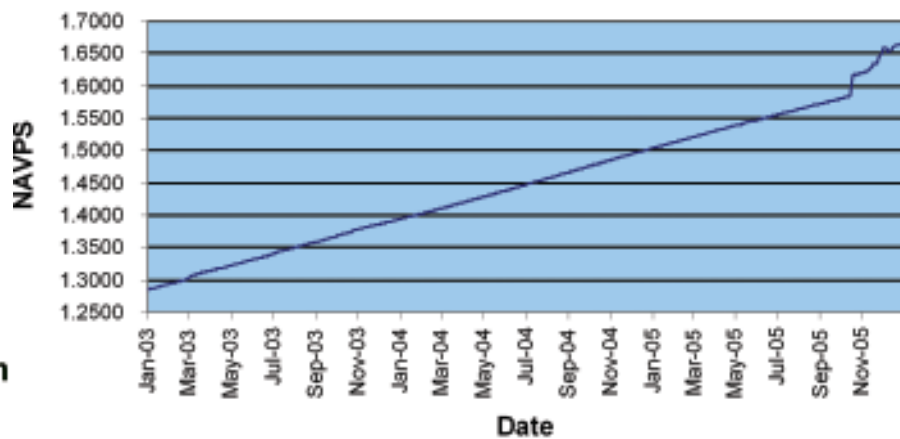
Investment income went down by 4.5% mainly due to slightly lower interest rates from the more liquid special savings accounts held by the Fund in anticipation of market reaction to the valuation change in October 2005. Total operating expenses for 2005, on the other hand, increased by 5.4% mainly due to higher management fees resulting from higher asset size of the fund. Net investment income however still increased due to the unrealized gain on the value of fixed income securities recognized by the Fund starting October 2005. By the end of the year, the

unrealized gain amounted to PHP210 million; thus net investment income increased by 52.5% compared to 2004.

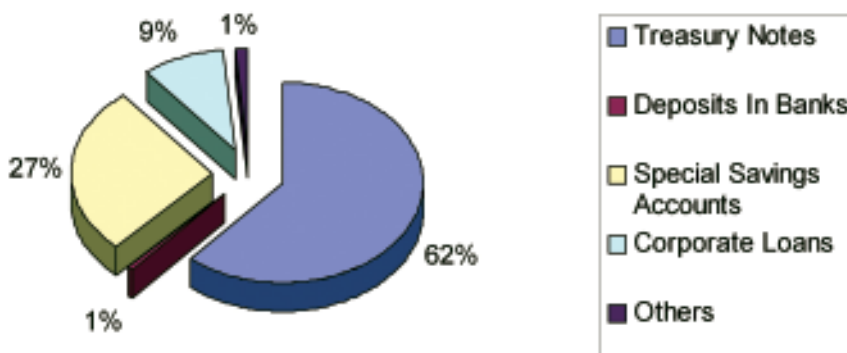
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There are no significant elements of income that did not arise from the Company's continuing operations.

Daily NAVPS



Asset Allocation





SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

FINANCIAL MARKETS IN REVIEW

The Philippine Composite Index (“Phisix”) had a volatile year hitting a closing high of 2,166 and a low of 1,813. The first quarter of the year saw the Phisix climb to its peak level as the passage of the bills on sin taxes and lateral attrition put the Philippines back on the investment list of long-term foreign investors and raised expectations of an economic turnaround for the Philippines. R.A. 9337 or commonly known as the “VAT Reform Bill,” was touted as the key fiscal reform measure that would provide the necessary revenues to stave of an imminent fiscal crisis while allowing the government to stimulate the economy through various pump-priming measures. The government lost no time in drafting a reform agenda, which provided much needed support to a market that was expanding due to the highly anticipated and successful IPOs of Manila Water, SM Investments, and Semirara Mining. However, the euphoria brought about by the anticipated fiscal recovery was short-lived. The second quarter saw partisan politics successfully stall and water-down the proposed E-VAT tax proposal even as the country’s financial planners virtually admitted that earlier stopgap measures, such as the collection of sin taxes, fell short of expectations. The repercussions from the political circus virtually wiped out any gains made in the 1st Quarter and caused the 2 fundamentally sound IPOs to fall below their offer price. The uncertainty in the equities market was also mirrored in the fixed income market as the 91-day Treasury Bills hit a high of 7.87% and a low of 5.15% in 2005 as unprecedented liquidity due to cautious bank lending, reluctant corporate borrowing, and the fluctuating country risk premium were all affected by the non-stop political bickering.

When Congress finally reached a compromise and passed the reform bill on May 24, the financial market exhibited scepticism for the government’s ability to implement the law, which was set to take effect on July 1. The markets were subsequently proven correct when the Supreme Court issued a temporary restraining order (“TRO”) against the reform bill on the day of its implementation. The financial markets’ reaction to this development was unforgiving as the Phisix lost over 4% in a single session to close at 1,815 and bond spreads widened.

Inevitably, the politics reached a tipping point in July as allegations of electoral fraud and failed horse-trading during the reform bill deliberations caused 11 key cabinet members to resign and plummeted the equities market to its 2005 low on July 6 and caused Philippine bond spreads to widen further. Throughout the political turmoil, what was increasingly evident was that well managed companies continued to post decent profit growth. This factor and the expectation that the Supreme Court would eventually lift the TRO given the legal infirmities posited in the opposition’s case, kept the Phisix confined within a tight trading range of 1,900-2,000.

The expected lifting of the TRO occurred in the middle of the 4th Quarter. The relatively smooth implementation of perhaps the most difficult phase of the reform bill which is removal of the VAT Exemption of the energy industry, sent a clear signal to the bond and equities market which resulted in lower market volatility for the balance of the year. The Phisix closed the year with a 15% year-on-year gain and the fixed income market clearly trending lower.



INVESTMENT APPROACH

Due to the lack of clarity in the political and economic environment during the majority of 2005, the Fund remained defensive and liquid during the 1st Quarter of the year and cautious during the succeeding two quarters. With the majority of the stock purchases in 2004 already trading beyond their target prices, a significant amount of

rebalancing was implemented during the periods when the market was trading sideways. The goal of the rebalancing was to create a portfolio which had a risk-return profile that compensated for the unusually high environmental volatility.

2005 PERFORMANCE REVIEW

The Fund posted an annual return of 10.0% in 2005 and outperformed the equity-T-Bill benchmark by 256 basis points. More importantly, the Fund was able to achieve this result despite the clearly defensive stance adopted in the 1st Quarter due to the lingering uncertainty brought about by the threat of a fiscal crisis. This decision, while not reflected in the NAV, actually lowered the overall risk profile of the fund and improved the risk-return profile of our investments.

LONG TERM PERFORMANCE REVIEW

The 15% rise in the Phisix in 2005 overshadowed a more compelling story in mid-cap stocks, which massively outpaced the index in terms of absolute returns. Marginally index weighted stocks with good fundamentals, such as HLCM (+124.5%), FPH (+58.1%), ICT (+57.6%), JFC (+44.6%) and PCOR (+38.5%) all delivered very strong risk-adjusted returns last year, some of which provided a necessary boost to the portfolio. The stabilizing economic environment could provide the catalyst for a country-risk re-rating which may compel us to adopt a neutral asset allocation strategy with a decidedly positive bias. In addition, our review and earnings analysis of some of the large cap stocks in the index indicate that a more stringent

stock-picking approach will be necessary to minimize the portfolio's exposure to potential laggards despite their meaningful presence in the Phisix. Thus, our strategy can be summarized in the following points: **Neutral** on telecom issues, **overweight** on property, **selectively overweight** on banks, **neutral** on construction, **selectively overweight** on utilities and **neutral** on consumer issues. Core equity holdings will continue to reflect the general risk-return profile of the index while for the fixed income portion, we are looking at potentially acceptable corporate debt issuances in the 1st quarter as companies raise money in anticipation of more demand in a stable economy.



FINANCIAL STATEMENTS ANALYSIS

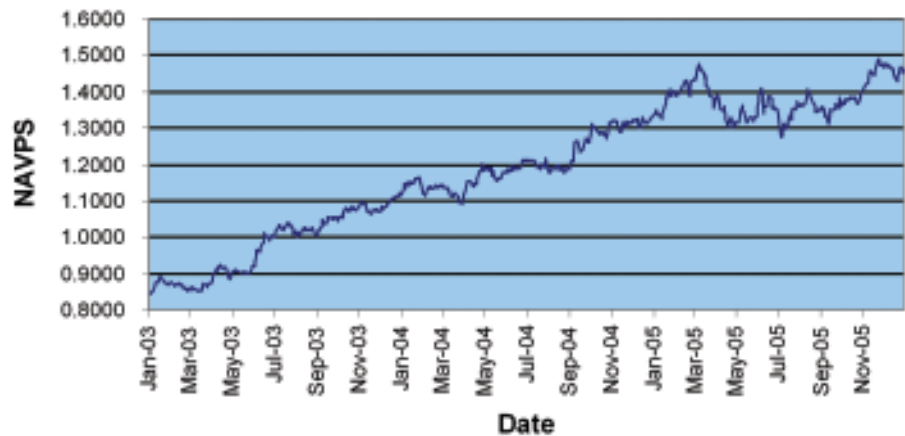
The Fund registered a spectacular 244.3% growth in net assets from PHP171.3 million in 2004 to PHP589.7 million in 2005. Out of the PHP418.4 million increase in net assets, PHP301.8 million came from fresh investments tagged as “Deposits for Future Subscription,” another PHP80 million from fresh investments issued as shares of stocks, and PHP36.6 million in net investment income inclusive of unrealized appreciation of equity and fixed income holdings.

Investment income of PHP34.9 million for 2005 was 174% higher than the P12.7 million in 2004 due to higher gains realized from sale of stocks, higher interest income, and higher dividends from listed securities. Operating expenses of P13.1 million for the year 2005 registered an increase compared to the previous year. The rate of increase in expenses in tandem with the growth in AUM.

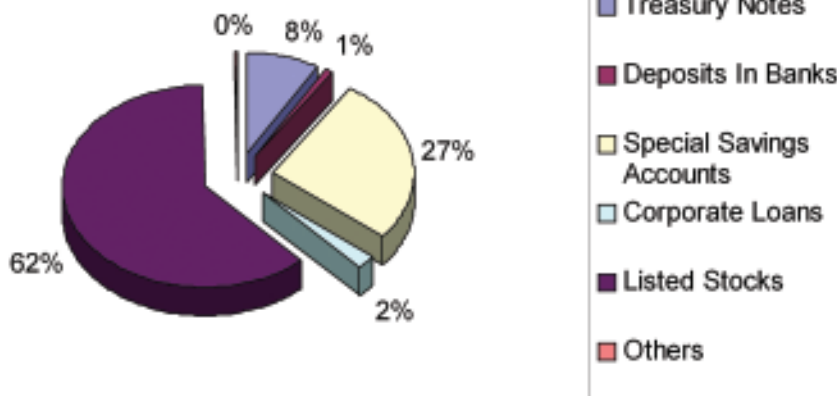
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There are no significant elements of income that did not arise from the Company's continuing operations.

Daily NAVPS



Asset A





SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND , INC.

FINANCIAL MARKETS IN REVIEW

The Philippine Composite Index (“Phisix”) began 2005 on a strong wave of foreign buying as it climbed 18% in the 1Q05 on expectations that the Philippines would finally find a permanent solution to its burgeoning fiscal deficit problem. R.A. 9337, commonly known as the “VAT Reform Bill” was packaged as the “magic-bullet,” which would slay the country’s fiscal woes and which, eventually, will restore investor’s confidence in the Philippine economy. The aforementioned, coupled with the initial public offering of Manila Water, SM Investments, and Semirara Mining put the country once again on the radar screen of most investors. However, just as the market was revving up for a take-off, partisan politics dashed any hopes of a quick passage of the government’s vital fiscal reform package. On the back of this development, the country’s risk premium soared rapidly and the beginning of the second quarter saw the Phisix plunge below its 2004 closing level of 1,822. While Congress finally passed a compromise version of the tax reform measure late in the 2Q05, opposition lawmakers questioned the law’s legality.

Consequently, the Supreme Court issued a temporary restraining order (TRO) on the implementation of the E-VAT law commencing on July 1, 2005. The subsequent resignation of key cabinet officials forming the majority of the government’s “economic team” provided the final blow and the market headed for a year-low of 1,813. On hindsight though, this turned out to be a golden opportunity for market entry. As the government slowly diffused the then brewing political tension and corporate earnings, especially for index heavyweights, continued to show resilience, the stock market recovered briskly in the second semester of 2005. While the Supreme Court’s lifting of the TRO on the E-VAT law in the 4th Quarter did not result in an immediate market rally, stock price volatility was lessened, correction levels were higher, trading volumes stabilized. With the market trending higher in the last two months of the year, the Phisix closed 2005 at 2,096, up 15% year-on-year, outpacing majority of the Asian markets for the second year in a row.

INVESTMENT APPROACH

2005 was a challenging year for equities as the political climate dragged the economy, which, in turn, resulted in too much market volatility. The resultant portfolio, as demanded by a precarious political situation and the fragile economic condition, was defensively biased. It focused on equity issues, which exhibited low share price volatility to maximize wealth preservation, high volume turnover for ease of asset liquidation, and solid fundamental underpinnings to provide downside certainty in a worse

case scenario. In conjunction with this approach, the Fund also adopted an opportunistic strategy for a small portion of the portfolio, that favored short-term price action over the long-term trend. This trading strategy enabled the quick realization of gains in excess of the prevailing one-year fixed income yields and enabled a more dynamic rebalancing of the Fund. No single issue dominated the portfolio as the Fund sought refuge in the risk reducing benefits of diversification.



2005 PERFORMANCE REVIEW

The Fund posted a year-to-date return of 11.3% after rallying in the 2nd half of 2005 when the investment climate substantially cleared and the risk of a fiscal meltdown began to subside. After shifting to a less defensive bias in the 2nd Quarter of the year, the Fund outperformed the Phisix from April 29 onwards as we consolidated the equity positions after the massive drop in the early part of July. It was during this period, when it was decided that, (1) stocks were severely undervalued

given the still solid corporate fundamentals, as evidenced by the quarterly earnings and (2) that indeed the restraining order on the E-VAT was “temporary” given our understanding of the issues and subsequent due diligence of the TRO. On the back of this decision, the Fund outperformed the majority of Philippine mutual funds with returns pegged at 17.6% for the period July-December 2005.

LONG TERM PERFORMANCE REVIEW

The year 2005 was the year of defensive value investing, but the coming year's challenges will require a more focused approach for the Fund. Selective stock picking will likely outperform a purely index based approach for 2006, with the portfolio attempting to capitalize on the expected performance of select blue chip and mid-cap issues. The country's improving economic fundamentals will also enable us to adopt a more aggressive and growth-oriented asset allocation and

trading strategy while we will continue monitoring political and economic developments, and adjust our approach as the environment requires.

Overall, our equity strategy for 2006 will be based on the following weightings: We will generally remain NEUTRAL on telecom and consumer issues, NEUTRAL on construction, OVERWEIGHT on property, and selectively OVERWEIGHT on banks and utilities

FINANCIAL STATEMENTS ANALYSIS

The Fund maintained its steady growth as net assets grew from PHP184.6 million in 2004 to PHP272.2 million in 2005. This 47.5% increase over the previous year's net assets is significantly attributed to PHP42 million of fresh investments issued as shares of stocks, fresh investments tagged as “Deposits for Future Subscription” amounting to PHP24.5 million, and PHP20.3 million net investment income, inclusive of unrealized appreciation of equity and fixed income holdings.

Gross investment income more than doubled in 2005 from PHP15 million in 2004 to PHP32.6 million in 2005 due to the increase in gain from trading of listed stocks by PHP15.6 million. Operating expenses consequently went up by 48% due to increased expenses related to a higher AUM, like management fees and custodian fees. The Fund therefore had a net investment income of PHP20.3 million this year,

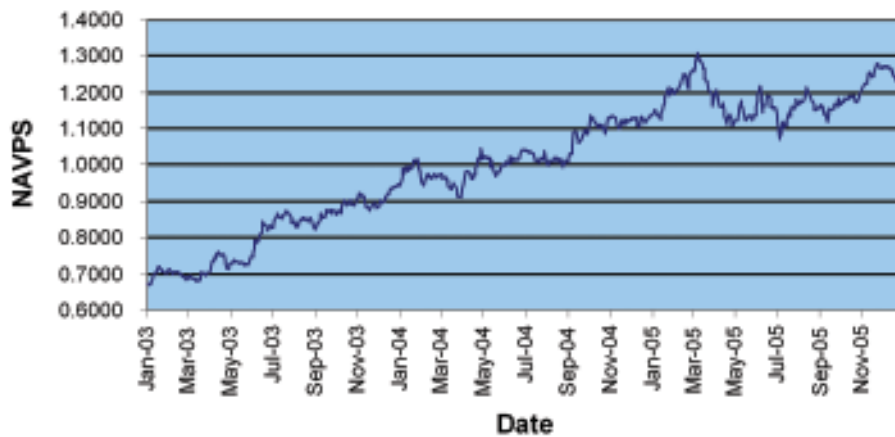
a 105% improvement over the previous year's net income of PHP9.9 million.

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.

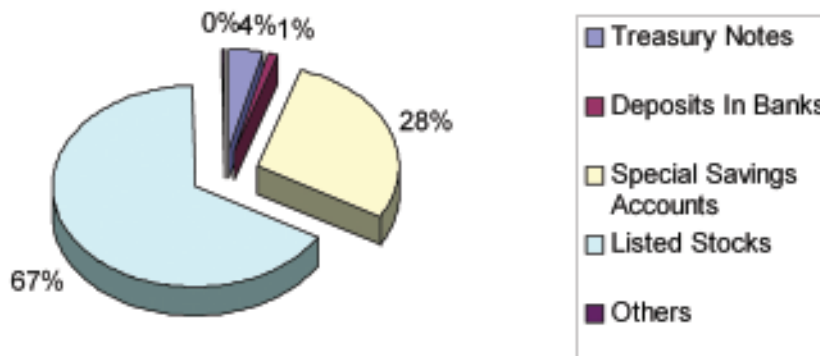
There are no significant elements of income that did not arise from the Company's continuing operations.



Daily NAVPS



Asset Allocation





SUN LIFE OF CANADA PROSPERITY DOLLAR ADVANTAGE FUND, INC.

FINANCIAL MARKETS IN REVIEW

The Philippine financial markets displayed remarkable resiliency despite the never-ending political wrangling that pestered the nation for the most part of the year. Positive developments such as the implementation of the Expanded Value Added-Tax (EVAT), high market liquidity and a strengthening peso augured well for investor sentiment.

Despite the delayed implementation of the EVAT, government fiscal deficit for 2005 reached only PHP146.5 billion, lower than the PHP180 billion program for 2005. Still, credit rating agencies are not expected to confer any rating upgrade on the Philippines until fiscal consolidation is sustained. Overall, the odds of a full-blown debt crisis are now less compared to conditions in 2004. Notably, credit default spreads have fallen to 268 at yearend from 484 in January 2005.

Robust OFW dollar remittances sustained the strong peso rally in 2005. The peso-US dollar exchange rate closed at PHP53.09 at yearend compared to PHP56.28 at the start of the year.

US Federal Reserve rates continued to rise in 2005 and reached 4.25% at yearend, compared to 2% in 2004. Bullish growth expectations dictated the calibrated increase in benchmark yields. Asian credit spreads narrowed further in 2005 and premiums were paper-thin on most issues.

Philippine dollar bond prices rose higher as investors considered a possible credit rating upgrade in 2006. Spread of the ROP 30 over similar US treasury notes narrowed to 339 bps in December from 353 bps in November despite the 25 bps rise in the US Fed rates.

INVESTMENT APPROACH

Investment strategy remains view-driven and core holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets. Increased exposure in longer tenors is in line with generally

bullish prospects. Despite being a balanced fund, no equity investments have been made so far as the Fund asset size has not yet reached the USD10.0 million threshold.

2005 PERFORMANCE REVIEW

Return on Investments (ROI) for the year was 7.4%, its highest yearly return since the fund was launched. Against the backdrop of narrowing credit spreads, long

positions were acquired during price dips and cash levels were kept at optimum levels for opportunistic trades.

LONG TERM PERFORMANCE REVIEW

Improved government finances should translate into better investing prospects. In fact, the financial markets have already factored in a probable credit rating upgrade

in late 2006 amid expectations of a sustained fiscal consolidation. Fund performance posted a decent recovery in 2005 compared to previous year's figures.



FINANCIAL STATEMENTS ANALYSIS

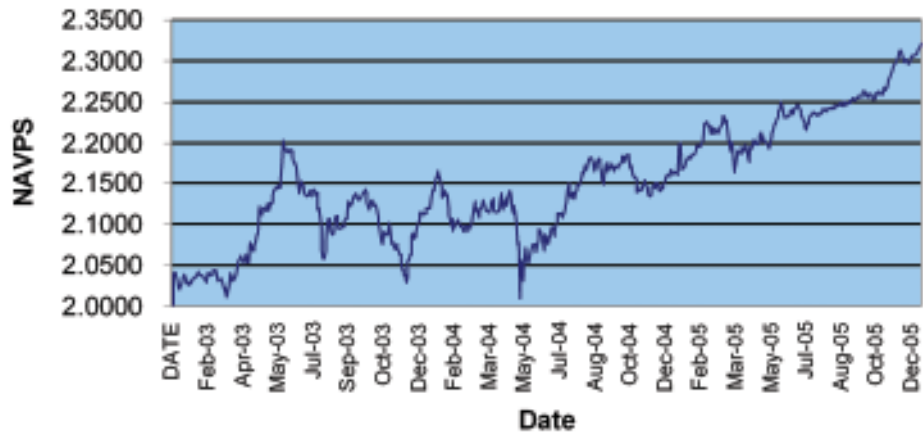
The Company's net assets rose 93.8% from USD4.6 million to USD8.9 million mainly due to fresh investments amounting to USD3.9 million, coupled by net investment income for the year totaling USD406 thousand.

With the growth in net assets, gross investment income in 2005 went up by 44% mainly due to higher volume as well as better gains from trading of ROP bonds. Operating expenses increased by a modest 4% mainly due to the higher administrative costs. Coupled by the inclusion of the unrealized gain from appreciation of ROP Bonds in the income statement as well as lower income tax expenses, net investment income of the Fund grew 764% from USD47 thousand to USD406 thousand.

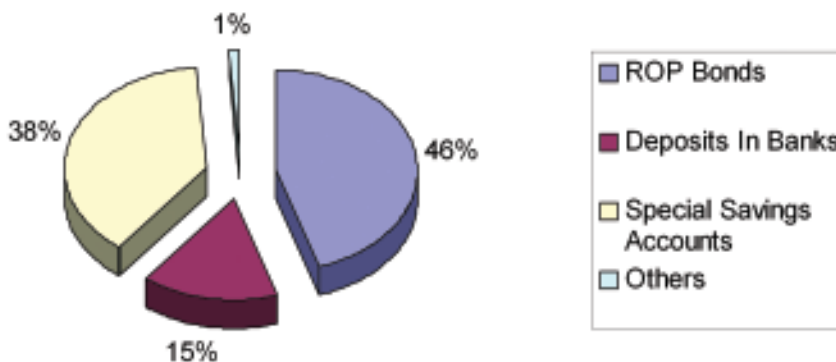
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Daily NAVPS



Asset Allocation





SUN LIFE OF CANADA PROSPERITY MONEY MARKET FUND, INC.

FINANCIAL MARKETS IN REVIEW

The Philippine financial markets displayed remarkable resiliency despite the never-ending political wrangling that pestered the nation for the most part of the year. Positive developments such as the implementation of the Expanded Value Added-Tax (EVAT), high market liquidity and a strengthening peso augured well for investor sentiment.

Despite the delayed implementation of the EVAT, government fiscal deficit for 2005 reached only PHP146.5 billion, lower than the PHP180 billion program for 2005. Still, credit rating agencies are not expected to confer any rating upgrade on the Philippines until fiscal consolidation

is sustained. Overall, the odds of a full-blown debt crisis are now less compared to conditions in 2004. Notably, credit default spreads have fallen to 268 at yearend from 484 in January 2005.

The decline in oil prices towards yearend provided a much-needed respite amid escalating supply-side inflation pressures. Inflation in December pulled back to 6.6% while the average for 2005 was 7.67%. Market liquidity remained high and interest rates slid to near-time lows as government securities remained popular among risk-wary investors. The benchmark 91-day treasury-bill rate slid to 5.15% in November from 7.87% in January 2005.

INVESTMENT APPROACH

Under existing investment guidelines for money market funds, investments are restricted to assets with a term to maturity not exceeding one year, with bulk

of assets made up of treasury bills. Optimum levels of cash are invested in short-term placements to facilitate cost-effective servicing of daily liquidity requirements.

2005 PERFORMANCE REVIEW

Return on Investments (ROI) was 4.9%. Yield performance remains competitive against traditional bank deposit placements with similar features. The SL Prosperity Money Market Fund is the only money market fund available for the investing public to date.

Earnings came from interest income from treasury bills and short-term cash deposits. No short-term private issues were purchased due to liquidity concerns.

LONG TERM PERFORMANCE REVIEW

Improved government finances would invariably result in low interest rates and consequently, lower portfolio yields are expected for the year. Interest income from government securities will remain as the main source of revenues even as loan generation bookings will be given more emphasis. Inflation remains high due to supply side

pressures but teeming liquidity should ease pressure on interest rates. A sovereign credit rating upgrade is possible in late 2006 if fiscal consolidation is sustained.



FINANCIAL STATEMENTS ANALYSIS

Net assets of the Fund registered a 30.8% growth from PHP81.2 million in 2004 to PHP106.2 million in 2005 mainly due to fresh net investments amounting to PHP20 million coupled by net investment income in 2005 in the amount of PHP4.9 million.

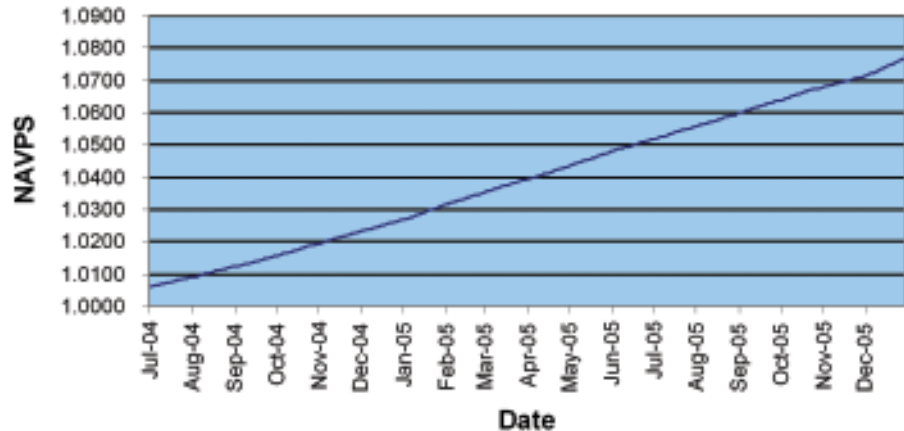
Gross investment income of PHP8 million is 220% higher than the previous year's PHP2.5 million due to higher interest income brought about by investments in higher-yielding securities. Full year total operating expenses for 2005 were 113% higher compared to the previous year. Net investment income thus increased by 286%.

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

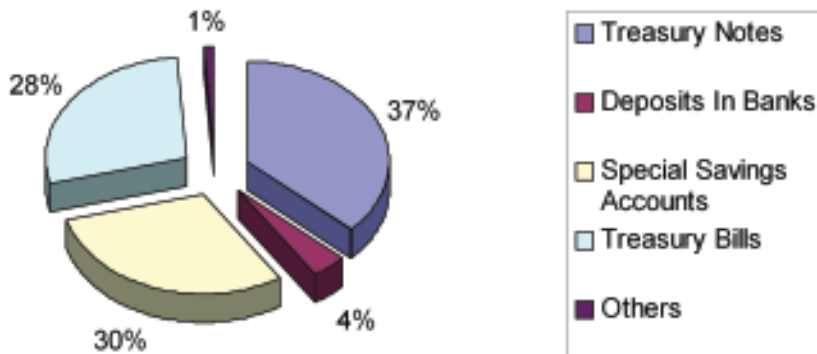
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Daily NAVPS



Asset Allocation





SUN LIFE OF CANADA PROSPERITY DOLLAR ABUNDANCE FUND, INC.

FINANCIAL MARKETS IN REVIEW

The Philippine financial markets displayed remarkable resiliency despite the never-ending political wrangling for the most part of the year. Positive developments such as the implementation of the Expanded Value Added-Tax (EVAT), high market liquidity and a strengthening peso augured well for investor sentiment.

Despite the delayed implementation of the EVAT, government fiscal deficit for 2005 reached only PHP146.5 billion, lower than the PHP180 billion program for 2005. Still, credit rating agencies are not expected to confer any rating upgrade on the Philippines until fiscal consolidation is sustained. Overall, the odds of a full-blown debt crisis are now less compared to conditions in 2004. Notably, credit default spreads have fallen to 268 at yearend from 484 in January 2005.

Robust OFW dollar remittances sustained the strong peso rally in 2005. The peso-US dollar exchange rate closed at PHP53.09 at yearend compared to PHP56.28 at the start of the year.

US Federal Reserve rates continued to rise in 2005 and reached 4.25% at yearend, compared to 2% in 2004. Bullish growth expectations dictated the calibrated increase in benchmark yields. Asian credit spreads narrowed further in 2005 and premiums were paper-thin on most issues.

Philippine dollar bond prices rose higher as investors considered a possible credit rating upgrade in 2006. Spread of the ROP 30 over similar US treasury notes narrowed to 339 bps in December from 353 bps in November despite the 25 bps rise in the US Fed rates.

INVESTMENT APPROACH

Investments are restricted to sovereign and investment-grade corporate fixed income issues. Core holdings are limited to liquid issues. Increased exposure in longer tenors

is in line with generally bullish prospects for both sovereign and private issues.

2005 PERFORMANCE REVIEW

Return on Investments (ROI) was 3.3% for the 9-month period (fund was launched last March 1, 2005) ending December 31, 2005. Amid thinning credit spreads, some

long positions were acquired during price dips, while significant cash were kept on hand for opportunistic trades.

LONG TERM PERFORMANCE REVIEW

Improved government finances should translate into better investing prospects. In fact, the financial markets have already factored in a probable credit rating upgrade

in late 2006 amid expectations of a sustained fiscal consolidation.



FINANCIAL STATEMENTS ANALYSIS

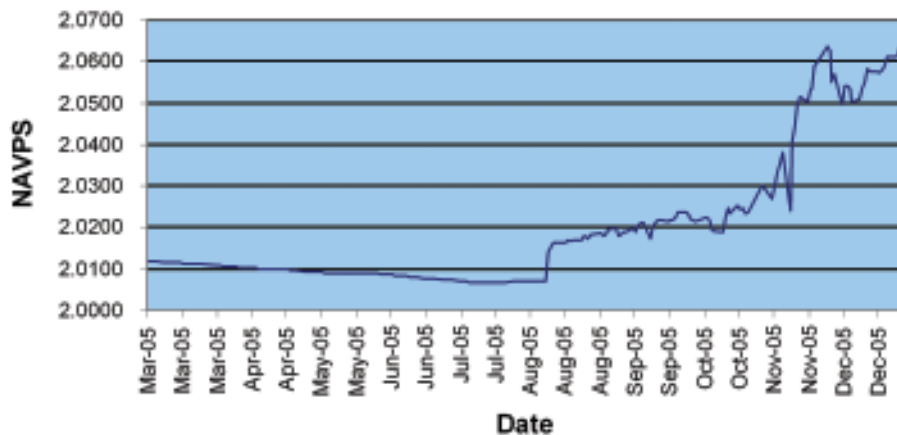
From a USD1 million AUM upon its soft launch on 1 March 2005, net assets of the Company has almost doubled at USD2 million by the end of the year. 63% of the Fund's total assets are invested in ROP Bonds while 36% are invested in short-term placements with banks.

Investment income amounting to USD42 thousand came purely from interest from ROP Bonds and deposits with banks. Operating expenses amounting to USD35 thousand consist mainly of registration costs associated with a new Fund, and audit and management fees. With unrealized gain from the revaluation of ROP bonds amounting to USD42 thousand, net investment of the Company for the year 2005 totaled USD47 thousand.

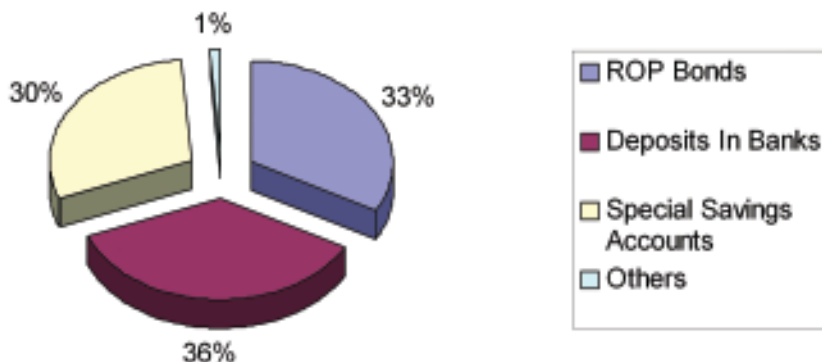
The Company does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated 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.

Daily NAVPS



Asset Allocation





SUN LIFE OF CANADA PROSPERITY GS FUND, INC.

FINANCIAL MARKETS IN REVIEW

The Philippine financial markets displayed remarkable resiliency despite the never-ending political wrangling that pestered the nation for the most part of the year. Positive developments such as the implementation of the Expanded Value Added-Tax (EVAT), high market liquidity and a strengthening peso augured well for investor sentiment.

Despite the delayed implementation of the EVAT, government fiscal deficit for 2005 reached only PHP146.5 billion, lower than the PHP180 billion program for 2005. Still, credit rating agencies are not expected to confer any rating upgrade on the Philippines until fiscal consolidation

is sustained. Overall, the odds of a full-blown debt crisis are now less compared to conditions in 2004. Notably, credit default spreads have fallen to 268 at yearend from 484 in January 2005.

The decline in oil prices towards yearend provided a much-needed respite amid escalating supply-side inflation pressures. Inflation in December pulled back to 6.6% while the average for 2005 was 7.67%. Market liquidity remained high and interest rates slid to near-time lows as government securities remained popular among risk-wary investors. The benchmark 91-day treasury-bill rate slid to 5.15% in November from 7.87% in January 2005.

INVESTMENT APPROACH

Portfolio investments are restricted to peso government securities. Portfolio duration will be gradually increased to reflect long-term investment horizon.

2005 PERFORMANCE REVIEW

The rise in the NAVPS since launching was quite modest, with closing price at PHP1.0128 at yearend. Funds invested in short-term cash deposits caused the drag in earnings while waiting for definite trends on the government fiscal consolidation.

LONG TERM PERFORMANCE REVIEW

Improvements in government finances are seen with the implementation of the Expanded Value-added Tax (EVAT). Inflation remains high due to supply side pressures but teeming liquidity should ease pressure on interest rates. A sovereign credit rating upgrade is possible in late 2006 is possible if fiscal consolidation is sustained.



FINANCIAL STATEMENTS ANALYSIS

From a PHP50 million AUM upon its soft launch on 1 March 2005, net assets of Fund stood at PHP54.2 million by the end of the year. Nearly all of the Fund's total assets are invested in short-term placements with banks. The remaining balance is mainly cash held in banks for liquidity purpose.

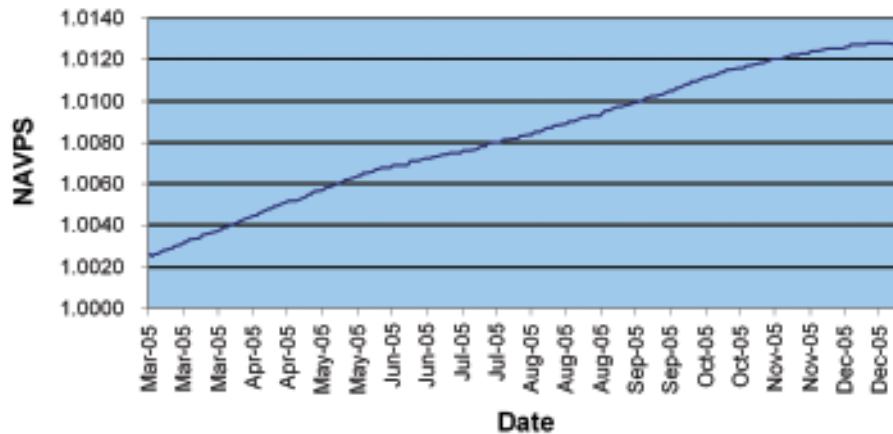
Investment income amounting to PHP2.7 million came purely from interest from deposits with banks. Operating expenses amounting to PHP1.5 million consist mainly of registration costs associated with a new Fund, and audit and management fees.

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

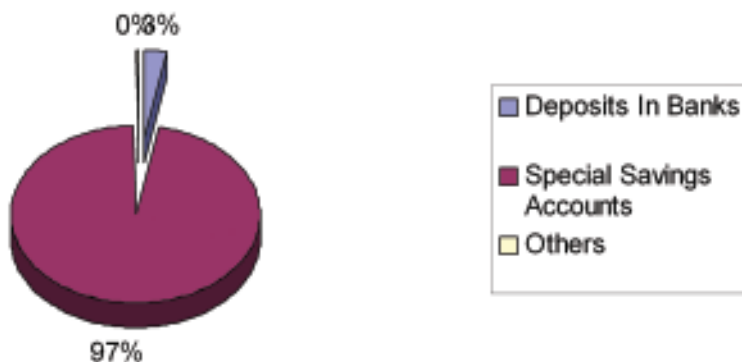
transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected 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.

Daily NAVPS



Asset Allocation



Drive
your investments to
prosperity
...and **accelerate**
at the speed you want!

With the Sun Life Prosperity Funds, the path to prosperity is easy. Choose from any of seven mutual funds* – each cut out to suit the investor's desire for growth as well as his tolerance for risk.

The Sun Life Prosperity Funds is the biggest family of mutual funds in the Philippines. It is backed by the investment management and wealth accumulation expertise that Sun Life Financial is known for all over the world.

**Mutual Funds are investment companies that pool money from numerous investors and issue corresponding shares to them. The pooled funds are invested by professional fund managers according to the investment objectives and policies of the company.*

Are you a match for any of these four Sun Life Prosperity Funds?

PROSPERITY FUND	FUND COMPONENT	RISK TOLERANCE	AFTER-TAX RETURNS*			
			2003	2004	2005	2003 - 2005
BOND	Purely Fixed Income	Low to Moderate	8.4%	7.9%	11.1%	29.9%
BALANCED	Equities & Fixed Income	Moderate	31.5%	19.1%	10.0%	72.2%
PHILIPPINE EQUITY	Mostly Equities	Moderate to High	39.8%	20.2%	11.3%	87.1%
DOLLAR ADVANTAGE	Equities & Fixed Income	Moderate	3.9%	1.9%	7.4%	13.7%

* Rates of return, exclusive of sales loads, of the Sun Life Prosperity Funds during the periods indicated. Please note that these only indicate fund performance over the given periods and do not necessarily indicate future returns.

Based on NAVPS.

Discover the full range of Sun Life Prosperity Funds today. For FREE expert financial advice, call 849-9888. In the provinceS, call PLDT toll free numbers 1-800-10-sunlife.

Managed and distributed by:
Sun Life Asset Management Company, Inc.
15/F Tower II, The Enterprise Center
6766 Ayala Avenue, Makati City, Philippines
E-mail: sunlink@sunlife.com
Visit www.sunlifefunds.com



Investing made easy.

Important information about the Sun Life Prosperity Funds is contained in their prospectuses. Please obtain copies from your Sun Life Mutual Fund Representative and read them carefully before investing. Share value and investment returns will fluctuate. Sun Life Financial in the Philippines is represented by Sun Life of Canada (Philippines), Inc., offering life insurance products; Sun Life Asset Management Company, Inc., manager and distributor of the Sun Life Prosperity Funds; and Sun Life Financial Plans, Inc., offering pension and education plans. Visit www.sunlife.com.ph.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHIL. 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.

The management of Sun Life Prosperity Funds is responsible for all information and representations contained in the financial statements for the years ended December 31, 2005 and December 31, 2004. The financial statements have been prepared in accordance 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 management likewise discloses to the Company's audit committee and to its external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

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

C. L. Manabat & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the companies in accordance with Philippine Financial Reporting Standards and has expressed its opinion on the fairness of presentation upon completion of such examination, in its report to the Boards of Directors and stockholders.



REPORT OF INDEPENDENT AUDITORS

C.L. Manabat & Co.

The Board of Directors and Stockholders

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

SUN LIFE OF CANADA PROSPERITY PHIL. 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.

15th Floor Tower II The Enterprise Center

6766 Ayala Avenue, Makati City

We have audited the accompanying balance sheets of Sun Life Prosperity Funds as of December 31, 2005 and 2004, and the related statements of income, changes in net assets attributable to shareholders and cash flows for the years then ended. These financial statements are the responsibility of the Companies' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the Philippines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sun Life Prosperity Funds as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

C.L. Manabat & Co.
PTR No. 4194679
January 10, 2006
Makati City

Makati City, Philippines

Deloitte.

FINANCIAL STATEMENTS

BALANCE SHEETS

	BOND FUND		BALANCED FUND	
	December 31		December 31	
	2005	2004	2005	2004
	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos
ASSETS				
Current Assets				
Cash	P 33,741,133	P 7,128,907	P 4,641,427	P 8,989,630
Accrued interest receivable (Note 3)	77,251,416	72,187,527	1,789,044	1,646,896
Dividends receivable	-	-	503,498	-
Investments in fixed-income securities (Note 4, 13)	-	4,572,146,850	-	78,144,095
Investments in listed equity securities (Note 4, 13)	-	-	-	91,149,402
Financial assets at fair value through P&L (Note 5, 13)	4,981,951,786	-	573,487,235	-
Total Current Assets	5,092,944,335	4,651,463,284	580,421,204	179,930,023
Non-current Assets				
Corporate loans (Note 13)	524,240,000	-	12,880,000	-
Held-to-maturity Investments (Note 6, 13)	-	-	-	-
Other non-current assets (Note 12)	2,825,658	1,385,250	86,355	43,361
Total Non-Current Assets	527,065,658	1,385,250	12,966,355	43,361
Total Assets	P5,620,009,993	P4,652,848,534	P593,387,559	P179,973,384
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses (Note 7)	P 2,575,089	P 4,847,962	P 2,575,962	P 8,418,565
Income tax payable	478,647	1,385,250	18,893	43,361
Payable to fund manager (Note 8)	7,541,893	3,384,545	1,086,106	227,575
Total Current Liabilities (excluding net assets attributable to shareholders)	10,595,629	9,617,757	3,680,961	8,689,501
Net Assets Attributable to Shareholders (Note 9, 13)	5,609,414,364	4,643,230,777	589,706,598	171,283,883
Total Liabilities	P5,620,009,993	P4,652,848,534	P593,387,559	P179,973,384
Represented by:				
Net assets attributable to shareholders based on the Company's valuation policy			P594,031,633	
Adjustment to bid prices (Note 9)			(4,325,035)	
Net assets value per share based on the Company's valuation policy	P 1.6697	P 1.5035	P 1.4616	P 1.3290

See Notes to Financial Statements.



FINANCIAL STATEMENTS

BALANCE SHEETS

	PHILIPPINE EQUITY FUND	
	December 31	
	2005	2004
	Philippine Pesos	Philippine Pesos
ASSETS		
Current Assets		
Cash	P 2,800,639	P 1,635,284
Accrued interest receivable (Note 3)	597,506	781,349
Dividends receivable	230,492	-
Investments in fixed-income securities (Note 4, 13)	-	65,090,779
Investments in listed equity securities (Note 4, 13)	-	117,367,310
Financial assets at fair value through P&L (Note 5, 13)	269,451,015	-
Total Current Assets	273,079,652	184,874,722
Non-current Assets		
Corporate loans (Note 13)	-	-
Held-to-maturity Investments (Note 6, 13)	-	-
Other non-current assets (Note 12)	-	-
Total Non-Current Assets	-	-
Total Assets	P273,079,652	P184,874,722
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses (Note 7)	P 412,550	P 130,627
Income tax payable	-	-
Payable to fund manager (Note 8)	507,038	167,841
Total Current Liabilities (excluding net assets attributable to shareholders)	919,588	298,468
Net Assets Attributable to Shareholders (Note 9, 13)	272,160,064	184,576,254
Total Liabilities	P273,079,652	P184,874,722
Represented by:		
Net assets attributable to shareholders based on the Company's valuation policy	P274,579,767	
Adjustment to bid prices (Note 9)	(2,419,703)	
	P272,160,064	
Net assets value per share based on the Company's valuation policy	P1.2620	P 1.1334

See Notes to Financial Statements.

FINANCIAL STATEMENTS

BALANCE SHEETS

	DOLLAR ADVANTAGE FUND			
	December 31		December 31	
	2005		2004	
	U.S. Dollars	Philippine Pesos	U.S. Dollars	Philippine Pesos
ASSETS				
Current Assets				
Cash	\$1,379,623	P 73,212,454	\$ 137,025	P 7,688,896
Accrued interest receivable (Note 3)	111,550	5,919,624	95,412	5,353,836
Dividends receivable	-	-	-	-
Investments in fixed-income securities (Note 4, 13)	-	-	4,416,793	247,839,534
Investments in listed equity securities (Note 4, 13)	-	-	-	-
Financial assets at fair value through P&L (Note 5, 13)	7,437,227	394,671,325	-	-
Total Current Assets	8,928,400	473,803,403	4,649,230	260,882,266
Non-current Assets				
Corporate loans (Note 13)	-	-	-	-
Held-to-maturity Investments (Note 6, 13)	-	-	-	-
Other non-current assets (Note 12)	-	-	-	-
Total Non-Current Assets	-	-	-	-
Total Assets	\$8,928,400	P473,803,403	\$4,649,230	P260,882,266
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses (Note 7)	\$ 27,422	P 1,455,203	\$ 27,975	P 1,569,431
Income tax payable	16,708	886,639	41,897	2,350,972
Payable to fund manager (Note 8)	25,176	1,336,015	7,155	401,487
Total Current Liabilities (excluding net assets attributable to shareholders)	69,306	3,677,857	77,027	4,321,890
Net Assets Attributable to Shareholders (Note 9, 13)	8,859,094	470,125,546	4,572,203	256,560,376
Total Liabilities	\$8,928,400	P473,803,403	\$4,649,230	P260,882,266
Represented by:				
Net assets attributable to shareholders based on the Company's valuation policy				
Adjustment to bid prices (Note 9)				
Net assets value per share based on the Company's valuation policy	\$2.3209	P123.1647	\$2.1604	P121.2253

See Notes to Financial Statements.



FINANCIAL STATEMENTS

BALANCE SHEETS

	MONEY MARKET FUND		DOLLAR ABUNDANCE FUND	
	December 31		December 31	
	2005	2004	2005	
	Philippine Pesos	Philippine Pesos	U.S. Dollars	U.S. Dollars
ASSETS				
Current Assets				
Cash	P 3,976,631	P 5,331,737	\$723,627	P 38,400,691
Accrued interest receivable (Note 3)	2,525,121	714,463	21,130	1,121,318
Dividends receivable	-	-	-	-
Investments in fixed-income securities (Note 4, 13)	-	75,579,294	-	-
Investments in listed equity securities (Note 4, 13)	-	-	-	-
Financial assets at fair value through P&L (Note 5, 13)	60,501,845	-	1,277,914	67,815,062
Total Current Assets	67,003,597	81,625,494	\$2,022,671	P107,337,071
Non-current Assets				
Corporate loans (Note 13)	-	-	-	-
Held-to-maturity Investments (Note 6, 13)	39,465,769	-	-	-
Other non-current assets (Note 12)	-	-	-	-
Total Non-Current Assets	39,465,769	-	-	-
Total Assets	P106,469,366	P81,625,494	\$2,022,671	P107,337,071
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses (Note 7)	P 138,289	P 301,112	\$ 1,793	P 95,148
Income tax payable	-	-	-	-
Payable to fund manager (Note 8)	108,079	99,772	6,069	322,071
Total Current Liabilities (excluding net assets attributable to shareholders)	246,368	400,884	7,862	417,219
Net Assets Attributable to Shareholders (Note 9, 13)	106,222,998	81,224,610	2,014,809	106,919,852
Total Liabilities	P106,469,366	P81,625,494	\$2,022,671	P107,337,071
Represented by:				
Net assets attributable to shareholders based on the Company's valuation policy				
Adjustment to bid prices (Note 9)				
Net assets value per share based on the Company's valuation policy	P 1.0771	P 1.0268	\$2.0658	P109.6248

See Notes to Financial Statements.

FINANCIAL STATEMENTS

BALANCE SHEETS

	GS FUND
	December 31
	2005
	Philippine Pesos
ASSETS	
Current Assets	
Cash	P 1,709,634
Accrued interest receivable (Note 3)	83,021
Dividends receivable	-
Investments in fixed-income securities (Note 4, 13)	-
Investments in listed equity securities (Note 4, 13)	-
Financial assets at fair value through P&L (Note 5, 13)	52,620,000
Total Current Assets	P54,412,655
Non-current Assets	
Corporate loans (Note 13)	-
Held-to-maturity Investments (Note 6, 13)	-
Other non-current assets (Note 12)	-
Total Non-Current Assets	-
Total Assets	P54,412,655
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses (Note 7)	P 96,904
Income tax payable	-
Payable to fund manager (Note 8)	123,265
Total Current Liabilities (excluding net assets attributable to shareholders)	220,169
Net Assets Attributable to Shareholders (Note 9, 13)	54,192,486
Total Liabilities	P54,412,655
Represented by:	
Net assets attributable to shareholders based on the Company's valuation policy	
Adjustment to bid prices (Note 9)	
Net assets value per share based on the Company's valuation policy	P1.0128

See Notes to Financial Statements.



FINANCIAL STATEMENTS

STATEMENTS OF OPERATIONS

	BOND FUND		BALANCED FUND	
	For the Years Ended December 31		For the Years Ended December 31	
	2005	2004	2005	2004
	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos
Investment Income				
Interest Income (Note 10)	P510,518,869	P532,170,091	P14,200,584	P7,656,112
Net realized gain (loss) on investments (Note 11)	846,099	3,233,323	11,005,013	2,691,342
Dividends	-	-	9,690,162	2,385,472
	511,364,968	535,403,414	34,895,759	12,732,926
Operating Expenses				
Investment management fees (Note 8)	82,409,493	75,928,495	10,464,202	3,096,779
Taxes and licenses	6,134,108	8,603,244	1,925,019	215,241
Printing and supplies	599,004	10,100	224,331	136,058
Custodian fees	483,370	516,426	215,952	26,767
Directors' fees (Note 8)	120,000	120,000	200,000	180,000
Professional fees	93,684	89,827	93,684	73,146
Other operating expenses	-	4,897	-	4,923
	89,839,659	85,272,989	13,123,188	3,732,914
Profit Before Unrealized Gains on Investments and Tax	421,525,309	450,130,425	21,772,571	9,000,012
Net Unrealized Gain (Loss) on Investments (Note 5)	209,942,371	-	17,401,851	-
Profit Before Tax	631,467,680	450,130,425	39,174,422	9,000,012
Income Tax Expense (Note 12)	98,312,247	100,673,731	2,499,086	1,116,738
Change in Net Assets Attributable to Shareholders	P533,155,433	P349,456,694	P36,675,336	P7,883,274

See Notes to Financial Statements.

FINANCIAL STATEMENTS

STATEMENTS OF OPERATIONS

	PHILIPPINE EQUITY FUND	
	For the Years Ended December 31	
	2005	2004
	Philippine Pesos	Philippine Pesos
Investment Income		
Interest Income (Note 10)	4,833,107	4,577,651
Net realized gain (loss) on investments (Note 11)	P22,556,120	P6,943,913
Dividends	5,248,953	3,497,156
	32,638,180	15,018,720
Operating Expenses		
Investment management fees (Note 8)	5,089,370	3,471,407
Taxes and licenses	517,047	273,255
Printing and supplies	175,804	136,843
Custodian fees	114,955	33,864
Directors' fees (Note 8)	200,000	180,000
Professional fees	93,684	73,327
Other operating expenses	-	5,966
	6,190,860	4,174,662
Profit Before Unrealized Gains on Investments and Tax	26,447,320	10,844,058
Net Unrealized Gain (Loss) on Investments (Note 5)	(5,174,371)	-
Profit Before Tax	21,272,949	10,844,058
Income Tax Expense (Note 12)	957,629	913,539
Change in Net Assets Attributable to Shareholders	P20,315,320	P9,930,519

See Notes to Financial Statements.



FINANCIAL STATEMENTS

STATEMENTS OF OPERATIONS

	DOLLAR ADVANTAGE FUND			
	For the Years Ended December 31		For the Years Ended December 31	
	2005		2004	
	U.S. Dollars	Philippine Pesos	U.S. Dollars	Philippine Pesos
Investment Income				
Interest Income (Note 10)	\$323,688	P17,935,198	\$347,667	P19,475,583
Net realized gain (loss) on investments (Note 11)	23,188	1,284,822	(107,094)	(6,003,018)
Dividends	-	-	-	-
	346,876	19,220,020	240,573	13,472,565
Operating Expenses				
Investment management fees (Note 8)	90,846	5,033,678	83,191	4,661,084
Taxes and licenses	4,028	223,187	10,482	588,995
Printing and supplies	3,925	217,480	441	24,812
Custodian fees	2,410	133,535	2,246	125,885
Directors' fees (Note 8)	3,755	208,060	2,512	140,624
Professional fees	1,620	89,762	2,938	165,119
Other operating expenses	-	-	722	40,622
	106,584	5,905,702	102,532	5,747,141
Profit Before Unrealized Gains on Investments and Tax	240,292	13,314,318	138,041	7,725,424
Net Unrealized Gain (Loss) on Investments (Note 5)	233,468	12,936,207	-	-
Profit Before Tax	473,760	26,250,525	138,041	7,725,424
Income Tax Expense (Note 12)	67,512	3,740,762	91,033	5,099,909
Change in Net Assets Attributable to Shareholders	\$406,248	P22,509,763	\$ 47,008	P 2,625,515

See Notes to Financial Statements.

FINANCIAL STATEMENTS

STATEMENTS OF OPERATIONS

	MONEY MARKET FUND		DOLLAR ABUNDANCE FUND	
	For the Years Ended December 31		For the Years Ended December 31	
	2005	2004	2005	
	Philippine Pesos	Philippine Pesos	U.S. Dollars	Philippine Pesos
Investment Income				
Interest Income (Note 10)	P7,984,297	P2,497,326	\$42,627	P2,348,151
Net realized gain (loss) on investments (Note 11)	-	-	-	-
Dividends	-	-	-	-
	7,984,297	2,497,326	\$42,627	P2,348,151
Operating Expenses				
Investment management fees (Note 8)	954,430	263,121	19,297	1,062,995
Taxes and licenses	23,793	206,912	6,156	339,109
Printing and supplies	217,737	47,550	4,236	233,344
Custodian fees	7,762	4,972	363	19,996
Directors' fees (Note 8)	160,000	80,000	3,329	183,381
Professional fees	93,684	81,400	1,620	89,239
Other operating expenses	-	-	-	-
	1,457,406	683,955	35,001	1,928,064
Profit Before Unrealized Gains on Investments and Tax	6,526,891	1,813,371	7,626	420,087
Net Unrealized Gain (Loss) on Investments (Note 5)	-	-	41,867	2,306,286
Profit Before Tax	6,526,891	1,813,371	49,493	2,726,373
Income Tax Expense (Note 12)	1,674,866	557,810	1,941	106,922
Change in Net Assets Attributable to Shareholders	P4,852,025	P1,255,561	\$47,552	P2,619,451

See Notes to Financial Statements.



FINANCIAL STATEMENTS

STATEMENTS OF OPERATIONS

	GS FUND
	For the Years Ended December 31
	2005
	Philippine Pesos
Investment Income	
Interest Income (Note 10)	P2,761,495
Net realized gain on investments (Note 11)	-
Dividends	-
	P2,761,495
Operating Expenses	
Investment management fees (Note 8)	794,329
Taxes and licenses	320,673
Printing and supplies	215,322
Custodian fees	-
Directors' fees (Note 8)	120,000
Professional fees	86,284
Other operating expenses	-
	1,536,608
Profit Before Unrealized Gains on Investments and Tax	1,224,887
Net Unrealized Gain (Loss) on Investments (Note 5)	-
Profit Before Tax	1,224,887
Income Tax Expense (Note 12)	552,300
Change in Net Assets Attributable to Shareholders	P 672,587

See Notes to Financial Statements.

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO SHAREHOLDERS

	BOND FUND		BALANCED FUND	
	For the Years Ended December 31		For the Years Ended December 31	
	2005	2004	2005	2004
	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos
Balance at January 1	P4,643,230,777	P4,400,268,443	P171,283,883	P122,333,938
Issuance of redeemable shares (Note 9)	2,152,008,563	1,478,413,608	250,701,996	51,603,152
Redemption of redeemable shares (Note 9)	(1,718,980,409)	(1,584,907,968)	(170,780,288)	(26,331,048)
Deposits for future stock subscriptions	-	-	301,825,671	-
Net change in unrealized appreciation of investments	-	-	-	15,794,567
Change in net assets attributable to shareholders	533,155,433	349,456,694	36,675,336	7,883,274
Foreign currency translation adjustment	-	-	-	-
Balance at December 31 (Note 9)	P5,609,414,364	P4,643,230,777	P589,706,598	P171,283,883

	PHILIPPINE EQUITY FUND	
	For the Years Ended December 31	
	2005	2004
	Philippine Pesos	Philippine Pesos
Balance at January 1	P184,576,254	P142,755,662
Issuance of redeemable shares (Note 9)	127,818,129	68,666,941
Redemption of redeemable shares (Note 9)	(85,008,034)	(55,961,832)
Deposits for future stock subscriptions	24,458,395	-
Net change in unrealized appreciation of investments	-	19,184,964
Change in net assets attributable to shareholders	20,315,320	9,930,519
Foreign currency translation adjustment	-	-
Balance at December 31 (Note 9)	P272,160,064	P184,576,254



FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	DOLLAR ADVANTAGE FUND			
	For the Years Ended December 31		For the Years Ended December 31	
	2005		2004	
	U.S. Dollars	Philippine Pesos	U.S. Dollars	Philippine Pesos
Balance at January 1	\$4,572,203	P256,560,376	\$5,491,974	P305,079,421
Issuance of redeemable shares (Note 9)	4,717,717	241,156,406	1,325,283	74,933,403
Redemption of redeemable shares (Note 9)	(837,074)	(45,581,942)	(2,339,240)	(131,304,769)
Deposits for future stock subscriptions	-	-	-	-
Net change in unrealized appreciation of investments	-	-	47,178	2,738,470
Change in net assets attributable to shareholders	406,248	22,509,763	47,008	2,625,515
Foreign currency translation adjustment	-	(4,519,057)	-	2,488,336
Balance at December 31 (Note 9)	\$8,859,094	P470,125,546	\$4,572,203	P256,560,376

	MONEY MARKET FUND		DOLLAR ABUNDANCE FUND	
	For the Years Ended December 31		For the Years Ended December 31	
	2005	2004	2005	2004
	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos
Balance at January 1	P 81,224,610	-	-	-
Issuance of redeemable shares (Note 9)	138,945,491	95,698,543	\$1,988,345	P110,441,785
Redemption of redeemable shares (Note 9)	(118,799,128)	(15,729,494)	(21,088)	(1,170,693)
Deposits for future stock subscriptions	-	-	-	-
Net change in unrealized appreciation of investments	-	-	-	-
Change in net assets attributable to shareholders	4,852,025	1,255,561	47,552	2,619,451
Foreign currency translation adjustment	-	-	-	(4,970,691)
Balance at December 31 (Note 9)	P106,222,998	P81,224,610	\$2,014,809	P106,919,852



FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	GS FUND
	For the Years Ended December 31
	2005
	Philippine Pesos
Balance at January 1	-
Issuance of redeemable shares (Note 9)	P57,863,406
Redemption of redeemable shares (Note 9)	(4,343,507)
Deposits for future stock subscriptions	-
Net change in unrealized appreciation of investments	-
Change in net assets attributable to shareholders	672,587
Foreign currency translation adjustment	-
Balance at December 31 (Note 9)	P54,192,486



FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

	BOND FUND		BALANCED FUND	
	For the Years Ended December 31		For the Years Ended December 31	
	2005	2004	2005	2004
	Philippine Pesos	Philippine Pesos	Philippine Pesos	Philippine Pesos
Cash Flows from Operating Activities				
Profit before tax	P631,467,680	P450,130,425	P 39,174,422	P 9,000,012
Adjustments for:				
Net sale (purchases) of fixed income securities	(723,256,466)	(261,820,932)	(138,769,254)	(7,313,970)
Net sale (purchases) of listed equity securities	-	-	(249,897,620)	(23,530,406)
Net unrealized loss (gain) on investments	(209,942,371)	-	(17,401,851)	-
Net realized loss (gain) on investments	(846,099)	(3,233,323)	(11,005,013)	(2,691,342)
Decrease (Increase):				
Accrued interest receivable	(5,063,889)	6,912,393	(142,148)	39,393
Dividends receivable			(503,498)	-
Increase (Decrease) in:				
Accounts payable and accrued expenses	(2,272,873)	(319,452)	(5,842,603)	8,273,111
Payable to fund manager	4,157,348	(5,084,161)	858,531	(2,383)
Cash generated from (used in) operations	(305,756,670)	186,584,950	(383,529,034)	(16,225,585)
Income taxes paid	(100,659,258)	(100,673,731)	(2,566,548)	(1,116,738)
Net cash from (used in) operating activities	(406,415,928)	85,911,219	(386,095,582)	(17,342,323)
Cash Flows from Financing Activities				
Proceeds from issuance of redeemable shares	2,152,008,563	1,478,413,608	552,527,667	51,603,152
Payments on redemption of redeemable shares	(1,718,980,409)	(1,584,907,968)	(170,780,288)	(26,331,048)
Net cash from (used in) financing activities	433,028,154	(106,494,360)	381,747,379	25,272,104
Effect of Foreign Currency Translation Adjustment	-	-	-	-
Net Increase (Decrease) in Cash	26,612,226	(20,583,141)	(4,348,203)	7,929,781
Cash, Beginning	7,128,907	27,712,048	8,989,630	1,059,849
Cash, End	P 33,741,133	P 7,128,907	P 4,641,427	P 8,989,630

See Notes to Financial Statements.

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

	PHILIPPINE EQUITY FUND	
	For the Years Ended December 31	
	2005	2004
	Philippine Pesos	Philippine Pesos
Cash Flows from Operating Activities		
Profit before tax	P21,272,949	P30,029,022
Adjustments for:		
Net sale (purchases) of fixed income securities	(20,403,139)	(20,295,569)
Net sale (purchases) of listed equity securities	(49,208,037)	7,182,368
Net unrealized loss (gain) on investments	5,174,371	(19,184,964)
Net realized loss (gain) on investments	(22,556,120)	(6,943,913)
Decrease (Increase):		
Accrued interest receivable	(46,650)	500,667
Dividends receivable		
Increase (Decrease) in:		
Accounts payable and accrued expenses	281,923	(2,139,350)
Payable to fund manager	339,197	(83,762)
Cash generated from (used in) operations	(65,145,506)	(10,935,501)
Income taxes paid	(957,629)	(913,539)
Net cash from (used in) operating activities	(66,103,135)	(11,849,040)
Cash Flows from Financing Activities		
Proceeds from issuance of redeemable shares	152,276,524	68,666,941
Payments on redemption of redeemable shares	(85,008,034)	(55,961,832)
Net cash from (used in) financing activities	67,268,490	12,705,109
Effect of Foreign Currency Translation Adjustment	-	-
Net Increase (Decrease) in Cash	1,165,355	856,069
Cash, Beginning	1,635,284	779,215
Cash, End	P 2,800,639	P 1,635,284

See Notes to Financial Statements.



FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

	DOLLAR ADVANTAGE FUND			
	For the Years Ended December 31		For the Years Ended December 31	
	2005		2004	
	U.S. Dollars	Philippine Pesos	U.S. Dollars	Philippine Pesos
Cash Flows from Operating Activities				
Profit before tax	\$473,760	P26,250,525	\$138,041	P7,725,424
Adjustments for:				
Net sale (purchases) of fixed income securities	(2,763,778)	(132,610,762)	742,375	38,816,062
Net sale (purchases) of listed equity securities	-	-	-	-
Net unrealized loss (gain) on investments	(233,468)	(12,936,207)	-	-
Net realized loss (gain) on investments	(23,188)	(1,284,822)	107,094	6,003,018
Decrease (Increase):				
Accrued interest receivable	(16,138)	(565,788)	53,962	2,943,890
Dividends receivable	-	-	-	-
Increase (Decrease) in:				
Accounts payable and accrued expenses	(553)	(114,228)	24,020	1,350,033
Payable to fund manager	18,021	934,528	(230)	(8,755)
Cash generated from (used in) operations	(2,545,344)	(120,326,754)	1,065,262	56,829,672
Income taxes paid	(92,701)	(5,205,095)	(72,373)	(4,042,332)
Net cash from (used in) operating activities	(2,638,045)	(125,531,849)	992,889	52,787,340
Cash Flows from Financing Activities				
Proceeds from issuance of redeemable shares	4,717,717	241,156,406	1,325,283	74,933,403
Payments on redemption of redeemable shares	(837,074)	(45,581,942)	(2,339,240)	(131,304,769)
Net cash from (used in) financing activities	3,880,643	195,574,464	(1,013,957)	(56,371,366)
Effect of Foreign Currency Translation Adjustment	-	(4,519,057)	-	2,488,336
Net Increase (Decrease) in Cash	1,242,598	65,523,558	(21,068)	(1,095,690)
Cash, Beginning	137,025	7,688,896	158,093	8,784,586
Cash, End	\$1,379,623	P73,212,454	\$137,025	P7,688,896

See Notes to Financial Statements.

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

	MONEY MARKET FUND		DOLLAR ABUNDANCE FUND	
	For the Years Ended December 31		For the Years Ended December 31	
	2005	2004	2005	
	Philippine Pesos	Philippine Pesos	U.S. Dollars	Philippine Pesos
Cash Flows from Operating Activities				
Profit before tax	P 6,526,891	P 1,813,371	\$ 49,493	P 2,726,373
Adjustments for:				
Net sale (purchases) of fixed income securities	(24,388,320)	(75,579,294)	(1,236,047)	(65,508,776)
Net sale (purchases) of listed equity securities	-	-	-	-
Net unrealized loss (gain) on investments	-	-	(41,867)	(2,306,286)
Net realized loss (gain) on investments	-	-	-	-
Decrease (Increase):				
Accrued interest receivable	(1,810,658)	(714,463)	(21,130)	(1,121,318)
Dividends receivable	-	-	-	-
Increase (Decrease) in:				
Accounts payable and accrued expenses	(162,823)	301,112	1,793	95,148
Payable to fund manager	8,307	99,772	6,069	322,071
Cash generated from (used in) operations	(19,826,603)	(74,079,502)	(1,241,689)	(65,792,788)
Income taxes paid	(1,674,866)	(557,810)	(1,941)	(106,922)
Net cash from (used in) operating activities	(21,501,469)	(74,637,312)	(1,243,630)	(65,899,710)
Cash Flows from Financing Activities				
Proceeds from issuance of redeemable shares	138,945,491	95,698,543	1,988,345	110,441,785
Payments on redemption of redeemable shares	(118,799,128)	(15,729,494)	(21,088)	(1,170,693)
Net cash from (used in) financing activities	20,146,363	79,969,049	1,967,257	109,271,092
Effect of Foreign Currency Translation Adjustment	-	-	-	(4,970,691)
Net Increase (Decrease) in Cash	(1,355,106)	5,331,737	723,627	38,400,691
Cash, Beginning	5,331,737	-	-	-
Cash, End	P3,976,631	P5,331,737	\$723,627	P38,400,691

See Notes to Financial Statements.



FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

	GS FUND
	For the Years Ended December 31
	2005
	Philippine Pesos
Cash Flows from Operating Activities	
Profit before tax	P 1,224,887
Adjustments for:	
Net sale (purchases) of fixed income securities	(52,620,000)
Net sale (purchases) of listed equity securities	-
Net unrealized loss (gain) on investments	-
Net realized loss (gain) on investments	-
Decrease (Increase):	
Accrued interest receivable	(83,021)
Dividends receivable	
Increase (Decrease) in:	
Accounts payable and accrued expenses	96,904
Payable to fund manager	123,265
Cash generated from (used in) operations	(51,257,965)
Income taxes paid	(552,300)
Net cash from (used in) operating activities	(51,810,265)
Cash Flows from Financing Activities	
Proceeds from issuance of redeemable shares	57,863,406
Payments on redemption of redeemable shares	(4,343,507)
Net cash from (used in) financing activities	53,519,899
Effect of Foreign Currency Translation Adjustment	-
Net Increase (Decrease) in Cash	1,709,634
Cash, Beginning	-
Cash, End	P 1,709,634

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1 FINANCIAL STATEMENTS

The Sun Life Prosperity Funds are registered open-end investment companies under the Investment Company 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 outstanding shares of stock are redeemable anytime based on the net asset value (NAV) per share at the time of redemption. The Companies' registered office address is at the 15th Floor, Tower II, The Enterprise Center, 6766 Ayala Avenue, Makati City.

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 returns consisting of current income and capital growth in US dollars and other major world currencies 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 Company, Inc. (SLAMC), an investment management

company incorporated in the Philippines and a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as 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 daily average 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

Following are the milestone dates for each of the Sun Life Prosperity Funds:

	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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements have been prepared on the historical cost basis as modified by the revaluation of financial assets at fair value through profit or loss, in accordance with Philippine Financial Reporting Standards (PFRSs) for the first time. Net assets attributable to shareholders are stated at redemption amount. Explanation of transition to PFRS is discussed in Note 13.

The financial statements of the Bond Fund, Balanced Fund, Phil. Equity Fund, Money Market Fund, and GS Fund are presented in Philippine peso, the currency of the primary economic environment in which these Companies operate.

The functional currency of the Dollar Advantage Fund and Dollar Abundance Fund is US dollars, the currency of the primary economic environment in which the 2 Companies operate. The 2 Companies have chosen to likewise present their financial statements expressed in Philippine peso, in which case the SEC requires that the financial statements be presented and expressed in both currencies.

ADOPTION OF NEW ACCOUNTING STANDARDS

The Companies in existence prior to 2005 adopted the following PFRS and Philippine Accounting Standards (PASs), which became effective on January 1, 2005:

a. PFRS 1	- First-time Adoption of PFRS
b. PAS 1 (Revised 2003)	- Presentation of Financial Statements
c. PAS 8 (Revised 2003)	- Accounting Policies, Changes in Accounting Estimates and Errors
d. PAS 10 (Revised 2003)	- Events After the Balance Sheet Date
e. PAS 21	- The Effects of Changes in Foreign Exchange Rates
f. PAS 24 (Revised 2003)	- Related Party Disclosures
g. PAS 32	- Financial Instruments: Disclosures and Presentation
h. PAS 39	- Financial Instruments: Recognition and Measurement

These new standards prescribe new accounting measurement and disclosure practices applicable to the Companies. The major effects of these new standards on the Companies' accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

PFRS 1, "First-time Adoption of PFRS," sets out the procedures that an entity must follow when it adopts PFRS for the first time as the basis for preparing its general purpose financial statements. It provides guidance on the accounting policies, reporting periods, recognition, derecognition, reclassification and measurement of assets and liabilities. The Standard sets out optional and mandatory exemptions from the general restatement and measurement principles of assets and liabilities.

The adoption of PFRS 1 resulted principally in changes in accounting policies, recognition, reclassification and measurement of assets and liabilities. As permitted under the standard, the Company elected not to apply PAS 32 and



39 to the comparative information presented. Thus, investments in fixed-income securities in 2004 were not reclassified and restated based on the classifications made as per PAS 39. (Note 13)

PAS 1 (Revised 2003), "Presentation of Financial Statements," provides a framework within which an entity assesses how to present fairly the effects of transactions and other events. It provides the criteria for classifying liabilities as current or non-current, prohibits the presentation of items of income and expense as extraordinary items, specifies disclosures about the judgments made by management in applying accounting policies, the key sources of estimation uncertainty at the balance sheet date that have significant risks.

The adoption of PAS 1 resulted principally in additional disclosures.

PAS 8 (Revised 2003), "Accounting Policies, Changes in Accounting Estimates and Errors," eliminates the concept of fundamental error and the allowed alternative to retrospective application of voluntary changes in accounting policies and retrospective restatement to correct prior period errors. The Standard defines material omissions and misstatements and describes how to apply the concept of materiality when applying accounting policies and correcting errors.

The adoption of PAS 8 resulted principally in additional disclosures.

PAS 10 (Revised 2003), "Events After the Balance Sheet Date," clarifies that dividends declared after balance sheet date are not to be recognized as a liability at the balance sheet date.

The adoption of PAS 10 did not result in any significant changes in the Companies' financial statements.

PAS 21, "The Effects of Changes in Foreign Exchange Rates," which prescribes the accounting treatment for foreign currency transactions and provides guidance on the translation method and on determining the functional and presentation currencies of a reporting entity. The standard removes the limited option in the previous version of SFAS 21/IAS 21 to capitalize exchange differences resulting from a severe devaluation or depreciation of a currency against which there is no means of hedging. Under the standard, such exchange differences are now recognized in profit or loss since capitalization of such exchange differences is no longer permitted in any circumstances.

The adoption of PAS 21 did not result in any significant changes in the Companies' financial statements.

PAS 24 (Revised 2003), "Related Party Disclosures," provides additional guidance and clarity in the scope of the standard, the definitions and the disclosures for related parties. It requires disclosure of the compensation of key management personnel.

The adoption of PAS 24 resulted principally in the disclosure of the remuneration of key management personnel.

PAS 32, "Financial Instruments: Disclosures and Presentation," which prescribes the requirements for the presentation of financial instruments and identifies the information that should be disclosed about them. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. The standard requires disclosure of information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments. This standard also requires disclosure of information about the nature and extent of an entity's use of financial instruments, the business purposes they serve, the risks associated with them, and management policies for controlling those risks.

PAS 39, "Financial Instruments: Recognition and Measurement," which prescribes the principles for recognizing, measuring, and disclosing information about financial assets and financial liabilities. PAS 39 supplements the disclosure provision of PAS 32, "Financial Instruments: Disclosures and Presentation."



The adoption of PAS 32 and 39 resulted in the reclassification of investments in listed equity securities and fixed-income securities other than corporate loans as financial assets at fair value through profit or loss and its measurement at fair value with the fair value changes reflected in the statements of income. Corporate loans are classified as loans and receivables and are measured at amortized cost less impairment losses, if any. Choosing from the options granted by the SEC, the Funds previously on accrual valuation like the Balanced Fund and Phil. Equity Funds started adopting the fair market valuation on October 1, 2005 while the Bond Fund adopted the same on October 17, 2005 (Note 13). It likewise resulted in the reclassification of net assets attributable to shareholders from equity to financial liability. The Companies' financial risk management objectives and policies are likewise disclosed.

Treasury notes held by the Money Market Fund are classified as held-to-maturity investments and are measured at amortized cost.

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 exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

For the Balanced Fund and Phil. Equity Fund, dividend income from investments is recognized when the shareholders' right to receive payment has been established, normally at ex-dividend date.

OPERATING EXPENSES

All expenses are accounted for on an accrual basis.

CASH

Cash includes cash on hand and in banks.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Companies' balance sheets when the Companies become party to the contractual provisions of the instrument. Each Company shall offset financial assets and financial liabilities if the Company has a legally enforceable right to set off the recognized amounts and interests and intends to settle on a net basis.

INVESTMENTS

Investments are recognized and derecognized on trade date when a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value.

All investments except corporate loans are designated at initial recognition as financial assets at fair value through profit or loss. Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item and transaction costs on acquisition or disposal of the security are expensed. The investments are measured at subsequent reporting dates at fair value, which is the bid price.

Corporate loans of the Bond Fund and Balanced Fund are classified as loans and receivables and are carried at amortized cost using effective interest method, less impairment losses, if any.



Treasury notes of the Money Market Fund are classified as held-to-maturity investments and are carried at amortized cost using effective interest method.

FAIR VALUE ESTIMATION

The fair value of financial instruments traded in active market such as treasury notes and listed equity securities is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price. The fair value of special savings accounts approximates its carrying value due to its short-term nature.

TAXATION

The tax expense represents the sum of the final withholding taxes on interest income, tax currently payable and deferred tax, if any. The Companies are obligated to pay income tax at rates of 32% in 2004 and proportionately calculated at 32% from January to October 2005 and 35% from November to December 2005.

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.

NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

Net assets attributable to shareholders represent redeemable shares which can be put back 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.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are stated at their nominal value.

ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with PFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements. The estimates and assumptions used in the financial statements and notes are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

FOREIGN CURRENCIES

Transactions in currencies other than Philippine peso are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities when the changes in fair value are recognized directly in net assets attributable to shareholders.

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.

3 ACCRUED INTEREST RECEIVABLE

	BOND FUND		BALANCED FUND		PHILIPPINE EQUITY FUND	
	2005	2004	2005	2004	2005	2004
Treasury notes	P64,971,787	P59,149,429	P 906,029	P1,047,418	P421,590	P677,877
Corporate loans	8,695,365	9,202,813	476,369	541,965	-	-
Special savings	3,584,264	2,274,817	406,646	57,513	175,916	103,472
Treasury bills	-	1,560,468	-	-	-	-
	P77,251,416	P72,187,527	P1,789,044	P1,646,896	P597,506	P781,349

	DOLLAR ADVANTAGE FUND				MONEY MARKET FUND	
	2005		2004		2005	2004
	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso		
Treasury notes	\$109,475	P5,809,510	\$95,137	P5,338,405	P1,045,607	P 152,822
Corporate loans	-	-	-	-	-	-
Special savings	2,075	110,114	275	15,431	13,906	43,849
Treasury bills	-	-	-	-	1,465,608	517,792
	\$111,550	P5,919,624	\$95,412	P5,353,836	P2,525,121	P714,463

	DOLLAR ABUNDANCE FUND		GS FUND
	2005		2005
	U. S. Dollar	Philippine Peso	Philippine Peso
Treasury notes	\$ 20,464	P1,085,957	-
Corporate loans	-	-	-
Special savings	666	35,361	P 83,021
Treasury bills	-	-	-
	\$21,130	P1,121,318	P 83,021



4 INVESTMENTS IN FIXED-INCOME AND LISTED SECURITIES

	BOND FUND	BALANCED FUND	PHILIPPINE EQUITY FUND
	2004	2004	2004
Fixed-income securities:			
Special savings	P 770,620,000	P 35,880,000	P48,240,000
Treasury notes	2,951,061,644	26,364,095	16,850,779
Corporate loans	547,580,000	15,900,000	-
Treasury bills	302,885,206	-	-
	4,572,146,850	78,144,095	65,090,779
Listed equity securities	-	91,149,402	117,367,310
	P4,572,146,850	P169,293,497	P182,458,089

	DOLLAR ADVANTAGE FUND		MONEY MARKET FUND
	2004		2004
	U. S. Dollar	Philippine Peso	
Fixed-income securities:			
Special savings	\$1,090,900	P61,213,672	P19,950,000
Treasury notes	3,325,893	186,625,862	23,266,943
Corporate loans	-	-	-
Treasury bills	-	-	32,362,351
	4,416,793	247,839,534	75,579,294
Listed equity securities	-	-	-
	\$4,416,793	P247,839,534	P75,579,294

In 2004, investments in special savings were carried at cost, which equal fair value. Investments in commercial papers and government securities were carried at cost, adjusted for the amortization of premiums or accretion of discounts on the acquisition of the securities. Investments in corporate loans were carried at cost while investments in listed equity securities which were classified as available-for-sale securities were stated at market value using the latest closing price at the end of year for securities with trading transactions at the stock exchange. The difference between the aggregate cost of investments in listed equity securities at year-end and the carrying value was presented within the Statements of Changes in Net Assets Attributable to Shareholders under the caption "Net Change in Unrealized Appreciation of Investments".

For the Dollar Advantage Fund, investments in treasury notes were stated at market value, using the average of the values from two major trading desks as separately obtained from Bloomberg at three in the afternoon every trading day. The difference between the aggregate cost of investments and the carrying value at year-end was presented within the Statements of Changes in Net Assets Attributable to Shareholders under the caption "Net Change in Unrealized Appreciation of Investments."

All investments of the Money Market Fund were due within one year.

The following presents the breakdown of investments in fixed-income securities by contractual maturity dates:

	BOND FUND	BALANCED FUND	PHILIPPINE EQUITY FUND
	2004	2004	2004
Due in one year or less	P1,207,637,615	P40,358,915	P48,240,000
Due after one year through five years	604,800,280	17,103,351	16,850,779
Due after five years through ten years	2,759,708,955	17,226,566	-
Due after ten years	-	3,455,263	-
	P4,572,146,850	P78,144,095	P65,090,779

	DOLLAR ADVANTAGE FUND		MONEY MARKET FUND
	2004		2004
	U. S. Dollar	Philippine Peso	
Due in one year or less	\$1,090,900	P61,213,672	P75,579,294
Due after one year through five years	1,055,348	59,218,742	-
Due after five years through ten years	796,756	44,708,398	-
Due after ten years	1,473,789	82,698,722	-
	\$4,416,793	P247,839,534	P75,579,294

For the Balanced and Phil. Equity Funds, investments in listed equity securities consist of:

	BALANCED FUND			PHILIPPINE EQUITY FUND		
	Number of shares held	Cost	Market Value	Number of shares held	Cost	Market Value
Common Stocks:						
PLDT Co.	12,265	P10,066,696	P16,680,400	13,965	P11,003,827	P 18,992,400
Globe Telecom, Inc.	7,340	5,339,078	7,009,700	16,222	9,883,002	15,492,010
Ayala Corporation	1,805,520	10,537,404	11,916,432	2,179,400	12,455,397	14,384,040
Bank of the Phil. Islands	228,240	10,125,503	11,982,600	209,012	8,310,405	10,973,130
SM Prime Holdings, Inc.	1,230,000	7,070,687	9,471,000	1,408,000	7,681,444	10,841,600
Jollibee Foods Corp.	292,750	4,273,850	8,343,375	351,250	4,742,884	10,010,625
First Phil. Holdings Corp.	217,670	5,228,437	6,530,100	288,990	6,173,606	8,669,700
Manila Electric Company "B"	248,820	8,355,060	6,158,295	314,600	11,996,569	7,786,350
Petron Corporation	1,613,000	4,014,661	5,242,250	1,901,000	4,678,958	6,178,250
Ayala Land, Inc.	298,000	1,563,506	2,175,400	551,800	2,794,870	4,028,140
Aboitiz Equity Ventures, Inc.	289,000	565,465	924,800	576,000	1,126,994	1,843,200
Ginebra San Miguel, Inc.	9,400	261,500	286,700	49,800	1,373,551	1,518,900
Metropolitan Bank and Trust Company	31,130	1,390,720	824,945	40,440	1,821,627	1,071,660
Security Bank Corp., Inc.	37,500	772,322	1,087,500	36,900	759,964	1,070,100
Filinvest Land, Inc.	450,000	505,423	504,000	912,500	1,049,048	1,022,000
Ionics Circuits, Inc.	275,000	2,017,714	407,000	478,500	3,853,623	708,180
Benpres Holdings Corp.	240,000	1,438,509	163,200	401,000	2,548,200	272,680
Warrants:						
ABS-CBN, Phils. Depository Receipt	77,930	2,782,855	1,441,705	135,370	5,225,879	2,504,345
	7,363,565	P76,309,390	P91,149,402	9,864,749	P97,479,848	P117,367,310



5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	BOND FUND	BALANCED FUND	PHILIPPINE EQUITY FUND
	2005	2005	2005
Fixed-income securities:			
Special savings	P1,526,940,000	P158,530,000	P 77,140,000
Treasury notes	3,455,011,786	49,210,885	10,922,884
Treasury bills	-	-	-
	4,981,951,786	207,740,885	88,062,884
Listed equity securities	-	365,746,350	181,388,131
	P4,981,951,786	P573,487,235	P269,451,015

	DOLLAR ADVANTAGE FUND		MONEY MARKET FUND
	2005		2005
	U. S. Dollar	Philippine Peso	
Fixed-income securities:			
Special savings	\$3,413,900	P213,505,893	P32,090,000
Treasury notes	4,023,327	181,165,432	-
Treasury bills	-	-	28,411,845
	7,437,227	394,671,325	60,501,845
Listed equity securities	-	-	-
	\$7,437,227	P394,671,325	P60,501,845

	DOLLAR ABUNDANCE FUND		GS FUND
	2005		2005
	U. S. Dollar	Philippine Peso	
Fixed-income securities:			
Special savings	\$ 608,400	P 32,285,963	P 52,620,000
Treasury notes	669,514	35,529,099	-
Treasury bills	-	-	-
	1,277,914	67,815,062	52,620,000
Listed equity securities	-	-	-
	\$1,277,914	P67,815,062	P 52,620,000

The fair values of treasury notes and investments in listed equity securities in 2005 are based on quoted market prices. Investments in special savings and treasury bills are carried at cost, which approximate fair value. As permitted under PFRS 1, the Company elected not to apply PAS 32 and 39 to the comparative information presented. Thus, investments in fixed-income and listed equity securities in 2004 (Note 4) were not reclassified and restated based on the classifications made as per PAS 39.

In 2005, net fair value gains recognized in the statements of income under the "Net Unrealized Gain on Investments" account are as follows:

Bond Fund	P 209,942,371
Balanced Fund	17,401,851
Phil. Equity Fund	(5,174,371)
Dollar Advantage Fund	US\$ 233,468 / P12,936,207
Money Market Fund	-
Dollar Abundance Fund	US\$41,867 / P2,306,286
GS Fund	-

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

	BOND FUND	BALANCED FUND	PHILIPPINE EQUITY FUND
	2005	2005	2005
Due in one year or less	P1,940,120,020	P188,065,520	P77,140,000
Due after one year through five years	2,563,564,242	18,438,703	10,922,884
Due after five years through ten years	478,267,524	-	-
Due after ten years	-	1,236,662	-
	P4,981,951,786	P207,740,885	P88,062,884

	DOLLAR ADVANTAGE FUND		MONEY MARKET FUND
	2005		2005
	U. S. Dollar	Philippine Peso	
Due in one year or less	\$3,413,900	P181,165,432	P60,501,845
Due after one year through five years	1,575,465	83,605,176	-
Due after five years through ten years	1,073,500	56,967,399	-
Due after ten years	1,374,362	72,933,318	-
	\$7,437,227	P394,671,325	P60,501,845

	DOLLAR ABUNDANCE FUND		GS FUND
	2005		2005
	U. S. Dollar	Philippine Peso	
Due in one year or less	\$ 608,400	P32,285,963	P 52,620,000
Due after one year through five years	106,593	5,656,571	-
Due after five years through ten years	212,215	11,261,613	-
Due after ten years	350,706	18,610,915	-
	\$1,277,914	P67,815,062	P 52,620,000



Investments in listed equity securities consist of:

	2005			
	BALANCED FUND		PHILIPPINE EQUITY FUND	
	Number of shares held	Market Value	Number of shares held	Market Value
Common Stocks:				
First Phil. Holdings Corp.	889,020	P 43,117,470	337,940	P 16,390,090
PLDT Co.	19,535	35,749,050	8,265	15,124,950
Ayala Corporation	101,950	31,859,375	46,288	14,465,000
Globe Telecom, Inc.	37,660	27,491,800	21,592	15,762,160
Manila Water Co.	4,214,000	25,705,400	1,705,000	10,400,500
Bank of the Phil. Islands	482,240	25,558,720	226,012	11,978,636
Ayala Land, Inc.	2,238,000	22,156,200	851,800	8,432,820
SM Prime Holdings, Inc.	2,803,500	22,147,650	1,143,500	9,033,650
SM Investments Corp.	84,600	20,134,800	38,000	9,044,000
Banco de Oro Universal Bank	540,900	18,120,150	253,600	8,495,600
Jollibee Foods Corp.	436,950	17,696,475	177,050	7,170,525
Security Bank Corp., Inc.	391,400	12,720,500	200,000	6,500,000
Union Bank of the Phils.	339,500	10,694,250	289,400	9,116,100
Manulife	3,050	9,363,500	2,000	6,140,000
Petron Corporation	2,005,000	8,922,250	1,086,000	4,832,700
Manila Electric Co. "B"	364,620	7,839,330	302,600	6,505,900
International Container Terminal Services	697,000	6,482,100	467,000	4,343,100
Philex Mining Corp. "B"	3,000,000	5,100,000	3,350,000	5,695,000
Filinvest Land, Inc.	3,538,000	4,811,680	1,073,500	1,459,960
Metropolitan Bank and Trust Company	150,000	4,725,000	75,000	2,362,500
Megaworld Properties & holdings	2,400,000	2,880,000	1,200,000	1,440,000
JG Summit Holdings Inc.	125,000	425,000	125,000	425,000
Ionics Circuits, Inc.	275,000	302,500	478,500	526,350
Cebu Holdings, Inc.	-	-	3,613,000	3,829,780
Benpres Holdings Corp.	240,000	254,400	401,000	425,060
Manila Electric Co. "A"	15,000	213,750	15,000	213,750
Warrants:				
ABS-CBN, Phils. Depository Receipt	100,000	1,275,000	100,000	1,275,000
	25,491,925	P365,746,350	17,587,047	P181,388,131

6 HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments of the Money Market Fund pertain to the amortized cost of treasury notes which bear coupon rates of 8.85% and with a remaining term to maturity of nine months as of December 31, 2005.

7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	BOND FUND		BALANCED FUND		PHILIPPINE EQUITY FUND	
	2005	2004	2005	2004	2005	2004
Withholding tax payable	P1,045,137	P 882,218	P 233,385	41,897	P112,711	P 46,480
Documentary stamp tax payable	640,368	207,760	1,042,029	38,268	97,321	-
Subscriptions	450,000	3,374,851	1,170,000	P8,245,000	-	-
Proceeds payable	273,300	166,733	-	-	94,228	-
Professional fees payable	86,284	81,400	86,284	81,400	86,284	66,147
Custodian fees payable	80,000	135,000	40,000	12,000	20,000	18,000
Due to Broker	-	-	4,264	-	2,006	-
	P2,575,089	P4,847,962	P2,575,962	P8,418,565	P412,550	P130,627

	DOLLAR ADVANTAGE FUND				MONEY MARKET FUND	
	2005		2004		2005	2004
	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso		
Withholding tax payable	\$ 1,102	P 58,480	\$ 862	P 48,341	P 10,629	P 7,789
Documentary stamp tax payable	-	-	53	2,664	366	387
Subscriptions	24,000	1,273,608	25,383	1,424,310	-	206,564
Proceeds payable	-	-	-	-	35,010	-
Professional fees payable	1,620	85,968	1,500	84,170	86,284	81,400
Custodian fees payable	700	37,147	177	9,946	6,000	4,972
Due to Broker	-	-	-	-	-	-
	\$27,422	P1,455,203	\$27,975	P1,569,431	P138,289	P301,112

	DOLLAR ABUNDANCE FUND		GS FUND
	2005		2005
	U. S. Dollar	Philippine Peso	
Withholding tax payable	\$ 158	P 8,384	P 10,369
Documentary stamp tax payable	-	-	251
Subscriptions	-	-	-
Proceeds payable	-	-	-
Professional fees payable	1,620	85,968	86,284
Custodian fees payable	15	796	-
Due to Broker	-	-	-
	\$1,793	P95,148	P96,904

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



8 RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

a. Investment management

Management fee expenses charged by SLAMC to the Company in 2005 and 2004 per table below are included in the statements of income under "Investment management fees" account. Accrued management fees as of December 31, 2005 and 2004, per the same table, are shown under the caption "Payable to fund manager" in the balance sheets.

	MANAGEMENT FEE EXPENSES		ACCRUED MANAGEMENT FEE	
	2005	2004	2005	2004
Bond Fund	P82,409,493	P75,928,495	P7,541,893	P3,384,545
Balanced Fund	10,464,202	3,096,779	1,086,106	227,575
Phil. Equity Fund	5,089,370	3,471,407	507,038	167,841
Dollar Advantage Fund	\$ 90,846 / P5,033,678	\$ 83,191 / P4,661,084	\$ 25,176 / P1,336,015	\$7,155 / P401,487
Money Market Fund	954,430	263,121	108,079	99,772
Dollar Abundance Fund	\$19,297 / P1,062,995	n.a.	\$6,069 / P322,071	n.a.
GS Fund	794,239	n.a.	123,265	n.a.

b. Remuneration of key management personnel

The remuneration of the directors who are key management personnel of the Company pertains to short-term employee benefits. Amount for the directors' fees are as follows for the years 2005 and 2004. These are presented in the statements of income under "Directors' fees" account.

	DIRECTORS' FEES	
	2005	2004
Bond Fund	P120,000	P120,000
Balanced Fund	200,000	180,000
Phil. Equity Fund	200,000	180,000
Dollar Advantage Fund	\$3,755 / P208,060	\$2,512 / P140,624
Money Market Fund	160,000	80,000
Dollar Abundance Fund	\$3,329 / P183,381	n.a.
GS Fund	120,000	n.a.

c. Shares of stocks

As of December 31, 2005, SLOCPI held the following number of shares in the Funds:

	Number of shares	% of Net Assets
Bond Fund	49,999,397	1.49%
Balanced Fund	49,999,397	12.30%
Phil. Equity Fund	49,999,397	22.98%
Dollar Advantage Fund	499,397	13.08%
Money Market Fund	49,659,689	50.35%
Dollar Abundance Fund	499,992	51.26%
GS Fund	49,999,992	93.44%

9 NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

In accordance with the Balanced Fund's and Phil. Equity Fund's valuation policies, fixed-income securities with quoted market prices and listed equity securities are valued at bid and last closing prices, respectively, for the purpose of determining the NAVPS for share subscriptions and redemptions. Treasury notes and listed equity securities have been valued based on the closing bid prices as of the close of business on the last trading day of the year (Note 2). The difference between the valuation as prescribed by PFRS and as disclosed in Note 2, and the Companies' valuation policies results in a decrease in the value of financial assets at fair value through profit or loss of the Balanced Fund and Phil. Equity Fund by P4,325,035 and P2,419,703 as of December 31, 2005, respectively.

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 the Company.

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

a. Distribution of dividends

Each shareholder has a right to any dividends declared by the Company's 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 the registrant.

c. Right of redemption

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

Issued and fully paid shares for each company are shown as follows:

	BOND FUND		BALANCED FUND		PHILIPPINE EQUITY FUND	
	2005	2004	2005	2004	2005	2004
Balance at January 1	3,088,197,913	2,799,207,449	128,879,941	109,620,550	162,853,727	151,362,344
Issuance	1,373,525,854	1,391,524,205	196,207,643	41,212,610	107,777,067	65,406,127
Redemptions	(1,102,132,184)	(1,102,533,741)	(125,704,392)	(21,953,219)	(71,871,126)	(53,914,744)
Balance at December 31	3,359,591,583	3,088,197,913	199,383,192	128,879,941	198,759,668	162,853,727

	DOLLAR ADVANTAGE FUND		MONEY MARKET FUND		DOLLAR ABUNDANCE	GS FUND
	2005	2004	2005	2004	2005	2005
Balance at January 1	2,116,393	1,864,178	79,107,667	-	-	-
Issuance	2,077,777	1,347,642	131,791,264	94,560,635	985,665	57,797,738
Redemptions	(377,122)	(1,095,427)	(112,283,670)	(15,452,968)	(10,340)	(4,290,297)
Balance at December 31	3,817,048	2,116,393	98,615,261	79,107,667	975,325	53,507,441



The authorized capital stock 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	200,000,000	200,000,000	P 1.00
Phil. Equity Fund	200,000,000	200,000,000	P 1.00
Dollar Advantage Fund	4,200,000	4,200,000	P 1.00
Money Market Fund	1,000,000	100,000,000	P 0.01
Dollar Abundance Fund	2,000,000	2,000,000	P 1.00
GS Fund	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. In 2005, 207,046,855 and 18,808,396 shares were issued as deposits for future stock subscriptions for the Balanced and Phil. Equity Funds, respectively.

10 INTEREST INCOME

	BOND FUND		BALANCED FUND		PHILIPPINE EQUITY FUND	
	2005	2004	2005	2004	2005	2004
Treasury notes	P366,906,327	P431,575,160	P 4,173,732	P3,902,660	P1,977,401	P2,929,904
Corporate loans	72,020,378	69,262,489	2,149,693	2,168,054	-	-
Special savings	67,024,642	29,547,951	7,841,010	1,572,556	2,830,577	1,639,111
Treasury bills	4,442,907	1,560,468	-	-	-	-
Cash In Banks	124,615	224,023	36,149	12,842	25,129	8,636
	P510,518,869	P532,170,091	P14,200,584	P7,656,112	P4,833,107	P4,577,651

	DOLLAR ADVANTAGE FUND				MONEY MARKET FUND	
	2005		2004		2005	2004
	U. S. Dollar	Philippine Peso	U. S. Dollar	Philippine Peso		
Treasury notes	\$284,826	P15,781,897	\$339,913	P19,041,220	P1,831,467	P 1,153,442
Corporate loans	-	-	-	-	-	-
Special savings	38,035	2,107,478	6,271	351,288	2,029,113	814,898
Treasury bills	-	-	-	-	4,115,429	517,792
Cash In Banks	827	45,823	1,483	83,075	8,288	11,194
	\$323,688	P17,935,198	\$347,667	P19,475,583	P7,984,297	P2,497,326

	DOLLAR ABUNDANCE FUND		GS FUND
	2005		2005
	U. S. Dollar	Philippine Peso	
Treasury notes	\$16,751	P922,745	-
Corporate loans	-	-	-
Special savings	25,706	1,416,041	P2,757,864
Treasury bills	-	-	-
Cash In Banks	170	9,365	3,631
	\$42,627	P2,348,151	P2,761,495

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

11 NET REALIZED GAIN ON INVESTMENTS

	BALANCED FUND		PHILIPPINE EQUITY FUND	
	2005	2004	2005	2004
Net realized gains (losses):				
Fixed-income securities	P11,028,112	P2,799,511	P22,013,845	P6,889,272
Listed equity securities	(23,099)	(108,169)	542,275	54,641
	P11,005,013	P2,691,342	P22,556,120	P6,943,913

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

12 INCOME TAXES

Other than the Dollar Advantage Fund, the income tax expense represents final tax on interest income.

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

	BOND FUND		BALANCED FUND		PHILIPPINE EQUITY FUND	
	2005	2004	2005	2004	2005	2004
Statutory income tax rate	32.50%	32.00%	32.50%	32.00%	32.50%	32.00%
Tax effects of:						
Net Operating Loss Carry-Over (NOLCO)	.92	1.14	9.10	5.56	9.46	12.32
Interest income subjected to final tax	(7.00)	(10.77)	(13.13)	(17.28)	(37.35)	(25.58)
Dividend income	-	-	(8.04)	(8.48)	(8.02)	(10.32)
Non-deductible expenses	-	-	.39	0.61	7.91	-
Unrealized fair value gains	(10.85)	-	(14.44)	-	-	-
Effective income tax rate	15.57%	22.37%	6.38%	12.41%	4.50%	8.42%

	DOLLAR ADVANTAGE FUND		MONEY MARKET FUND		DOLLAR ABUNDANCE FUND	GS FUND
	2005	2004	2005	2004	2005	2005
Statutory income tax rate	32.50%	32.00%	32.50%	32.00%	32.50%	32.50%
Tax effects of:						
Net Operating Loss Carry-Over (NOLCO)	-	-	7.26	12.07	11.55	40.77
Interest income subjected to final tax	(2.23)	(1.80)	(14.10)	(13.31)	(12.64)	(28.18)
Dividend income						
Non-deductible expenses	-	35.82	-	-	-	-
Unrealized fair value gains	(16.02)	-	-	-	(27.49)	-
Effective income tax rate	14.25%	66.02%	25.66%	30.76%	3.92%	45.09%



Details of the Companies' NOLCO are as follows:

BOND FUND

YEAR OF INCURRENCE	YEAR OF EXPIRY	2004 BALANCE	ADDITIONS	EXPIRED	2005 BALANCE
2002	2005	P19,518,624	P -	(P19,518,624)	P -
2003	2006	37,224,687	-	-	37,224,687
2004	2007	16,010,500	-	-	16,010,500
2005	2008	-	17,819,281	-	17,819,281
		P72,753,811	P17,819,281	(P19,518,624)	P71,054,468

BALANCED FUND

YEAR OF INCURRENCE	YEAR OF EXPIRY	2004 BALANCE	ADDITIONS	EXPIRED	2005 BALANCE
2002	2005	P 234,226	P -	(P234,226)	P -
2003	2006	812,023	-	-	812,023
2004	2007	1,564,858	-	-	1,564,858
2005	2008	-	10,973,495	-	10,973,495
		P2,611,107	P10,973,495	(P234,226)	P13,350,376

PHILIPPINE EQUITY FUND

YEAR OF INCURRENCE	YEAR OF EXPIRY	2004 BALANCE	ADDITIONS	EXPIRED	2005 BALANCE
2002	2005	P 3,926,279	P -	(P3,926,279)	P -
2003	2006	4,641,187	-	-	4,641,187
2004	2007	4,174,662	-	-	4,174,662
2005		-	6,190,860	-	6,190,860

MONEY MARKET FUND

YEAR OF INCURRENCE	YEAR OF EXPIRY	2004 BALANCE	ADDITIONS	2005 BALANCE
2004	2007	P683,955	P -	P 683,955
2005	2008	-	1,457,406	1,457,406
		P683,955	P1,457,406	P2,141,361

A substantial portion of the Companies' income is interest income arising from treasury notes and special savings accounts which is already subjected to final withholding tax and therefore excluded in the computation of taxable income. Thus, the Companies usually incur net operating losses but is still liable to pay the Minimum Corporate Income Tax (MCIT) of 2% of gross income.

The carry forward benefit of the Bond Fund's MCIT of P1,440,408 and P1,385,250 in 2005 and 2004, respectively which is recorded under "Other non-current assets" account, is valid until 2008 and 2007, respectively.

On the other hand, the carry forward benefit of the Balanced Fund's MCIT amounting to P42,994 and P43,361 in 2005 and 2004, which is recorded under "Other non-current assets" account, is valid until 2008 and 2007, respectively.

The Dollar Abundance Fund and GS Fund incurred net operating losses amounting to US\$17,596 (P969,292) and P1,536,608, respectively, which are valid until 2008 as deduction from gross income.

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

13 EXPLANATION OF TRANSITION TO PFRS

Other than the Dollar Abundance Fund and the GS Fund which were launched just in 2005, this is the first year that the Companies have presented the financial statements under PFRS. The last financial statements under the previous Philippine GAAP were for the year ended December 31, 2004 and the date of transition to PFRS is therefore January 1, 2004.

To comply with PAS 1, an entity's first PFRS financial statements shall include at least one year of comparative information. The reconciliations of equity at the date of transition and the beginning of the current reporting period as well as of the net profit or loss for the comparative period shall be made to distinguish between errors made under previous GAAP and adjustments arising due to changes in accounting policies. The major differences identified between the accounting policies applied under previous GAAP and PFRS were the classification and measurement of investments in listed equity securities and fixed-income securities other than corporate loans as financial assets at fair value through profit or loss and the reclassification of net assets attributable to shareholders from equity to liability as redeemable shares are considered financial liabilities under PAS 32 which likewise resulted in non-disclosure of earnings per share information. Corporate loans are classified as loans and receivables. The classification and valuation of investments in fixed-income and listed equity securities in 2004 is laid out in Note 4. The Companies have decided, as is allowed under PFRS 1, to present comparative information that does not comply with PAS 32 and 39. For comparative figures of 2004, investments in fixed-income securities and listed equity securities under the scope of PAS 32 and 39 have been accounted for under the previous GAAP. Under PAS 39, designation of any financial assets or financial liability at fair value through profit or loss is made upon initial recognition at the Company's discretion. The Company shall not reclassify a financial instrument into or out of the fair value through profit or loss category while it is held or issued. However, transitional provisions to PAS 39 allowed the Companies a one time opportunity to designate a previously recognized financial asset or liability as a financial asset or financial liability through profit or loss despite the requirement to make such designation upon initial recognition.

However, the Companies actually started valuing its fixed-income securities at fair value on the following dates by virtue of the leeway granted by the SEC in the application of PAS 32 and 39.



Bond Fund	October 17, 2005
Balanced Fund	October 1, 2005
Phil. Equity Fund	October 1, 2005
Dollar Advantage Fund	Since inception
Dollar Abundance Fund	Since inception
GS Fund	Since inception

The SEC, on its letter dated July 22, 2005 and acting on the requests filed by Investment Company Association of the Philippines (ICAP) on behalf of its members, allowed mutual fund companies to increase their authorized capital stock and sell said additional securities up to September 30, 2005 and use accrual valuation up to September 30, 2006. Furthermore, on its letter dated September 30, 2005, the SEC stated that an existing mutual fund company can choose to (1) continue selling the unsold but registered shares and fully comply with PAS 39, (2) stop selling by September 30, 2005 and continue accrual valuation of its investment portfolio or (3) put up a new investment company, sell its registered shares valued at marked-to-market basis. The Companies adopted the first option.

14 FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

Bond Fund

The Company is designed to provide regular 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.

Balanced Fund

The Company 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.

Phil. Equity Fund

The Company 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.

Dollar Advantage Fund

The Company 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.

Money Market Fund

The Company 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.

Dollar Abundance Fund

The Company's objective is to provide long-term interest income and principal preservation 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

GS Fund

The Company's objective is 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 are exposed to interest rate risk, credit risk, liquidity risk, and regulatory risk arising from the financial instruments it holds. The risk management policies employed by the Companies to manage these risks are discussed below.

Interest rate risk

Investments in fixed-income securities include treasury notes, corporate loans and special savings accounts which are subject to fair value interest rate risk due to fluctuations in the levels of market interest rates. Treasury notes and corporate loans are fixed-income instruments with the term to maturity varying from 1 to 20 years while special savings accounts reprice in the short-term, no longer than one month. The table below summarizes average interest rates for the interest-bearing financial instruments:

	BOND FUND		BALANCED FUND		PHILIPPINE EQUITY FUND	
	2005	2004	2005	2004	2005	2004
Treasury notes	16.43%	15.75%	11.90%	14.62%	16.43%	9.50%
Corporate loans	11.93%	14.10%	13.88%	13.88%	-	-
Special savings accounts	6.69%	7.19%	6.69%	7.19%	6.69%	7.19%

	DOLLAR ADVANTAGE FUND		MONEY MARKET FUND		DOLLAR ABUNDANCE FUND	GS FUND
	2005	2004	2005	2004	2005	2005
Treasury notes	8.62%	8.38%	8.85%	9.50%	8.00%	-
Treasury bills	-	-	8.43%	9.81%	-	-
Corporate loans	-	-	-	-	-	-
Special savings accounts	3.91%	1.23%	6.50%	7.19%	3.88%	6.38%

The Companies will manage interest risk by actively monitoring the prevailing interest rate environment. During periods of rising rates and widening of credit spreads, the duration of the portfolio will be reduced. During period of falling rates and narrowing credit spreads, it will be increased.



Credit risk

The Bond Fund, Balanced Fund and Dollar Advantage Fund lend to private corporations to increase the yields either by purchasing bonds or accepting a promissory note. In doing so, they take the risk that the borrower will not be able to repay the loan amortization and/or principal when due. In the event this happens, the Companies are at risk because the loan would not be worth much as an asset and this might result in the drop of NAVPS.

The Companies mitigate the risk by selecting only private corporations and banks with superior capital adequacy and management. Furthermore, a portion of the cash to service liquidity requirements is kept in time deposits at local and/or foreign banks.

Liquidity risk

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

The Companies manage liquidity risk in a variety of ways. At least 10% of total assets are in the form of cash and cash equivalents and second, a significant portion is invested in bonds, which are actively traded ensuring a ready market.

Regulatory risk

The Companies' operations are subject to various regulations affecting accounting of assets and taxation. These regulations change, and as a result, investors may experience lower investment returns or even losses depending on what such a regulatory change entails. Higher taxes would lower investment returns and a mandated precautionary loan loss provision could result in the Companies experiencing a loss in the value of assets.

15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue on the following dates:

Bond Fund	February 17, 2006
Balanced Fund	February 17, 2006
Phil. Equity Fund	February 17, 2006
Dollar Advantage Fund	February 17, 2006
Money Market Fund	March 10, 2006
Dollar Abundance Fund	February 17, 2006
GS Fund	February 17, 2006

CURRICULUM VITAE OF THE DIRECTORS AND EXECUTIVES



ESTHER C. TAN

Chairperson, Sun Life Prosperity Funds

Mrs. Tan, Filipino, is the Chairperson of Sun Life of Canada (Philippines), Inc. and used to be the president as well of Sun Life of Canada (Philippines), Inc. prior to her promotion to her current position in Sun Life Financials Asia as Senior Vice-President, Agency - Asia. She was appointed in May 1995 as Vice-President for Philippine Operations and in 1997 as Vice-President and General Manager (Philippines) of Sun Life Assurance Company of Canada.



CAESAR P. ALTAREJOS, JR.

President, Sun Life Prosperity Funds

Mr. Altarejos, Filipino, Certified Public Accountant, is the Senior Vice-President for Finance of Sun Life of Canada (Philippines), Inc. and has had many years of experience in managerial capacity with both multinational and local companies in all phases of financial management. Mr. Altarejos obtained his B.S.B.A. in Accounting at the University of the East in 1972, graduating Magna Cum Laude, and went on to complete his Master in Business Administration at the De La Salle University.



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 worked his way up to his current position by holding different positions at various times in Sun Life Assurance Company of Canada since 1991. He also worked as Staff Development Assistant, Sales, Marketing and International Business Operations in San Miguel Corporation, Beer Division.



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 Abello Concepcion Regala & Cruz Law Offices (ACCRA Law). She heads the Intellectual Property Department, and is also a member of the Corporate and Special Projects Department. She is a member of the Integrated Bar of the Philippines, the Philippine Bar Association, Director and Vice President (AIPPI) of the Intellectual Property Association of the Philippines, Director and Treasurer of the Intellectual Property Foundation, a member of the Asean Law Association, Member and Vice-Chair for Women Business Lawyers of the Inter-Pacific Bar Association, Trademark Committee Member of the Asian Patent Attorneys Association, and Executive Committee Member of the Association Internationale pour la Protection de Propriete Industrielle.



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, is a Senior Partner at one of the top law firms in the country, the Quasha, Ancheta, Pena, & Nolasco Law Firm. He is a member of the Board of Trustees of St. Luke's Medical Center, Inc.; Chairman, Board of Trustees of Standard Chartered Bank Employees' Retirement Fund; Trustee-Corporate Secretary of the Philippine-Australian Business Council and director or officer of several corporations engaged in various business activities.



RAFAEL M. ALUNAN III

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

Mr. Alunan, Filipino, has had extensive experience in government service as well as in the private sector. He served in the cabinets of Pres. Fidel V. Ramos and Pres. Corazon C. Aquino, as Secretary of Interior and Local Government and Secretary of Tourism, respectively. He has been President of the Manila Hotel, Director of Coca-Cola Amatil (Australia), President of General Reliance Corporation, and consultant on Government Relations for San Miguel Corporation, among others. He is now President of Maynilad Water Services, Inc. and of Kybernan Group, Inc, consultant of Benpres Holdings Corporation, and Director of First Philippine Infrastructure Development Corporation and of Manila North Tollways Corporation.


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, having taught in the University of the Philippines, and written a score of published and unpublished articles on business management. She is a Certified Public Accountant, professor at the College of Business Administration (CBA), University of the Philippines in Diliman. She is the current dean of the CBA, UP. Her involvement in the private sector includes her being consultant for the Philippine National Oil Company, the Home Development Mutual Fund, Metrobank, Bangko Sentral ng Pilipinas, the Department of Budget and Management, the Board of Investments and the Asian Development Bank, among others.


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., his last position being National Sales Director. Mr. Yu is a graduate of the University of San Carlos where he obtained his Bachelor of Science in Business Administration.


JOSE M. FAUSTINO

*Independent Director, Sun Life of Canada Prosperity Phil. Equity Fund, Inc.
Independent Director, Sun Life Prosperity GS Fund, Inc.*

Professor Faustino, Filipino, is the Goodyear Professor of Business Management, and the Program Director of AIM's Marketing Strategy Course. He teaches and provides management consultancy in the fields of marketing management, strategic planning and strategy formulation, and organizational behavior in development. 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.


TONY TAN CAKTIONG

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

Mr. Tan Caktiong, Filipino, is the Chairman, President and CEO of Jollibee Foods Corporation. He holds a degree in BS Chemical Engineering from the University of Sto. Tomas and has attended the Owner/President Management (OPM) Program at Harvard University and the Top Management Program at the Asian Institute of Management (AIM).


OSCAR M. ORBOS

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

Atty. Orbos, Filipino, obtained his Bachelor of Laws and his degree in Economics from the University of the Philippines. He has also earned some units in Masters of Laws also from the same university. He has been elected as Congressman and as Governor of the Province of Pangasinan, and has also served the Philippine Government as the Secretary of the Department of Transportation and Communication, and Executive Secretary. Atty. Orbos, likewise, has been a member of various law firms in his career.


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 Professor of Economics at the Department of Economics of the College of Business and Economics of the De La Salle University and Executive Director of the Angelo King Institute for Economic and Business Studies, De La Salle University. Dr. Intal holds a PhD in Economics from Yale University, two Master of Arts in Economics Degrees from Yale University and the University of the Philippines, and a Bachelor of Science degree in Business Administration from the Mindanao State University. He held progressively responsible positions in government including Deputy Director-General at the National Economic and Development Authority and as President of the Philippine Institute of Developmental Studies.

**OSCAR REYES**

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

Mr. Reyes, Filipino, was the chairman and Chief Executive Officer of the Shell Companies in the Philippines and remains a Director of Pilipinas Shell Petroleum, Shell Philippines Exploration B.V., and various other Philippine corporations. Mr. Reyes held various progressively responsible positions with Shell Philippines and the Philippine Petroleum Corporation.

MA. ISABEL R. GARCIA

Treasurer, Sun Life Prosperity Funds

Ms. Garcia, Filipino, Certified Public Accountant, is the Director for Finance & Operations Director of Sun Life Asset Management Company, Inc. She held the following positions at various times with Sun Life Financial since 1998: Mgr., Finance-Office of the Comptroller, Senior Manager, Finance-Asia Pacific, and lastly, as Comptroller for Sun Life Asset Management Company.

JEMILYN S. CAMANIA

*Corporate Secretary of the Sun Life Prosperity Funds
Corporate Secretary of Sun Life Asset Management, Company, Inc.*

Atty. Camania, is presently Assistant Counsel for Sun Life of Canada (Philippines), Inc. and Assistant Corporate Secretary of Sun Life Financial Plans, Inc. She had obtained her Bachelor of Arts in Psychology from the University of the Philippines, Diliman (1996) and her Bachelor of Laws from the College of Law, University of the Philippines, Diliman (2001). She had worked as an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices before joining Sun Life.



The Sun Life Prosperity Funds are managed and distributed by:
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