

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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|---|---|---|---|---|---|---|---|---|---|---|
| C | S | 2 | 0 | 0 | 4 | 1 | 7 | 4 | 3 | 0 |
|---|---|---|---|---|---|---|---|---|---|---|

Company Name

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|---|---|--|---|---|--|---|---|---|---|--|--|
| S | U | N | | L | I | F | E | | P | R | O | S | P | E | R | I | T | Y | | G | S | | F | U | N | D | | |
| I | N | C | . | | | | | | | | | | | | | | | | | | | | | | | | | |
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Principal Office (No./Street/Barangay/City/Town)Province)

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

Form Type

| | | | |
|---|---|---|---|
| A | A | F | S |
|---|---|---|---|

Department requiring the report

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

Secondary License Type, if Applicable

| |
|-----|
| N/A |
|-----|

COMPANY INFORMATION

Company's Email Address

| |
|----------------------------------------------------------------------------------------------------|
| sunlife_sec_communications@sunlife.com |
|----------------------------------------------------------------------------------------------------|

Company's Telephone Number/s

| |
|-----------|
| 8555-8888 |
|-----------|

Mobile Number

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

No. of Stockholders

| |
|-------|
| 2,755 |
|-------|

Annual Meeting
Month/Day

| |
|-----------------------------|
| Every Fourth Monday of June |
|-----------------------------|

Fiscal Year
Month/Day

| |
|-------|
| 12/31 |
|-------|

CONTACT PERSON INFORMATION

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

Name of Contact Person

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

Email Address

| |
|--------------------------------------------------------------------------------|
| Jeanemar.Talaman@sunlife.com |
|--------------------------------------------------------------------------------|

Telephone Number/s

| |
|-----------|
| 8555-8888 |
|-----------|

Mobile Number

| |
|-----|
| N/A |
|-----|

Contact Person's Address

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

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

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

Mariel Javal

From: Merobhe T Esmele
Sent: Saturday, April 13, 2024 9:01 AM
To: PHIL-FIN_FAR2
Subject: Fwd: Your BIR AFS eSubmission uploads were received

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From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Saturday, April 13, 2024 8:59 AM
To: PHIL-FIN.SLPGS <PHIL-FIN.SLPGS@sunlife.com>
Cc: PHIL-FIN.SLPGS <PHIL-FIN.SLPGS@sunlife.com>
Subject: Your BIR AFS eSubmission uploads were received

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

Hi SUN LIFE PROSPERITY GS FUND, INC.,

Valid files

- EAFS234719406RPTTY122023.pdf
- EAFS234719406ITRTY122023.pdf
- EAFS234719406AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-75AFK6EE0A99H9PQWM1TSZ0BEBCDLHL**

Submission Date/Time: **Apr 13, 2024 08:58 AM**

Company TIN: **234-719-406**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

| | | |
|-------------------------------------|---|-----------------------------------|
| TIN | : | [REDACTED] |
| Name | : | SUN LIFE PROSPERITY GS FUND, INC. |
| RDO | : | 044 |
| Form Type | : | 1702 |
| Reference No. | : | 462400058975207 |
| Amount Payable (Over Remittance) | : | 14.00 |
| Accounting Type | : | C - Calendar |
| For Tax Period | : | 12/31/2023 |
| Date Filed | : | 04/06/2024 |
| Tax Type | : | IT |

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BIR e-Payment

Ms. SHAMIRA ANGELA P JUANO

Your corporation is **SUN LIFE GROUP OF COMPANIES.**

Your last login was on Apr 11, 2024, 06:03:22 PM

BIR e-Payment Details

Account 0000009032117207/GS - BIR-PHP-SA

Payment Date 04/11/2024


 **Successful**

Transaction Status

Workflow Status

Approved

Status

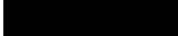
 Last Updated on 04/12/2024 05:00:12

 **Workflow Progress**

Reference Number BR-04092024-195847-965967

Filing Reference Number 462400058975207

Payment Transaction Number 240696758

TIN 

Branch Number 000

RDO Code 044

Transacting Bank Code 26000

Depository Bank Code 26000

| | |
|--------------------|-----------------------------------|
| Taxpayer Name | SUN LIFE PROSPERITY GS FUND, INC. |
| Tax Type | IT |
| Tax Return Period | 12/31/2023 |
| Quarter | 0 |
| Amount Due | PHP 14.00 |
| Actual Amount Paid | PHP 14.00 |

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 Logout



BIR e-Payment

Ms. SHAMIRA ANGELA P JUANO
Your corporation is **SUN LIFE GROUP OF COMPANIES.**
Your last login was on Apr 09, 2024, 07:55:12 PM

 **BIR e-Payment is pending approval.**
Your Transaction Reference Number is **BR-04092024-195847-965967**

| | | | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Account | 0000009032117207/GS - BIR-PHP-SA | | |
| Payment Date | 04/09/2024 | | |
| Status |  Pending Transaction Status | Workflow Status For Authorization |  Last Updated on 04/09/2024 19:58:47 |
| | <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;"> Workflow Progress</div> | | |
| Reference Number | BR-04092024-195847-965967 | | |
| Filing Reference Number | 462400058975207 | | |
| Payment Transaction Number | 240696758 | | |
| TIN | <div style="background-color: black; width: 100px; height: 1.2em;"></div> | | |
| Branch Number | 000 | | |
| RDO Code | 044 | | |
| Transacting Bank Code | 26000 | | |
| Depository Bank Code | 26000 | | |
| Taxpayer Name | SUN LIFE PROSPERITY GS FUND, INC. | | |

| | |
|--------------------|------------|
| Tax Type | IT |
| Tax Return Period | 12/31/2023 |
| Quarter | 0 |
| Amount Due | PHP 14.00 |
| Actual Amount Paid | PHP 14.00 |

Would you like to do another BIR e-Payment transaction?

Yes

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Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

eFPS Payment Details

TIN : [REDACTED]
 Name : SUN LIFE PROSPERITY GS FUND, INC.
 Tax Period : 12/31/2023
 Reference Number : 462400058975207
 Tax Type : IT - Annual Income Tax Return (REGULAR)

| Payment Transaction Number | : 240696758 | | | | | | |
|-----------------------------------|-----------------|--------|----------------------|------------|------------|--------------------------------------------------------------------------------------------------|-------------|
| Date | : 04/09/2024 | | | | | | |
| Cash Amount Paid | : 14.00 | | | | | | |
| Bank | : 026000 - RCBC | | | | | | |
| Origin | Bank Code | Amount | Number | Date | Status | Message | CBR BCS No. |
| Pending Online Confirmation | 026000 | 14.00 | - | | Unknown | 60 - Details of Payment were redirected to the corresponding Bank. Please verify with your Bank. | 56527 |
| Batch Confirmation | 026000 | 14.00 | 04092024195847965967 | 04/11/2024 | Authorized | 0 - Successful | 56527 |
| Batch Acknowledgment | 026000 | 14.00 | 04092024195847965967 | 04/11/2024 | Authorized | 0 - Successful | 56527 |

Total Payments (Successful/Unsuccessful): 14.00
Total Payments (Successful) : 14.00



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

The Management of Sun Life Prosperity GS Fund, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021, in accordance with the Philippine Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


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

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

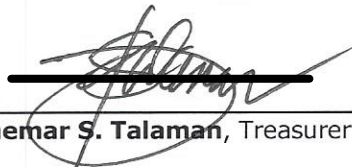
Navarro Amper & Co., the independent auditor appointed by the stockholders for the periods December 31, 2023 and 2022, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders has expressed its opinion on the fairness of presentation upon completion of such audit.



Benedicto C. Sison, Chairman of the Board



Valerie N. Pama, President



Jeanemar S. Talaman, Treasurer

Signed this 25th day of March 2024.



APR 01 2024

CITY OF MAKATI

Subscribed and sworn to me before this ___ day of _____ 2024 at _____, affiants exhibiting to me competent evidence of identity, as follows:

| Name | Government Issued ID | Date/Place Issued |
|---------------------|----------------------|----------------------------|
| Benedicto C. Sison | Passp [REDACTED] | 24 Nov 2021/DFA Manila |
| Valerie N. Pama | Passp [REDACTED] | 8 July 2021/DFA Manila |
| Jeanemar S. Talaman | Drive [REDACTED] 44 | 05 June 2033/ DLRC - Ayala |

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

Doc. No. 198
Page No. 1
Book No. XIII
Series of 2024.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
ISP No. 05729- Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sun Life Prosperity GS Fund, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2023, 2022 and 2021, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023, 2022 and 2021, in accordance with Philippine Financial Reporting Standards ("PFRS").

Basis for Opinion

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

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

About Deloitte Philippines

In the Philippines, services are provided by Navarro Amper & Co., a duly registered professional partnership.



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



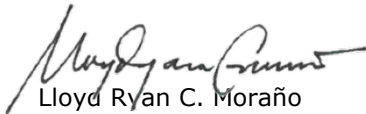
Report on Other Legal and Regulatory Requirements

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 20 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.
BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024
TIN 005299331

By:



Lloyd Ryan C. Moraño
Partner

CPA License No. 0108235
TIN 226565008

BIR A.N. 08-002552-090-2023, issued on March 10, 2023; effective until March 9, 2026
PTR No. A-6110718, issued on January 18, 2024, Taguig City

Taguig City, Philippines
April 8, 2024



SUN LIFE PROSPERITY GS FUND, INC.

(An Open-End Investment Company)

STATEMENTS OF FINANCIAL POSITION

| | | December 31 | |
|-------------------------------------------------------|--------------|----------------------|---------------|
| | Notes | 2023 | 2022 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6 | P 1,101,544 | P 6,659,303 |
| Financial assets at fair value through profit or loss | 7 | 123,414,922 | 130,699,563 |
| Accrued interest receivable | 6, 7 | 1,377,923 | 801,045 |
| Prepayments and other current assets | | - | - |
| | | P125,894,389 | P138,159,911 |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities | | | |
| Accrued expenses and other payables | 8 | P 343,796 | P 206,748 |
| Payable to fund manager | 9 | 135,002 | 141,222 |
| Income tax payable | 16 | 14 | 18 |
| Total Current Liabilities | | 478,812 | 347,988 |
| Equity | | | |
| Share capital | 10 | 4,031,453 | 4,031,453 |
| Additional paid-in capital | 11 | 518,021,886 | 516,411,336 |
| Retained earnings | | 152,054,719 | 146,512,090 |
| | | 674,108,058 | 666,954,879 |
| Treasury shares | 10 | (548,692,481) | (529,142,956) |
| Total Equity | | 125,415,577 | 137,811,923 |
| | | P125,894,389 | P138,159,911 |
| Net Asset Value Per Share | 12 | P 1.7694 | P 1.6957 |

See Notes to Financial Statements.

SUN LIFE PROSPERITY GS FUND, INC.

(An Open-end Investment Company)

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31

| | Notes | 2023 | 2022 | 2021 |
|------------------------------------------------------------------|-------|--------------------|------------------|------------------|
| Investment Income - net | | | | |
| Net realized losses on investments | 7 | (P 1,272,999) | (P 1,170,368) | (P 2,365,803) |
| Interest income | 13 | 6,631,600 | 4,171,247 | 4,822,940 |
| Other income | | 1,119 | 2,378 | 1,463 |
| | | 5,359,720 | 3,003,257 | 2,458,600 |
| Operating Expenses | | | | |
| Management and transfer fees | 9 | 964,435 | 1,040,128 | 1,621,020 |
| Distribution fees | 9 | 741,873 | 797,139 | 1,242,689 |
| Directors' fees | 9 | 254,740 | 254,856 | 375,490 |
| Professional fees | | 183,247 | 160,758 | 172,419 |
| Taxes and licenses | | 83,709 | 83,255 | 84,488 |
| Custodianship fees | | 28,045 | 24,144 | 31,765 |
| Printing and supplies | | 548 | 870 | 1,274 |
| Miscellaneous | | 20,674 | 23,448 | 31,086 |
| | | 2,277,271 | 2,384,598 | 3,560,231 |
| Profit (Loss) Before Net Unrealized Losses on Investments | | 3,082,449 | 618,659 | (1,101,631) |
| Net Unrealized Gains (Losses) on Investments | 7 | 3,786,514 | (2,538,251) | (2,155,196) |
| Profit (Loss) Before Tax | | 6,868,963 | (1,919,592) | (3,256,827) |
| Income Tax Expense | 16 | 1,326,334 | 834,268 | 931,626 |
| Total Comprehensive Income (Loss) for the Year | | P 5,542,629 | (P 2,753,860) | (P 4,188,453) |
| Basic Earnings (Loss) per Share | 14 | P 0.072 | (P 0.032) | (P 0.031) |
| Diluted Earnings (Loss) per share | 14 | P 0.072 | (P 0.032) | (P 0.031) |

See Notes to Financial Statements.

SUN LIFE PROSPERITY GS FUND, INC.

(An Open-end Investment Company)

STATEMENTS OF CHANGES IN EQUITY**For the Years Ended December 31**

| | Notes | Share Capital | Additional Paid-in Capital | Retained Earnings | Treasury Shares | Total |
|------------------------------------------------|---------------|--------------------------|-------------------------------------------|------------------------------|----------------------------|---------------------|
| Balance, January 1, 2021 | 10, 11 | P4,031,453 | P509,647,036 | P153,454,403 | (P373,173,669) | P293,959,223 |
| Total comprehensive loss for the year | | - | - | (4,188,453) | - | 9,086,622 |
| Transactions with owners: | 10 | | | | | |
| Reissuance of treasury shares during the year | | - | 1,719,401 | - | 17,397,623 | 19,117,024 |
| Acquisition of treasury shares during the year | | - | - | - | (147,121,001) | (147,121,001) |
| Total transactions with owners | | - | 1,719,401 | - | (129,723,378) | (128,003,977) |
| Balance, December 31, 2021 | 10, 11 | 4,031,453 | 511,366,437 | 149,265,950 | (502,897,047) | 161,766,793 |
| Total comprehensive loss for the year | | - | - | (2,753,860) | - | (2,753,860) |
| Transactions with owners: | 10 | | | | | |
| Reissuance of treasury shares during the year | | - | 5,044,899 | - | 3,262,179 | 8,307,078 |
| Acquisition of treasury shares during the year | | - | - | - | (29,508,088) | (29,508,088) |
| Total transactions with owners | | - | 5,044,899 | - | (26,245,909) | (21,201,010) |
| Balance, December 31, 2022 | 10, 11 | 4,031,453 | 516,411,336 | 146,512,090 | (529,142,956) | 137,811,923 |
| Total comprehensive loss for the year | | - | - | 5,542,629 | - | 5,542,629 |
| Transactions with owners: | 10 | | | | | |
| Reissuance of treasury shares during the year | | - | 1,610,550 | - | 11,629,301 | 13,239,851 |
| Acquisition of treasury shares during the year | | - | - | - | (31,178,826) | (31,178,826) |
| Total transactions with owners | | - | 1,610,550 | - | (19,549,525) | (17,938,975) |
| Balance, December 31, 2023 | 10, 11 | P4,031,453 | P518,021,886 | P152,054,719 | (P548,692,481) | P125,415,577 |

See Notes to Financial Statements.

SUN LIFE PROSPERITY GS FUND, INC.
(An Open-end Investment Company)

STATEMENTS OF CASH FLOWS

| | | For the Years Ended December 31 | | |
|-------------------------------------------------------------------------------------------------|--------------|----------------------------------------|---------------|---------------|
| | Notes | 2023 | 2022 | 2021 |
| Cash Flows from Operating Activities | | | | |
| Profit (Loss) before tax | | P 6,868,963 | (P 1,919,592) | (P 3,256,827) |
| Adjustments for: | | | | |
| Interest income | 13 | (6,631,600) | (4,171,247) | (4,822,940) |
| Net unrealized losses on investments | 7 | (3,786,514) | 2,538,251 | 2,155,196 |
| Net realized (gains) losses on investments | 7 | 1,272,999 | 1,170,368 | 2,365,803 |
| Operating cash flows before working capital changes | | (2,276,152) | (2,382,220) | (3,558,768) |
| Decrease (Increase) in Prepayments and other current assets | | | 9,218 | (9,218) |
| Increase (Decrease) in: | | | | |
| Accrued expenses and other payables | 8 | 137,048 | 56,287 | (308,785) |
| Payable to fund manager | 9 | (6,220) | (29,359) | (122,383) |
| Cash used in operations | | (2,145,324) | (2,346,074) | (3,999,154) |
| Acquisition of financial assets at fair value through profit or loss | 7 | (156,900,707) | (333,510,437) | (530,665,651) |
| Proceeds from disposals and maturities of financial assets at fair value through profit or loss | 7 | 166,698,863 | 352,307,824 | 656,903,144 |
| Interest received | | 6,054,722 | 3,693,417 | 5,674,891 |
| Income taxes paid | | (1,326,338) | (834,565) | (932,005) |
| Net cash generated from (used in) operating activities | | 12,381,216 | 19,310,165 | 126,981,225 |
| Cash Flows from Financing Activities | | | | |
| Proceeds from reissuance of treasury shares | 10 | 13,239,851 | 8,307,078 | 19,117,024 |
| Payments on acquisition of treasury shares | 10 | (31,178,826) | (29,508,088) | (147,121,001) |
| Net cash generated from (used in) financing activities | | (17,938,975) | (21,201,010) | (128,003,977) |
| Net Decrease in Cash and cash equivalents | | (5,557,759) | (1,890,845) | (1,022,752) |
| Cash and cash equivalents, Beginning | | 6,659,303 | 8,550,148 | 9,572,900 |
| Cash and cash equivalents, End | 6 | P 1,101,544 | P 6,659,303 | P 8,550,148 |

See Notes to Financial Statements.

SUN LIFE PROSPERITY GS FUND, INC.

(An Open-end Investment Company)

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023 AND 2022 AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021

1. CORPORATE INFORMATION

Sun Life Prosperity GS Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 3, 2004 and started commercial operations on March 1, 2005. The Company is a registered open-end investment company under the Investment Company Act (Republic Act "R.A." No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). It is engaged in the sale of redeemable shares and is designed to generate total returns consisting of current income and capital preservation through investments in fixed-income instruments denominated in Philippine peso issued by the Republic of the Philippines. As an open-end investment company, its shares are redeemable anytime based on the Net Asset Value Per Share (NAVPS) at the time of redemption.

The Company appointed Sun Life Asset Management Company, Inc. (SLAMCI), an investment management company incorporated in the Philippines and a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as its fund manager, adviser, administrator, distributor and transfer agent and provides management, distribution and all required operational services, as disclosed in Note 9.

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

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which include all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy (BOA), and adopted by the SEC.

Basis of Preparation and Presentation

The financial statements of the Company have been prepared on the historical cost basis, except for certain financial assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional Currency

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

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective as at Reporting Period Ended December 31, 2023

The Company adopted all accounting standards and interpretations as at December 31, 2023. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FSRSC in the Philippines, were assessed to be applicable to the Company's financial statements, are as follows:

Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements, Disclosure Initiative – Accounting Policies

The Company has adopted the amendments to PAS 1 for the first time in the current year. The amendments change the requirements in PAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in PAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The FSRSC has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in PFRS Practice Statement 2.

The Company has adopted the amendments by disclosing 'material accounting policy information' instead of 'significant accounting policy', and removing the accounting policies not considered as material.

Amendments to PAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The Company has adopted the amendments to PAS 12 for the first time in the current year. The FSRSC amends the scope of PAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in PAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The amendments did not have a material impact to the financial statements of the Company as the Pillar Two legislation has not been enacted or substantially enacted in the jurisdiction where the Company operates.

New Accounting Standards Effective after the Reporting Period Ended December 31, 2023

At the date of authorization of these financial statements, the company has not applied the following PFRS pronouncements that have been issued but are not yet effective:

Effective for annual periods beginning on or after January 1, 2024

- Amendments to PAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current
- Amendments to PAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants
- Amendments to PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements
- Amendments to PFRS 16 Leases—Lease Liability in a Sale and Leaseback

Effective for annual periods beginning on or after January 1, 2025

- Amendments to PAS 21 The Effects of Changes in Foreign Exchange Rates—Lack of Exchangeability
- PFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to PFRS 17)

Effective date is deferred indefinitely

- Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Management anticipates that the adoption of the new or revised PFRSs in future periods will not have a material impact on the financial statements in the period of their initial adoption.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Financial assets

Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Classification and Subsequent Measurement

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

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

As at December 31, 2023 and 2022, the Company does not have financial assets classified as FVTOCI.

Classification of financial assets will be driven by the entity's business model for managing the financial assets and the contractual cash flows of the financial assets.

A financial asset is to be measured at amortized cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument represent solely payment of principal and interest (SPPI).

All other debt and equity instruments must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of comprehensive income, except for equity investments that are not held for trading, which may be recorded in the statement of comprehensive income or in reserves (without subsequent recycling to profit or loss).

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the group classifies its debt instruments:

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

Amortized cost and effective interest method

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

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

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial instruments other than POCI financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Equity instruments

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

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

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss, but is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Financial liabilities

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

Financial liabilities measured subsequently at amortized cost

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

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

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Share capital

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

Retained earnings

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

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

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

Prepayments

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

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

Revenue Recognition

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

Interest income

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

Realized gains or losses

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

Fair value gains or losses

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

Other income

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

Expense Recognition

Expenses are recognized in profit or loss when incurred.

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

Fair Value

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis.

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

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

Related Party Transactions

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

Taxation

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

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax expense is calculated using 25% regular corporate income tax (RCIT) rate or 1% minimum corporate income tax (MCIT) rate in July 1, 2020 to June 30, 2023 and 25% RCIT rate or 2% MCIT rate, whichever is higher, effective July 1, 2023, respectively.

Final tax

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

Deferred tax

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

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

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

Current and deferred taxes for the year

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

Earnings (Loss) per Share

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

For the purpose of calculating diluted earnings (loss) per share, profit or loss for the year attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of deposits for future share subscriptions which are dilutive potential ordinary shares.

Net Asset Value per Share (NAVPS)

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical Judgments in Applying Accounting Policies

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

Business model assessment

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company measures its financial assets at amortized cost if the financial asset qualifies for both SPPI and business model test. The Company's business model is to hold the asset and to collect its cash flows which are SPPI. All other financial assets that do not meet the SPPI and business model test are measured at FVTPL.

As at December 31, 2023 and 2022, the Company's financial assets measured at FVTPL amounted to P123,414,922 and P130,699,563, respectively, as disclosed in Note 7, and financial assets at measured amortized cost amounted to P2,479,467 and P7,460,348, respectively, composed of cash and cash equivalents and accrued interest receivable as disclosed in Notes 6 and 7, respectively.

Puttable shares designated as equity instruments

The Company's share capital met the specified criteria to be presented as equity. The Company designated its redeemable share capital as equity instruments since the Company's share capital met the criteria specified in PAS 32, Financial Instruments: Presentation, to be presented as equity.

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

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

assets of the entity over the life of the instrument (excluding any effects of the instrument).

As at December 31, 2023 and 2022, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to P4,031,453 as disclosed in Note 10.

Key Sources of Estimation Uncertainty

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

Deferred tax asset

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

Based on Management's expectation of the Company's future taxable income, the Company did not recognize deferred tax asset as at December 31, 2023 and 2022, as disclosed in Note 16.

6. CASH AND CASH EQUIVALENTS

This account consists of:

| | 2023 | 2022 |
|------------------|--------------------|-------------|
| Cash in banks | P 1,101,544 | P 5,151,684 |
| Cash equivalents | - | 1,507,619 |
| | P 1,101,544 | P 6,659,303 |

Cash in banks earned interest amounting to P3,412, P22,279 and 34,578 at average rates of 0.11%, 0.07% and 0.38% in 2023, 2022 and 2021, respectively, as disclosed in Note 13.

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

Cash equivalents earned interest amounting to P539,449, 178,483 and nil at average rates of 35.78%, 5.50% and nil in 2023, 2022 and 2021, respectively, as disclosed in Note 13. Accrued interest receivable amounted to nil and P553 as at December 31, 2023 and 2022, respectively.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of:

| | 2023 | 2022 |
|--------------------------------------------------|---------------------|--------------|
| Investments in fixed-income securities | P123,414,922 | P128,356,349 |
| Investments in Unit Investment Trust Fund (UITF) | - | 2,343,214 |
| | P123,414,922 | P130,699,563 |

Investments in fixed income securities are composed of treasury notes. Meanwhile, investments in UITF are placed in universal banks and are redeemable anytime.

Interest income earned from fixed income securities amounted to P6,088,739, P3,970,485 and P4,788,362 during 2023, 2022 and 2021, respectively, as disclosed in

Note 13. The average interest rates earned on these investments are also disclosed in Note 13.

Accrued interest receivable amounted to P1,377,923 and P800,492 as at December 31, 2023 and 2022, respectively.

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

| | 2023 | 2022 | 2021 |
|-----------------------------------------------|---------------------|--------------|--------------|
| Net realized gains (losses) on investments: | | | |
| Fixed-income securities | (P1,346,328) | (P1,331,831) | (P2,570,263) |
| UITF | 73,329 | 161,463 | 204,460 |
| | (1,272,999) | (1,170,368) | (2,365,803) |
| Net unrealized gains (losses) on investments: | | | |
| Fixed-income securities | 3,786,514 | (2,559,077) | (2,179,608) |
| UITF | - | 20,826 | 24,412 |
| | 3,786,514 | (2,538,251) | (2,155,196) |
| | P2,513,515 | (P3,708,619) | (P4,520,999) |

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

| | 2023 | 2022 | 2021 |
|----------------------|----------------------|---------------|---------------|
| Balance, January 1 | P130,699,563 | P153,205,569 | P283,964,061 |
| Additions | 156,900,707 | 333,510,437 | 530,665,651 |
| Disposal | (167,971,862) | (353,478,192) | (659,268,947) |
| Unrealized losses | 3,786,514 | (2,538,251) | (2,155,196) |
| Balance, December 31 | P123,414,922 | P130,699,563 | P153,205,569 |

The following presents the breakdown of the maturity profile of special savings deposits and fixed-income securities:

| | 2023 | 2022 |
|----------------------------------------|---------------------|--------------|
| Due after one year through five years | P89,965,000 | P107,834,000 |
| Due after five years through ten years | 21,335,000 | 17,000,000 |
| Due after ten years | 11,199,000 | 6,900,000 |
| | P122,499,000 | P131,734,000 |

8. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

| | 2023 | 2022 |
|-----------------------------------------|-----------------|----------|
| Professional fees | P183,247 | P166,588 |
| Due to investors | 140,055 | 18,736 |
| Withholding and documentary stamp taxes | 18,046 | 19,383 |
| Custodianship fees | 2,448 | 2,041 |
| | P343,796 | P206,748 |

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

In line with the announcement of the Securities Clearing Corporation of the Philippines (SCCP) that stock market transaction settlement will change from three (3) clearing days settlement cycle to two (2) clearing days, the Company, effective September 11, 2023, changed the redemption and switch out settlement schedules from three (3) days to two (2) days after the transaction date.

9. RELATED PARTY TRANSACTIONS

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

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

| Nature of Transaction | Transactions During the Year | | | Outstanding Payables | | Terms | Condition | Notes |
|--------------------------------------------|------------------------------|------------|------------|----------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------|
| | 2023 | 2022 | 2021 | 2023 | 2022 | | | |
| SLAMCI - Fund Manager | | | | | | | | |
| Management, Distribution and Transfer fees | 1,706,308 | P1,837,267 | P2,863,709 | 135,002 | P141,222 | Non-interest bearing; Annual rate of 1.65% of average daily net assets; settled in cash on or before the 15 th day of the following month | Unsecured; Unguaranteed | a |
| Key Management Personnel | | | | | | | | |
| Directors' fees | 254,740 | 254,856 | 375,490 | - | - | Payable on Demand; settled in cash | Unsecured; Unguaranteed | b |

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

a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 1.00% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day. Moreover, under the Transfer Agency Agreement, SLAMCI receives aggregate fees for these services at an annual rate of 0.15% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day.

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

Management, distribution and transfer fees charged by SLAMCI to the Company in 2023, 2022 and 2021 amounted to P1,706,308, P1,837,267 and P2,863,709, respectively. Accrued management fees as at December 31, 2023 and 2022 amounting to P135,002 and P141,222, respectively, shown as "Payable to Fund Manager" in the statements of financial position, is usually paid to SLAMCI on or before the 15th day of the following month. The amounts are unsecured, non-interest bearing and will be settled in cash.

b. Remuneration of Directors

Remuneration of directors is presented in the statements of comprehensive income under "Directors' Fees" amounting to P254,740, P254,856 and P375,490 in 2023, 2022 and 2021, respectively, which are usually paid to directors based on the meetings held and attended. There were no accrued Directors' fees as at December 31, 2023 and 2022.

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

10. EQUITY

Movements are as follows:

| | 2023 | | 2022 | | 2021 | |
|--------------------------------|----------------------|---------------------|---------------|--------------|---------------|--------------|
| | Shares | Amount | Shares | Amount | Shares | Amount |
| Authorized: P0.01 par value | | | | | | |
| At December 31 | 1,000,000,000 | P 10,000,000 | 1,000,000,000 | P 10,000,000 | 1,000,000,000 | P 10,000,000 |
| Fully paid: | | | | | | |
| At December 31 | 403,145,317 | P 4,031,453 | 403,145,317 | P 4,031,453 | 403,145,317 | P 4,031,453 |
| Treasury shares: | | | | | | |
| At January 1 | 321,871,922 | 529,142,956 | 309,464,409 | P502,897,047 | 235,650,996 | P373,173,669 |
| Acquired during the year | 18,018,998 | 31,178,826 | 17,281,992 | 29,508,088 | 84,799,535 | 147,121,001 |
| Reissuance | (7,625,267) | (11,629,301) | (4,874,479) | (3,262,179) | (10,986,122) | (17,397,623) |
| At December 31 | P332,265,653 | P548,692,481 | 321,871,922 | P529,142,956 | 309,464,409 | P502,897,047 |

Fully paid ordinary shares with a par value of P0.01 carry one vote per share and a right to dividends.

Incorporation

The Company was incorporated on November 3, 2004 with 200,000,000 authorized shares at a par value of P0.01 per share.

Approved changes

On June 27, 2011, the shareholders approved the blanket increase of the Company's authorized share capital by 800,000,000 shares (from 200,000,000 shares to 1,000,000,000 shares both with par value of P0.01).

On May 24, 2010, the Board of Directors approved the increase of share capital by 800,000,000 shares (from 200,000,000 shares to 1,000,000,000 shares both with par value of P0.01). The SEC approved the increase on December 18, 2013 and the registration statements on February 28, 2014.

Current state

As at December 31, 2023, the Company has 70,879,664 issued and outstanding shares out of 1,000,000,000 authorized shares with a par value of P0.01 per share.

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

| Year | NAVPS, end | Issuances | Redemptions | Transfers | Balances |
|------|------------|-------------|---------------|-------------|-------------|
| 2011 | P1.4002 | 495,113,783 | (495,268,641) | - | 199,843,589 |
| 2012 | P1.4848 | 47,816,072 | (47,766,793) | - | 199,892,877 |
| 2013 | P1.5185 | 104,383,813 | (108,662,283) | 203,145,317 | 398,759,724 |
| 2014 | P1.5330 | 53,485,560 | (118,334,360) | - | 333,910,924 |
| 2015 | P1.5240 | 14,155,896 | (145,777,657) | - | 202,289,163 |
| 2016 | P1.5066 | 14,005,647 | (32,163,367) | - | 184,131,443 |
| 2017 | P1.5497 | 26,688,428 | (41,747,444) | - | 169,072,427 |
| 2018 | P1.5399 | 24,239,053 | (51,864,334) | - | 141,447,146 |
| 2019 | P1.7011 | 61,481,929 | (69,520,167) | - | 133,408,908 |
| 2020 | P1.7550 | 58,164,833 | (24,079,420) | - | 167,494,321 |
| 2021 | P1.7268 | 10,986,122 | (84,799,535) | - | 93,680,908 |
| 2022 | P1.6957 | 4,874,479 | (17,281,992) | - | 81,273,395 |
| 2023 | P1.7694 | 7,625,267 | (18,018,998) | - | 70,879,664 |

The total number of shareholders as at December 31, 2023, 2022 and 2021 are 2,755, 2,635 and 2,508, respectively.

Redeemable shares

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

a. Distribution of dividends

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

b. Denial of pre-emptive rights

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

c. Right of redemption

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

11. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital of P518,021,886, P516,411,336 and P511,366,437 as at December 31, 2023, 2022 and 2021, respectively, pertains to excess payments over par value from investors, including those from reissuance of treasury shares.

12. NET ASSET VALUE PER SHARE (NAVPS)

NAVPS is computed as follows:

| | Note | 2023 | 2022 |
|--------------------|-------------|---------------------|--------------|
| Total equity | | P125,415,577 | P137,811,623 |
| Outstanding shares | 10 | 70,879,664 | 81,273,395 |
| NAVPS | | P1.7694 | P 1.6957 |

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

13. INTEREST INCOME

This account consists of interest income on the following:

| | Notes | 2023 | 2022 | 2021 |
|-------------------------|--------------|-------------------|-------------|-------------|
| Fixed-income securities | 7 | P6,088,739 | P3,970,485 | P4,788,362 |
| Cash equivalents | 6 | 539,449 | 178,483 | - |
| Cash in banks | 6 | 3,412 | 22,279 | 34,578 |
| | | 6,631,600 | P4,171,247 | P4,822,940 |

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

Average interest rates of investments and cash and cash equivalents in 2023, 2022 and 2021 are as follows:

| | Note | 2023 | 2022 | 2021 |
|-------------------------|-------------|---------------|-------|-------|
| Fixed-income securities | 7 | 6.11% | 5.34% | 2.36% |
| Cash equivalents | 6 | 35.78% | 5.50% | - |
| Cash in banks | 6 | 0.11% | 6.75% | 0.38% |

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

| | Notes | 2023 | 2022 | 2021 |
|---------------------------|--------------|-------------------|------------|------------|
| Financial assets at FVTPL | 7 | P6,088,739 | P3,970,485 | P4,788,362 |
| Cash and cash equivalents | 6 | 542,861 | 200,762 | 34,578 |
| | | P6,631,600 | P4,171,247 | P4,822,940 |

14. EARNINGS (LOSS) PER SHARE

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

| | 2023 | 2022 | 2021 |
|-------------------------------------------------------------------------------------|-------------------|--------------|---------------|
| Total comprehensive income (loss) for the year | P5,542,629 | (P2,753,860) | (P 4,188,453) |
| Weighted outstanding shares for the purpose of computing diluted earnings per share | 77,306,381 | 85,669,279 | 132,978,594 |
| Basic earnings (loss) per share | P 0.072 | (P 0.032) | (P 0.031) |
| Diluted earnings (loss) per share | P 0.072 | (P 0.032) | (P 0.031) |

As at December 31, 2023, 2022 and 2021, the Company has no potential dilutive ordinary shares.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value classified under level 1 based on the degree to which the inputs to fair value are observable.

| | Note | Level 1 |
|--------------------------|-------------|---------------------|
| December 31, 2023 | | |
| Fixed-income securities | 7 | P123,414,922 |
| | | P123,414,922 |
| December 31, 2022 | | |
| Fixed-income securities | 7 | P 128,356,349 |
| Investments in UITF | 7 | 2,343,214 |
| | | P130,699,563 |

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

Investments in mutual fund and in UITFs are valued at their published Net Asset Value Per Unit (NAVPU) as at reporting date.

Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period are presented separately in the statements of comprehensive income and disclosed in Note 7.

Financial assets and liabilities not measured at fair value

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

16. INCOME TAXES

Details of income tax expense are as follows:

| | 2023 | 2022 | 2021 |
|-------------------------------|-------------------|----------|----------|
| Final tax | P1,326,320 | P834,250 | P932,005 |
| MCIT | 14 | 18 | 1,140 |
| Effects of change in tax rate | - | - | (1,519) |
| | P1,326,334 | P834,268 | P931,626 |

The reconciliation between tax expense and the product of accounting profit (loss) multiplied by 25% in 2023, 2022 and 2021 is as follows:

| | 2023 | 2022 | 2021 |
|---------------------------------------------------------------------|-------------------|--------------|--------------|
| Accounting profit (loss) before tax | P6,868,963 | (P1,919,592) | (P3,256,827) |
| Tax expense (benefit) at 25% in 2023, 2022 and 2021 | P1,717,241 | (P479,898) | (P 814,207) |
| Adjustment for income subject to lower tax rate | (331,580) | (208,562) | (233,001) |
| Tax effects of: | | | |
| Net realized (gains) losses on investment | 318,250 | 292,592 | 591,451 |
| Net unrealized (gains) losses on investments | (946,629) | 634,563 | 538,799 |
| Unrecognized Net operating loss carry-over (NOLCO) | 569,038 | 595,555 | 848,963 |
| Unrecognized MCIT | 14 | 18 | 1,140 |
| Changes in current tax expense due to the change in income tax rate | - | - | (1,519) |
| | P1,326,334 | P834,268 | P931,626 |

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

Among others, the Act includes the following significant revisions:

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

The tax rate used in the reconciliations above is the corporate tax rate of 25% in 2023, 2022 and 2021 payable by the Company.

Details of the Company's NOLCO from 2019, 2022 and 2023 are as follows:

| Year Incurred | Year of Expiry | Beginning Balance | Addition | Expired | 2023 Balance |
|---------------|----------------|-------------------|------------|---------|-------------------|
| 2022 | 2025 | P2,382,220 | - | - | P2,382,220 |
| 2023 | 2026 | - | 2,276,152 | - | 2,276,152 |
| | | P2,382,220 | P2,276,152 | - | P4,658,372 |

Details of the Company's NOLCO from 2020 and 2021 covered by Revenue Regulations (RR) No. 25-2021 are as follows:

| Year Incurred | Year of Expiry | Beginning Balance | Addition | Expired | 2023 Balance |
|---------------|----------------|-------------------|----------|---------|--------------------|
| 2020 | 2025 | P 3,837,294 | P - | P - | P 3,837,294 |
| 2021 | 2026 | 3,395,853 | - | - | 3,395,853 |
| | | P 7,233,147 | P - | P - | P 7,233,147 |

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

Details of MCIT are as follows:

| Year Incurred | Year of Expiry | Amount | Effects of change in tax rate | Applied Current Year | Expired | Unapplied |
|---------------|----------------|---------|-------------------------------|----------------------|----------|---------------|
| 2019 | 2022 | P 1,698 | P - | P- | (P1,698) | P - |
| 2020 | 2023 | 6,076 | (1,519) | - | (4,557) | - |
| 2021 | 2024 | 1,140 | - | - | - | 1,140 |
| 2022 | 2025 | 1,824 | - | - | - | 1,824 |
| 2023 | 2026 | 956 | - | - | - | 956 |
| | | P11,694 | (P1,519) | P- | (6,255) | P3,920 |

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

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

Realized gains on redemption of investments in UITFs and sale of treasury notes are exempted from tax and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

17. CONTINGENCIES

The Company has no pending legal cases as at December 31, 2023 and 2022 that may have a material effect on the Company's financial position and results of operations.

18. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, which includes interest rate and equity price risk, credit risk and liquidity risk. The Company's Manager exerts best efforts to anticipate events that would negatively affect the value of the Company's assets and takes appropriate actions to counter these risks. However, there is no guarantee that the strategies will work as intended. The policies for managing specific risks are summarized below.

Market risk

The Company's activities expose it primarily to the financial risks of changes in interest rates and movements in NAVPU of investments in UITF. There has been no change on the manner in which the Company manages and measures the risk.

Interest rate risk

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

The primary source of the Company's interest rate risk relates to cash and cash equivalents and fixed-income securities. Interest rates of the financial assets are disclosed in Notes 6, 7 and 13.

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

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

The following table details the increase or decrease in net profit after tax if interest rates had been 50 basis points higher or lower and all other variables are held constant for the years ended 2023, 2022, and 2021:

| Change in Interest Rates | Increase (Decrease) in Net Profit/Loss or Equity | | |
|-------------------------------------|-------------------------------------------------------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| +50 basis | (P1,875,288) | (P1,534,862) | (P1,580,582) |
| -50 basis | 1,925,895 | 1,565,637 | 1,608,556 |

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

Equity price risk

The Company is exposed to equity price risks arising from investments in UITF.

The risk is managed by the Company Manager by actively monitoring the movements in NAVPU of investments in UITF.

Based on the exposure to equity price risks at the end of each reporting period, if NAVPU of investments in UITF had been 2% higher or lower, profit or loss for the years ended December 31, 2023, 2022 and 2021 would have increased or decreased by nil, P46,261 and P333,646, respectively.

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

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

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults and transacts only with entities that are rated with equivalent of investment grade of "High" down to "Satisfactory". This information is supplied by independent rating agencies, when available. If the information is not available, the

Company uses other publicly available financial information and its own trading records to rate its major counterparties. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

| Summary rating | Internal credit rating | S&P rating |
|----------------|------------------------|------------|
| High | AAA | AAA |
| High | AAA | AA |
| High | AAA | A |
| High | AAA | BBB |
| Satisfactory | AA | BB |
| Acceptable | B | B |
| Low | CCC/C | CCC/C |

The carrying amount of cash in banks, cash equivalents and due from related party recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company determined that the credit quality of cash in bank and due from related party as high grade and low credit risk investments. Therefore, no ECL is recognized for these financial assets.

Liquidity risk

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

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

The Company maintains at least ten percent of the fund in liquid/semi-liquid assets in the form of cash and cash equivalents, special savings or time deposits and investments in UITF to assure necessary liquidity. This is also in compliance to Section 6.10 of the Implementing Rules and Regulations of the Investment Company Act series of 2018.

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

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

| | Less than One Month | One Month to One Year | Total |
|-------------------------------------|------------------------|--------------------------|-----------------|
| 2023 | | | |
| Accrued expenses and other payables | P142,503 | P183,247 | P325,750 |
| Payable to fund manager | 135,002 | - | 135,002 |
| | P277,505 | P183,247 | P460,752 |
| 2022 | | | |
| Accrued expenses and other payables | P 20,777 | P166,588 | P187,365 |
| Payable to fund manager | 141,222 | - | 141,222 |
| | P161,999 | P166,588 | P328,587 |

The difference between the carrying amount of accrued expenses and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to withholding and documentary stamp taxes that are not considered financial liabilities.

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

| | Average Effective Interest Rate | Less than One Year | One to Five Years | Five to Ten Years | More than Ten Years | Total |
|-----------------------------|---------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| 2023 | | | | | | |
| Cash in banks | 0.11% | P1,101,544 | P - | P - | P - | P 1,101,545 |
| Cash equivalents | 35.78% | - | - | - | - | - |
| Financial assets at FVTPL | 5.34% | 68,592 | 90,150,590 | 21,399,211 | 11,232,267 | 122,850,660 |
| Accrued interest receivable | 6.11% | 1,377,923 | - | - | - | 1,377,923 |
| | | P2,548,059 | P90,150,590 | P 21,299,211 | P 11,232,267 | P125,330,128 |
| 2022 | | | | | | |
| Cash in banks | 6.75% | P5,151,684 | P - | P - | P - | P 5,151,684 |
| Cash equivalents | 5.50% | 1,507,619 | - | - | - | 1,507,619 |
| Financial assets at FVTPL | 5.34% | 5,709,848 | 122,875,218 | 20,536,164 | 8,083,823 | 157,205,053 |
| Accrued interest receivable | | 801,045 | - | - | - | 801,045 |
| | | P13,170,196 | P122,875,218 | P 20,536,164 | P 8,083,823 | P164,665,401 |

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

19. CAPITAL RISK MANAGEMENT

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

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

The capital structure of the Company consists of issued capital as disclosed in Note 10.

The Company Manager manages the Company's capital and NAVPS, as disclosed in Notes 10, 11 and 12 to ensure that the Company's net asset value remains competitive and appealing to prospective investors.

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

- It does not issue senior securities;
- It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings;
- It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;
- It does not invest more than twenty percent (20%) of its net assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any;
- It does not purchase or sell commodity futures contracts;
- It does not engage in lending operations to related parties such as the members of the Board of Directors, officers of the Company and any affiliates, or affiliated corporations of the Company;
- The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions;
- Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
- It may use various techniques to hedge investment risks; and

- i. It does not change its investment objectives without the prior approval of a majority of its shareholders and prior notice to the SEC.

The Investment Policies refer to the following:

- a. Investment Objective - to provide regular returns through investments in credit risk-free government debt securities issued by the Philippine government.
- b. Benchmark - 98% of the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years, net of tax (adjusted by Sun Life) and 2% Philippine Peso Time Deposit Rate 1 to 3 Months, net of tax.
- c. Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Company Manager with management and distribution fees each set at an annual rate of 1.0% of the net assets attributable to shareholders on each valuation day.

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

As at December 31, 2023 and 2022, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

The equity ratio at year-end is as follows:

| | 2023 | 2022 |
|--------------|---------------------|--------------|
| Equity | P125,415,577 | P137,811,923 |
| Total assets | 125,894,389 | 138,159,911 |
| Equity ratio | 0.9962:1 | 0.9975:1 |

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

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

The following information on taxes, duties and license fees paid or accrued during the 2023 taxable year is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Documentary stamp tax

Documentary stamp taxes paid by the Company during 2023 amounted to P2,075 representing taxes paid in connection with the issuance of share certificates by the Company to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholders' investment for stock certificate issuances in excess of ten (10) inter-fund transfers per calendar year.

Other taxes and licenses

Details of other taxes and licenses and permit fees paid or accrued in 2023 are as follows:

| Charged to Operating Expenses | |
|--------------------------------------|-----------------|
| Business tax | P 39,925 |
| Filing and registration fees | 33,075 |
| Residence or community tax | 8,634 |
| | P 81,634 |

Withholding taxes

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

| | Paid | Accrued | Total |
|----------------------------|-----------------|----------------|-----------------|
| Expanded withholding taxes | P150,602 | P17,848 | P168,450 |

Deficiency tax assessments

The Company has no tax assessments and tax cases in 2023.

21. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were reviewed and endorsed by the Audit and Compliance Committee for the approval of the Board of Directors on March 25, 2024.

The Board of Directors approved the issuance of the financial statements also on March 25, 2024.

* * *

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE

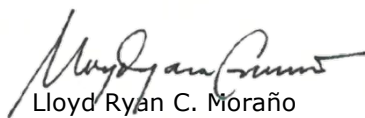
To the Board of Directors and Shareholders
SUN LIFE PROSPERITY GS FUND, INC.
(An Open-end Investment Company)
Sun Life Centre, 5th Avenue corner Rizal Drive
Bonifacio Global City, Taguig City

We have audited the financial statements of Sun Life Prosperity GS Fund, Inc. (the "Company") as at December 31, 2023 and 2022 and for the years ended December 31, 2022, 2021 and 2020, in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 8, 2024.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on the attached schedule showing the reconciliation of the retained earnings available for dividend declaration as at December 31, 2023 and other supplementary information shown in schedules A-H, as required by the Securities and Exchange Commission under the Securities Regulation Code Rule 68, as Revised, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.
BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024
TIN 005299331

By:



Lloyd Ryan C. Moraño
Partner
CPA License No. 0108235
TIN 226565008
BIR A.N. 08-002552-090-2023, issued on March 10, 2023; effective until March 9, 2026
PTR No. A-6110718, issued on January 18, 2024, Taguig City

Taguig City, Philippines
April 8, 2024

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SUN LIFE PROSPERITY GS FUND, INC.
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As at December 31, 2023

2023

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------|
| Unappropriated Retained Earnings, beginning of reporting period (see Footnote 2) | - | (379,239,860) |
| Add: Category A: Items that are directly credited to Unappropriated Retained Earnings | | |
| Reversal of Retained Earnings Appropriations | - | - |
| Effect of restatements or prior-period adjustments | - | - |
| Others (describe nature) | - | - |
| | - | - |
| Less: Category B: Items that are directly deducted to Unappropriated Retained Earnings | | |
| Dividend declaration during the reporting period | - | - |
| Retained Earnings appropriated during the reporting period | - | - |
| Effect of restatements or prior-period adjustments | - | - |
| Others (describe nature) | - | - |
| | - | - |
| Unappropriated Retained Earnings, as adjusted | - | (379,239,860) |
| Add/Less: Net income (loss) for the current year | | 5,542,629 |
| Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax) | | |
| • Equity in net income of associate/joint venture, net of dividends declared | - | - |
| • Unrealized foreign exchange gain (except those attributable to Cash and Cash Equivalents) | - | - |
| • Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | 3,786,514 |
| | - | - |
| • Unrealized fair value gain of Investment Property | - | - |
| • Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature) | - | - |
| Sub-total | - | 3,786,514 |
| Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax) | | |
| • Realized foreign exchange gain (except those attributable to Cash and Cash Equivalents) | - | - |
| • Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | - |
| • Realized fair value gain of Investment Property | - | - |
| • Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS | - | - |
| Sub-total | - | - |
| Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax) | | |
| • Reversal of previously recorded foreign exchange gain (except those attributable to Cash and Cash Equivalents) | - | - |
| • Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | - |
| • Reversal of previously recorded fair value gain of Investment Property | - | - |
| • Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS | - | - |
| Sub-total | - | - |
| Adjusted Net Income/Loss | - | 1,756,115 |
| Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax) | | |
| • Depreciation on revaluation increment (after tax) | - | - |
| Sub-total | - | - |
| Add/Less Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3) | | |
| • Amortization of the effect of reporting relief | - | - |
| • Total amount of reporting relief granted during the year | - | - |
| • Others (describe nature) | - | - |
| Sub-total | - | - |
| Add/Less Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution | | |
| • Net movement of treasury shares (except for reacquisition of redeemable shares) | - | (19,549,525) |
| • Net movement of deferred tax asset not considered in reconciling items under the previous categories | - | - |
| • Net movement in deferred tax assets and liabilities related to same transactions, e.g., set up of ROU and lease liability, set up of asset and asset retirement obligation, and set-up of service concession asset and concession payable. | - | - |
| • Adjustments due to deviation from PFRS/GAAP - gain (loss) | - | - |
| • Others (describe nature) | - | - |
| Sub-total | - | (19,549,525) |
| Total Retained Earnings, end of the reporting period available for dividend | - | (397,033,270) |

SUN LIFE PROSPERITY GS FUND, INC.

Schedule of Financial Soundness Indicators and Financial Ratios

December 31, 2023 and December 31, 2022

| | Formula | 2023 | 2022 |
|--------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------|-------------|
| <i>Current/ Liquidity Ratios</i> | | | |
| a. Current ratio | Current Assets/Current Liabilities | 262.93:1 | 391.43:1 |
| b. Quick ratio | Quick Assets/Current Liabilities | 262.93:1 | 391.43:1 |
| c. Cash ratio | Cash/Current Liabilities | 2.3:1 | 12.71:1 |
| d. Days in receivable | Receivable/Revenue * No. of days | N/A | N/A |
| e. Working capital ratio | (Current Assets - Current Liabilities)/Current Liabilities | 261.93:1 | 390.43:1 |
| f. Net working capital to sales ratio | Working Capital / Total Revenue | 23.4:1 | 14.18:1 |
| g. Defensive Interval Ratio | 360* (Quick Assets / Proj. Daily Operating Expense) | 19901.88:1 | 25,338.68:1 |
| <i>Solvency Ratios</i> | | | |
| a. Long-term debt to equity ratio | Noncurrent Liabilities/Total Equity | N/A | N/A |
| b. Debt to equity ratio | Total Liabilities/Total Equity | 0.00 | 0.00:1 |
| c. Long term debt to total asset ratio | Noncurrent Liabilities/Total Assets | N/A | N/A |
| d. Total debt to asset ratio | Total Liabilities/Total Assets | 0.00 | 0.00:1 |
| Asset to equity ratio | Total Assets/Total Equity | 1:1 | 1.00:1 |
| Interest rate coverage ratio | Earning Before Income Tax/Interest Expense | N/A | N/A |
| <i>Profitability Ratio</i> | | | |
| a. Earnings before interest and taxes (EBIT) margin | EBIT/Revenue | 128.16% | 51.37% |
| b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin | EBITDA/Revenue | 128.16% | 51.37% |
| c. Pre-tax margin | EBIT/Revenue | 128.16% | 51.37% |
| d. Effective tax rate | Income Tax/EBIT | 19.31% | 14.66% |
| e. Post-tax margin | Net Income After Tax/Revenue | 103.41% | 43.84% |
| f. Return on equity | Net Income After Tax/Average Common Equity | 4.21% | 3.49% |
| g. Return on asset | NIAT/Average Total Assets | 4.20% | 3.48% |
| Capital intensity ratio | Total Assets/Revenue | 23.49:1 | 14.22:1 |
| Fixed assets to total assets | Fixed assets/Total assets | N/A | N/A |
| Dividend payout ratio | Dividends paid/Net Income | N/A | N/A |

Sun Life Prosperity GS Fund Inc.

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

As of December 31, 2023 and December 31, 2022

| | 2023 | | | 2022 | | |
|---------------------------------|---------------------------|-----------------|------------|---------------------------|-----------------|------------|
| | Investment (Market Value) | Net Asset Value | % over NAV | Investment (Market Value) | Net Asset Value | % over NAV |
| Treasury Notes (ISIN) | | | | | | |
| PIID0525H130 | 11,699,068 | 125,415,577 | 9.33% | 20,997,675 | 137,811,923 | 15.24% |
| PIID0527L140 | 3,445,985 | 125,415,577 | 2.75% | 3,354,040.00 | 137,811,923 | 2.43% |
| PIID0324C115 | - | 125,415,577 | 0.00% | 32,619,241.00 | 137,811,923 | 23.67% |
| PIBD0325D270 | 1,377,152 | 125,415,577 | 1.10% | 4,728,304.00 | 137,811,923 | 3.43% |
| PIID0527C159 | 15,941,074 | 125,415,577 | 12.71% | 15,569,434.00 | 137,811,923 | 11.30% |
| PIBD0326H014 | 5,922,125 | 125,415,577 | 4.72% | 5,860,071.36 | 137,811,923 | 4.25% |
| PIID0528H160 | 14,201,330 | 125,415,577 | 11.32% | 13,912,327.00 | 137,811,923 | 10.10% |
| PIBD0726B627 | 10,681,024 | 125,415,577 | 8.52% | 6,486,285.00 | 137,811,923 | 4.71% |
| PIBD2027T1140 | 5,628,178 | 125,415,577 | 4.49% | 6,114,276.00 | 137,811,923 | 4.44% |
| PIBD2534K062 | - | 125,415,577 | 0.00% | 7,838,469.00 | 137,811,923 | 5.69% |
| PIBD0526D772 | 8,327,901 | 125,415,577 | 6.64% | 8,122,929 | 137,811,923 | 5.89% |
| PIBD1029A644 | 9,960,055 | 125,415,577 | 7.94% | 2,753,298 | 137,811,923 | 2.00% |
| PIBD1336D016 | 2,047,940 | 125,415,577 | 1.63% | ** | ** | ** |
| PH0000057473 | 5,939,766 | 125,415,577 | 4.74% | ** | ** | ** |
| PIID0528B176 | 5,811,983 | 125,415,577 | 4.63% | ** | ** | ** |
| PIBD2042K253 | 1,798,395 | 125,415,577 | 1.43% | ** | ** | ** |
| PIBD2535L086 | 2,005,089 | 125,415,577 | 1.60% | ** | ** | ** |
| PH0000057218 | 3,058,110 | 125,415,577 | 2.44% | ** | ** | ** |
| PIBD0729J687 | 2,623,295 | 125,415,577 | 2.09% | ** | ** | ** |
| PIBD2535I071 | 2,083,887 | 125,415,577 | 1.66% | ** | ** | ** |
| PH0000057374 | 6,410,860 | 125,415,577 | 5.11% | ** | ** | ** |
| PIBD2039A232 | 4,451,705 | 125,415,577 | 3.55% | ** | ** | ** |
| | - | | | | | |
| Term Deposit | | | | | | |
| RIZAL COMMERCIAL BANKING CORP | - | - | - | 1,507,618.66 | 137,811,923 | 1.09% |
| | - | | | | | |
| Investments in UITF | | | | | | |
| BPI MONEY MARKET FUND | - | 125,415,577 | 0.00% | 1,175,611 | 137,811,923 | 0.85% |
| RIZAL PESO CASH MANAGEMENT FUND | - | 125,415,577 | 0.00% | 1,151,998 | 137,811,923 | 0.84% |
| SB PESO MONEY MARKET FUND | - | 125,415,577 | 0.00% | 15,604.72 | 137,811,923 | 0.01% |

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

As of December 31, 2023 and December 31, 2022

| | 2023 | | | 2022 | | |
|---------------------------------|----------------------------------|-----------------------------------------------|-----------------|------------------------|-----------------------------------------------|-----------------|
| | Investment of the Fund in Shares | Outstanding Securities of an Investee Company | % over Investee | Investment of the Fund | Outstanding Securities of an Investee Company | % over Investee |
| Treasury Notes (ISIN) | | | | | | |
| PIID0525H130 | 12,200,000 | 516,340,790,000 | 0.00% | 22,500,000 | 516,340,790,000 | 0.00% |
| PIID0527L140 | 3,550,000 | 360,025,370,000 | 0.00% | - | - | 0.00% |
| PIID0324C115 | - | ** | 0.00% | - | - | - |
| PIBD0325D270 | 1,400,000 | 25,791,000,000 | 0.01% | 3,550,000 | 360,025,370,000 | 0.00 |
| PIID0527C159 | 16,300,000 | 457,798,870,000 | 0.00% | 33,700,000 | 463,321,670,000 | 0.00 |
| PIBD0326H014 | 5,984,000 | 45,000,000,000 | 0.00% | - | - | - |
| PIID0528H160 | 14,300,000 | 420,448,620,000 | 0.00% | - | - | - |
| PIBD0726B627 | 10,630,000 | 30,000,000,000 | 0.04% | 4,900,000 | 25,791,000,000 | 0.00 |
| PIBD2027T1140 | 5,242,000 | 7,521,930,000 | 0.07% | 16,300,000 | 457,798,870,000 | 0.00 |
| PIBD2534K062 | - | - | 0.00% | 5,984,000 | 45,000,000,000 | 0.00 |
| PIBD0526D772 | 8,700,000 | 35,000,000,000 | 0.02% | 14,300,000 | 420,448,620,000 | 0.00 |
| PIBD1029A644 | 9,650,000 | 40,000,000,000 | 0.02% | 6,500,000 | 30,000,000,000 | 0.00 |
| PIBD1336D016 | 2,000,000 | 19,475,000,000 | 0.01% | 5,700,000 | 7,521,930,000 | 0.00 |
| PH0000057473 | 5,900,000 | 21,187,000,000 | 0.00% | 6,900,000 | 28,054,600,000 | 0.00 |
| PIID0528B176 | 5,759,000 | 283,763,660,000 | 0.00% | 8,700,000 | 35,000,000,000 | 0.00 |
| PIBD2042K253 | 1,495,000 | 27,597,000,000 | 0.01% | 2,700,000 | 40,000,000,000 | 0.00 |
| PIBD2535L086 | 1,740,000 | 163,216,530,000 | 0.00% | - | - | - |
| PH0000057218 | 3,000,000 | 24,793,000,000 | 0.01% | - | - | - |
| PIBD0729J687 | 2,520,000 | 24,125,000,000 | 0.01% | - | - | - |
| PIBD2535I071 | 1,814,000 | 62,220,400,000 | 0.00% | - | - | - |
| PH0000057374 | 6,165,000 | 30,000,000,000 | 0.02% | - | - | - |
| PIBD2039A232 | 4,150,000 | 31,504,000,000 | 0.01% | - | - | - |
| | | | | | | |
| Investments in UITF | | | | | | |
| BPI MONEY MARKET FUND | - | - | 0.00% | 4,393 | 149,271,216 | 0.00% |
| RIZAL PESO CASH MANAGEMENT FUND | - | ** | 0.00% | 991,051 | 335,575,821 | 0.30% |
| SB PESO MONEY MARKET FUND | - | ** | 0.00% | 10,696.22 | 7,963,188,477 | 0.00% |

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

As of December 31, 2023 and December 31, 2022

| | 2023 | 2022 |
|-------------------------------------|-------------|-------------|
| Total Liquid and Semi-Liquid Assets | 125,894,389 | 138,159,911 |
| Total Assets | 125,894,389 | 138,159,911 |
| | 100.00% | 100.00% |

iv. Total Operating Expenses to Total Net Worth
As of December 31, 2023 and December 31, 2022

| | 2023 | 2022 |
|---------------------------------------------|-------------|-------------|
| Total Operating Expenses | 2,277,271 | 2,384,598 |
| Average Daily Net Worth | 132,438,878 | 144,692,381 |
| Total Operating Expenses to Total Net Worth | 1.72% | 1.65% |

v. Total Assets to Total Borrowings
As of December 31, 2023 and December 31, 2022

| | 2023 | 2022 |
|----------------------------------|-------------|-------------|
| Total Assets | 125,894,389 | 138,159,911 |
| Total Borrowings | 478,812 | 347,988 |
| Total Assets to Total Borrowings | 26293% | 39702% |

SUN LIFE PROSPERITY GS FUND, INC.
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**Additional Requirements for Issuers of Securities to the Public
Required by the Securities and Exchange Commission
As at December 31, 2023**

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SUN LIFE PROSPERITY GS FUND, INC.Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City**SCHEDULE A - FINANCIAL ASSETS**

As at December 31, 2023

| Name of Issuing Entity and Association of Each Issue | Number of Shares or Principal Amount of Bonds and Notes | Amount shown in the Balance Sheet | Income Received and Accrued |
|------------------------------------------------------|---------------------------------------------------------|-----------------------------------|-----------------------------|
| Treasury Notes (ISIN) | | | |
| PIID0525H130 | 12,200,000 | P11,699,068 | P6,088,739 |
| PIID0527L140 | 3,550,000 | 3,445,985 | |
| PIBD0325D270 | 1,400,000 | 1,377,152 | |
| PIID0527C159 | 16,300,000 | 15,941,074 | |
| PIBD0326H014 | 5,984,000 | 5,922,125 | |
| PIID0528I160 | 14,300,000 | 14,201,330 | |
| PIBD0726B627 | 10,630,000 | 10,681,024 | |
| PIBD2027I140 | 5,242,000 | 5,628,178 | |
| PIBD0526D772 | 8,700,000 | 8,327,901 | |
| PIBD1029A644 | 9,650,000 | 9,960,055 | |
| PIBD1336D016 | 2,000,000 | 2,047,940 | |
| PH0000057473 | 5,900,000 | 5,939,766 | |
| PIID0528B176 | 5,759,000 | 5,811,983 | |
| PIBD2042K253 | 1,495,000 | 1,798,395 | |
| PIBD2535L086 | 1,740,000 | 2,005,089 | |
| PH0000057218 | 3,000,000 | 3,058,110 | |
| PIBD0729J687 | 2,520,000 | 2,623,295 | |
| PIBD2535I071 | 1,814,000 | 2,083,887 | |
| PH0000057374 | 6,165,000 | 6,410,860 | |
| PIBD2039A232 | 4,150,000 | 4,451,705 | |
| TOTAL | 122,499,000 | P123,414,922 | P6,088,739 |

SUN LIFE PROSPERITY GS FUND, INC.

Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES

As at December 31, 2023

| Name of Related Party | Relationship | Balance at beginning of period | Balance at end of period |
|-----------------------------------------|--------------|--------------------------------|--------------------------|
| Sun Life Asset Management Company, Inc. | Fund Manager | P141,222 | P135,002 |
| TOTAL | | P141,222 | P135,002 |

SUN LIFE PROSPERITY GS FUND, INC.

Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

SCHEDULE G - CAPITAL STOCK

As at December 31, 2023

| Title of Issue | Number of Shares Authorized | Number of Shares Issued and Outstanding | Number of Shares reserved for options, warrants, conversion and other rights | Number of Shares Held By | | |
|-----------------|-----------------------------|-----------------------------------------|------------------------------------------------------------------------------|--------------------------|-----------------------------------|-------------------|
| | | | | Related Parties | Directors, Officers and Employees | Others |
| Share Capital | | | | | | |
| Ordinary Shares | 1,000,000,000 | 403,145,317 | - | - | 5 | 403,145,312 |
| Treasury Shares | - | (332,265,653) | - | - | - | (332,265,653) |
| TOTAL | 1,000,000,000 | 70,879,664 | - | - | 5 | 70,879,659 |