Sun Life
Asset Management

Certification

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

1) That I have caused this SEC Form 17-Q to be prepared on behalf of Sun Life Prosperity Philippine Stock Index Fund, Inc.;
2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3) That the company Sun Life Prosperity Philippine Stock Index Fund, Inc. will comply with the requirements set forth in SEC Notice dated 14 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November, 2023.

Jeanemar S. Talaman
Affiant

NOV 16 2023 MAKATI CITY

SUBSCRIBED AND SWORN to before me this ____day of__________,2023, in ________ City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Valid Until	Place of Issue
Jeanemar S. Talaman	Driver's Licens[redacted]	05 June 2033	DLRC - Ayala

Doc. No. 76;
Page No. 5;
Book No. 27;
Series of 2023.

ATTY. ROMEO M. [illegible]FORT
Notary Public City of Makati
Until December 31, 2023
Appointment No. - 172 (2022-2023)
PTR NO. 9563521 Jan. 3, 2023 Makati City
IBP No. 1062634 - Jan. 3, 2016
MCLE NO. VI-0023417 Roll No. 27932
26 Amorsolo Street Legaspi Village
Makati City

COVER SHEET

CS201424696

S.E.C. Registration Number

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND INC.

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

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

Jeanemar S. Talaman

Contact Person

8555-8888

Company Telephone Number

1 2	3 1	**SEC FORM 17-Q**		
Month	*Day*	FORM TYPE	*Month*	*Day*

Fiscal Year

Annual Meeting

Mutual Fund Company

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SEC Number: CS201424696
File Number: ___________

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
(Company's Full Name)

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

8555-8888

(Telephone No.)

December 31

(Fiscal Year Ending)
(Month & Day)

SEC FORM 17-Q

Form Type

____
Amendment Designation (If applicable)

September 30, 2023

Period Ended Date

OPEN-END INVESTMENT COMPANY

Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **September 30, 2023**

2. Commission identification number: **CS201424696**

3. BIR Tax Identification No: [redacted]

4. Exact name of issuer as specified in its charter

Sun Life Prosperity Philippine Stock Index Fund, Inc.

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

Philippines

6. Industry Classification Code: (SEC Use Only)

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

8F Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634

8. Issuer's telephone number, including area code: **(02) – 8555-8888**

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of September 30, 2023)
Common Shares (Unclassified)	**13,294,230,023 shares**

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

Yes [ ] No [x]

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

____________________ ____________________

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

PART A - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023 AND DECEMBER 31, 2022

	Notes	(Unaudited) 2023	(Audited) 2022
ASSETS			
Cash and cash equivalents	4	**P 109,017,295**	P 113,089,811
Financial assets at fair value through profit or loss	5	**11,018,130,927**	11,783,870,319
Due from brokers	10	**100,494,601**	-
Dividends receivable	6	**-**	3,511,917
Accrued interest receivable	7	**17,808**	-
Other current assets	8	**53,676**	102
		P11,227,714,307	P11,900,472,149
LIABILITIES			
Current Liabilities			
Accrued expenses and other payables	9	**P 140,738,155**	P 35,717,346
Payable to fund manager	11	**11,892,598**	12,568,325
Due to brokers	10	**8,560,287**	28,703,390
		161,191,040	76,989,061
EQUITY			
Share capital	12	**39,999,992**	39,999,992
Deposits for future stock subscriptions	12	**8,600,541,058**	9,288,325,129
Additional paid-in capital	13	**4,262,769,943**	4,076,568,510
Deficit		**(1,836,641,937)**	(1,567,191,186)
		11,066,669,056	11,837,702,445
Treasury shares	12	**(145,789)**	(14,219,357)
Total Equity		**11,066,523,267**	11,823,483,088
		P11,227,714,307	P11,900,472,149
Net Asset Value Per Share	14	**P 0.8324**	P 0.8519
Total Equity			
Capital Stock - Php0.01 per share		**P 11,066,523,267**	P 11,823,483,088
Authorized - 4,000,000,000 shares			
Issued and fully paid shares		**3,999,824,795**	3,983,319,790
Subscribed capital stock - Equity		**9,294,405,228**	9,895,860,183
Total number of shares		**13,294,230,023**	13,879,179,973
Net Asset Value Per Share	14	**P 0.8324**	P 0.8519

See Notes to Financial Statements.

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 AND DECEMBER 30, 2022

	Notes	(Unaudited) 2023	(Unaudited) 2022
Investment Income - net			
Dividend income		**P 49,755,452**	P 45,124,689
Net realized losses on investments	5	**(44,967,268)**	(160,136,255)
Interest income	15	**514,086**	55,631
		5,302,588	(114,955,935)
Investment Expenses			
Commissions	10	**2,220,683**	2,075,374
Clearing fees		**96,340**	85,612
		2,317,023	2,160,986
Net Investment Income		**2,985,565**	(117,116,921)
Operating Expenses			
Management and transfer fees	11	**20,966,626**	20,616,435
Distribution fees	11	**16,128,174**	15,858,796
Taxes and licenses		**866,879**	856,269
Custodianship fees		**591,477**	594,674
Directors' fees	11	**64,114**	21,256
Professional fees		**45,090**	43,711
Printing and supplies		**10,883**	8,841
Miscellaneous		**9,580**	17,780
		38,682,823	38,017,762
Loss Before Net Unrealized Losses on Investments		**(35,697,258)**	(155,134,683)
Net Unrealized Losses on Investments	5	**(219,350,169)**	(568,577,667)
Loss Before Tax		**(255,047,427)**	(723,712,350)
Income Tax Expense		**5,574,192**	2,571,493
Total Comprehensive Loss for the Quarter		**(P260,621,619)**	(P726,283,843)
Basic loss per share		**(P 0.067)**	(P 0.439)

See Notes to Financial Statements.

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022

	Notes	**(Unaudited) 2023**	(Unaudited) 2022
Investment Income - net			
Dividend income		**P 254,058,983**	P 212,309,175
Net realized losses on investments		**(160,231,114)**	(266,502,187)
Interest income		**1,357,337**	208,037
		95,185,524	(53,984,975)
Investment Expenses			
Commissions		**7,575,287**	7,771,614
Clearing fees		**318,241**	301,050
		7,893,528	8,072,664
Net Investment Income		**87,291,996**	(62,057,639)
Operating Expenses			
Management and transfer fees		**64,626,991**	62,934,175
Distribution fees		**49,713,070**	48,410,904
Taxes and licenses		**2,737,676**	2,585,750
Custodianship fees		**1,904,418**	1,964,932
Directors' fees		**192,341**	208,791
Professional fees		**140,558**	138,697
Printing and supplies		**33,926**	33,885
Miscellaneous		**34,952**	78,139
		119,383,932	116,355,273
Loss Before Net Unrealized Losses on Investments		**(32,091,936)**	(178,412,912)
Net Unrealized Losses on Investments		**(224,554,546)**	(2,107,616,016)
Loss Before Tax		**(256,646,482)**	(2,286,028,928)
Income Tax Expense		**12,804,269**	8,715,922
Total Comprehensive Loss for the Period		**(P269,450,751)**	(P2,294,744,850)
Basic Loss per share		**(P 0.070)**	(P 0.574)

See Notes to Financial Statements.

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022

	Notes	Share Capital	Deposit for Future Stock Subscriptions	Additional Paid-in Capital	(Deficit)	Treasury Shares	Total
Balance, January 1, 2023	12,13	P 39,999,992	9,288,325,129	P 4,076,568,510	(P 1,567,191,186)	(P 14,219,357)	P 11,823,483,088
Total Comprehensive Loss for the period		-	-	-	(269,450,751)	-	(269,450,751)
Transactions with owners:	12,13						
Acquisition of treasury shares during the period		-	-	-	-	(241,478,225)	(241,478,225)
Reissuance of treasury shares during the period		-	-	127,397,260	-	3,124,485	130,521,745
Receipt of deposits for future stock subscriptions		-	1,480,378,331	-	-	-	1,480,378,331
Redemption of deposits for future stock subscriptions		-	(1,848,359,316)	126,179,951	-	-	(1,722,179,365)
Reissuance of treasury shares from DFFS			(319,803,086)	(67,375,778)		252,427,308	(134,751,556)
Total transactions with owners		-	(687,784,071)	186,201,433	-	14,073,568	(487,509,070)
Balance, September 30, 2023	**12,13**	**P39,999,992**	**8,600,541,058**	**P4,262,769,943**	**(P1,836,641,937)**	**(P 145,789)**	**P11,066,523,266**

	Share Capital	Deposit for Future Stock Subscriptions	Additional Paid-in Capital	(Deficit)	Treasury Shares	Total
Balance, January 1, 2022	P 39,988,573	8,441,211,012	P 4,012,476,032	(P 723,004,108)	(P 2,039,237)	P 11,768,632,272
Total Comprehensive Loss for the period	-	-	-	(269,450,751)	-	(269,450,751)
Transactions with owners:						
Acquisition of treasury shares during the period	-	-	-	-	95,315,932	95,315,932
Reissuance of treasury shares during the period	-	-	(10,313,326)	-	(96,477,140)	(106,790,466)
Receipt of deposits for future stock subscriptions	-	2,108,205,603	-	-	-	2,108,205,603
Redemption of deposits for future stock subscriptions	-	(1,505,042,658)	46,287,110	-	-	(1,458,755,548)
Reissuance of treasury shares from DFFS	11,419	(1,052,760)		-	-	(1,041,341)
Total transactions with owners	11,419	602,110,185	35,973,784	-	(1,161,208)	636,934,180
Balance, September 30, 2022	**P39,999,992**	**9,043,321,197**	**P4,048,449,816**	**(P992,454,859)**	**(P3,200,445)**	**P12,136,115,701**

See Notes to Financial Statements.

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022

	Notes	2023	2022
Cash Flows from Operating Activities			
Loss before tax		**(P 256,646,482)**	(P 2,286,028,928)
Adjustments for:			
Net realized losses on investments	5	**160,231,114**	266,502,187
Net unrealized losses on investments	5	**224,554,546**	2,107,616,016
Dividend income		**(254,058,983)**	(212,309,175)
Interest income	15	**(1,357,337)**	(208,037)
Operating cash flows before working capital changes		**(127,277,142)**	(124,427,937)
Increase in other current assets		**(53,574)**	(95,169)
Increase (decrease) in:			
Accrued expenses and other payables		**105,020,809**	32,393,276
Payable to fund manager		**(675,727)**	(1,200,119)
Cash used in operations		**(22,985,634)**	(93,329,949)
Acquisitions of financial assets at fair value through profit or loss	5	**(1,727,989,692)**	(2,094,368,802)
Proceeds from disposal of financial assets at fair value through profit or loss	5	**1,988,305,721**	1,409,022,809
Interest received		**1,339,529**	208,037
Dividends received		**257,570,900**	213,265,057
Income taxes paid		**(12,804,269)**	(8,715,922)
Net cash used in operating activities		**483,436,555**	(573,918,770)
Cash Flows from Financing Activities			
Proceeds from reissuance of treasury shares	12	**130,521,745**	(106,790,466)
Payments on acquisition of treasury shares	12	**(241,478,225)**	95,315,932
Receipt of deposits for future stock subscriptions classified as equity	12	**1,480,378,331**	2,107,164,262
Redemption of deposits for future stock subscriptions	12	**(1,722,179,365)**	(1,458,755,548)
Net cash generated from (used in) financing activities		**(352,757,514)**	636,934,180
Increase (Decrease) in Cash and cash equivalents		**130,679,041**	63,015,410
Cash and cash equivalents, Beginning		**113,089,811**	91,628,425
Cash and cash equivalents, End	4	**P 243,768,852**	P 154,643,835

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements of the Company as at and for the nine-month period ended September 30, 2023 have been prepared in accordance with PAS 34, Interim Financial Reporting. These unaudited condensed consolidated interim financial statements do not include all the notes normally included in an annual audited financial report. Accordingly, these unaudited condensed consolidated interim financial statements are to be read in conjunction with the Annual Audited Financial Statements of the Company for the year ended December 31, 2022, which have been prepared in accordance with the Philippine Financial Reporting Standards (PRFS).

Basis of Preparation and Presentation

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

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

In preparing the condensed consolidated interim financial statements, the significant accounting estimates and judgments made by the Company in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2022.

Functional and Presentation Currency

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

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2022

The Company adopted all accounting standards and interpretations effective as at December 31, 2022. 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 adopted by the Company and were assessed as not applicable and have no impact on the Company's financial statements.

New Accounting Standards Effective as at Reporting Period Ended December 31, 2022

Amendments to PFRS 3, *References to the Conceptual Framework*

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company did not acquire a business nor in the process of entering into any business combination.

Amendments to PAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022 with early application permitted.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company did not have property, plant and equipment recorded in its financial statements.

Amendments to PAS 37, *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022 with early application permitted.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company did not issue and entered into onerous contract.

Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1 – *Subsidiary as a first-time adopter*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Amendments to PFRS 9 – *Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Amendments to PFRS 16 – *Lease Incentives*

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated.

Amendments to PAS 41 – *Taxation in fair value measurements*

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The adoption of the amendments did not have an effect on the Company's financial statements as the Company did not have subsidiary as a first-time adopter; did not derecognize any liabilities; did not have lease contracts and leasehold improvements; and did not have biological assets covered by PAS 41 that need to exclude its cash flows for taxation on its financial statements.

New Accounting Standards Effective after the Reporting Period Ended December 31, 2022

The Company will adopt the following standards when these become effective:

PFRS 17 — *Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, Insurance Contracts.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued in June 2020 and adopted by FSRSC in August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2025, as amended by the FSRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Earlier application is permitted.

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

Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process and has no plan to acquire such investments.

Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

The Company does not anticipate that the application of the amendments in the future will have an impact on the financial statements since the current classification is not expected to change and that the existing liabilities of the Company are all current.

Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Company does not anticipate that the application of the amendments in the future will have an impact on the financial statements as all material accounting policy information are already disclosed in the notes to the financial statements.

Amendments to PAS 8, *Definition of Accounting Estimates*

With the amendment, accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the clarification in the amendment does not change the Company's definition of an accounting estimate.

Amendments to PAS 12, *Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying PFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have transactions that give rise to the recognition of deferred tax asset and liability.

Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9 – Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9 — Comparative Information (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9.

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FSRSC from January 1, 2023. This is consistent with Circular Letter

No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of the Board of Accountancy.

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

Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments to PFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retain.

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.

The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. Still subject to approval of the BOA and FSRSC.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have lease liability recorded in its financial statements.

Amendments to IAS 1, *Non-current Liabilities with Covenants*

The amendments to PAS 1 to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or non-current.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The amendments specify that the right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. Still subject to approval of the Board of Accountancy (BOA) and Financial and Sustainability Reporting Standard Council (FSRSC).

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have non-current liability with covenants recorded in its financial statements.

3. SIGNIFICANT ACCOUTING POLICIES

Financial Assets

Initial recognition and measurement`

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

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, 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 fair value through profit or loss 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 September 30, 2023 and December 31, 2022, the Company does not have financial assets at FVTOCI.

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

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

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

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

Debt instruments

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

- Amortized cost. Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVTPL. Assets that do not meet the criteria for amortized cost are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented net in the profit or loss statement within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in finance income.

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

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

Amortized cost and effective interest method

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

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

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

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

Equity instruments

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

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

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

As at September 30, 2023 and December 31, 2022, the Company does not have financial assets at FVTOCI.

Impairment of financial assets

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

With the exception of POCI financial assets, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- it has a low risk of default;
- the borrower is considered, in the short term, to have a strong capacity to meet its obligations; and
- the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfill its obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 1 day on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or FVTOCI are credit-impaired at each reporting date. To assess if debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

Write-off

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

Derecognition

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

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

Financial Liabilities and Equity Instruments

Classification as debt or equity

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

Financial Liabilities

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

Financial liabilities at FVTPL

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

A financial liability is classified as held-for-trading if:

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

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

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

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

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

Financial liabilities measured subsequently at amortized cost

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

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

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

Offsetting financial instruments

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

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

Derecognition of financial liabilities

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

Equity instruments

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

Share capital

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

Deficit

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

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

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

Deposits for future stock subscriptions

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

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

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

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as these are consumed in operations or expire with the passage of time.
Prepayments are classified in the statements of financial position as current asset when the cost of services related to the prepayments are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Contingent Liabilities and Assets

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

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.
Contingent assets are not recognized, but are disclosed only when an inflow of economic benefits is probable. When the realization of income is virtually certain, asset should be recognized.

Revenue Recognition

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

Transaction price

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payments have been established, usually at ex-dividend rate, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income

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

Realized gains or losses

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

Fair value gains or losses

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

Other income

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

Expense Recognition

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

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

Fair Value

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

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

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

Related Party Transactions

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

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

Taxation

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

Current tax

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

1% minimum corporate income tax (MCIT), rate in July 1, 2020 to June 30, 2023 and 25% RCIT rate or 2% MCIT rate, whichever is higher, effective July 1, 2023, respectively..

Effective July 1, 2023, the rate of MCIT shall revert to two (2%) based on gross income pursuant to the provisions of CREATE Act and based on BIR issuance of RMC No. 69-2023.

Final tax

Final tax expense represents final taxes withheld on interest income from cash and cash equivalents.

Deferred tax

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

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

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

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

Current and deferred taxes for the year

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

Earnings (Loss) per Share

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

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

Net Asset Value per Share (NAVPS)

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

Events After the Reporting Period

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

4. CASH AND CASH EQUIVALENTS

	September 2023	December 2022
Cash equivalents	**P 80,137,494**	P -
Cash in banks	**28,879,801**	113,089,811
	P 109,017,295	P 113,089,811

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 2023	December 2022
Investments in listed equity securities	**P 11,018,130,927**	P 11,783,870,319

Net losses on investments recognized in profit or loss arising from financial assets at FVPL are as follows:

	September 2023	December 2022
Net realized losses on investments	**(160,231,114)**	(P274,375,518)
Net unrealized losses on investments	**(224,554,546)**	(650,340,585)
	(P 384,785,660)	(P 924,716,103)

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

	September 2023	December 2022
Beginning balance	**P 11,783,870,319**	P11,734,282,304
Additions	**1,707,846,590**	2,552,723,540
Disposal	**(2,249,031,436)**	(1,852,794,940)
Unrealized losses	**(224,554,546)**	(650,340,585)
Ending balance	**P 11,018,130,927**	P11,783,870,319

6. DIVIDENDS RECEIVABLE

	September 2023	December 2022
Dividends Receivable	**P -**	P 3,511,917

7. ACCRUED INTEREST RECEIVABLE

	September 2023	December 2022
Accrued Interest Receivable	**P 17,808**	P -

8. OTHER CURRENT ASSETS

	September 2023	December 2022
Prepaid Expense	**P 53,574**	P -
Prepaid Tax	**102**	102
	P 53,676	P 102

9. ACCRUED EXPENSES AND OTHER PAYABLES

	September 2023	December 2022
Due to investors	**P 126,764,194**	P 20,996,158
Filing and registration fees payable	**12,399,576**	12,399,576
Withholding taxes and documentary stamp taxes	**339,941**	1,117,023
Custodianship fees	**215,176**	197,360
Professional fees	**241,988**	277,670
Others	**777,280**	729,559
	P 140,738,155	P 35,717,346

Due to investors account pertains to amounts payable to investors for the redemption of their investments processed on or before the reporting period, which are usually paid four (4) days after the transaction date.

Filing and registration fees payable pertains to the amount payable to SEC in relation with the Company's authorized capital stock increase application. There were no additional accrued filing and registration fees as at September 30, 2023 and December 31, 2022.

Other payables are non-interest bearing and are normally settled within one year.

10. DUE FROM/TO BROKERS

Due from brokers account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three days after the transaction date.

Due from brokers amounted to P 100,494,601 and nil as at September 30, 2023 and December 31, 2022, respectively.

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

Due to brokers amounted to P 8,560,287 and P28,703,390 as at **September** 30, 2023 and December 31, 2022, respectively.

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

Commission expense amounting to P7,575,287 and P7,771,614 in September 30, 2023 and 2022, respectively, are paid to brokers when buying and selling shares of stock.

11. RELATED PARTY TRANSACTIONS

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

As at September 30, 2023 and December 31, 2022, SLAMCI owns 12.14% and 12.19%, respectively, of the Company's shares which represents the initial seed capital.

SLAMCI holds the following number and current value of shares of the Company as at September 30, 2023 and December 31, 2022:

Related Party	2023 Number of Shares	 Current Values	2022 Number of Shares	 Current Values
SLAMCI	**485,552,084**	**404,173,554**	485,552,084	413,601,131

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

Nature of Transaction	Transactions as of end of the Quarter	Outstanding Balances		Terms	Condition
	Q3 2023	Q3 2023	December 2022		
SLAMCI – Fund Manager					
Management Distribution and Transfer fees	**P 114,340,061**	**P 11,892,598**	P **12,568,325**	Non-interest bearing; 1.15% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; Unguaranteed;
Key Management Personnel					
Directors' Fees	**P 192,341**	**P -**	P -	Non-interest bearing; Payable on demand; Settled in cash	Unsecured; Unguaranteed

12. **EQUITY**

	2023 Shares	 Amount
Authorized:		
At P0.01 par value	**4,000,000,000**	**P 40,000,000**
Fully paid at **September** 30	**3,999,999,196**	**P 39,999,992**
Treasury shares:		
At January 1	**16,679,406**	**P 14,219,357**
Acquisitions	285,403,901	241,478,225
Reissuance	(3,616,173)	(3,124,485)
Reissuance of treasury shares from DFFS	(298,292,733)	(252,427,308)
At September 30	**174,401**	**P** 145,789
Deposits for future stock subscriptions:		
At January 1	**9,895,860,183**	**P 9,288,325,129**
Receipts	1,682,766,159	1,480,561,723
Redemptions	(1,985,928,381)	(1,848,359,316)
Transfer of DFFS to ACS	(298,292,733)	(319,986,478)
At September 30	9,294,405,228	P 8,600,541,058

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 December 23, 2014 with 400,000,000 authorized shares at an initial par value of P0.01 per share. The SEC subsequently approved the registration on April 28, 2015.

Approved changes

On February 13, 2015, the shareholders approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares with a par value of P0.01 per share. The increase will be implemented by the Chairman of the Board of Directors and President of SLAMCI acting jointly in tranches.

On July 3, 2015, the Board of Directors approved the first tranche of share capital increase by 1,500,000,000 shares (from 400,000,000 shares to 1,900,000,000 shares both with par value of P0.01 per share). The SEC approved the increase on October 8, 2015 and the registration statements on September 22, 2016.

On November 7, 2016, the Board of Directors approved the second tranche of share capital increase by 2,100,000,000 shares (from 1,900,000,000 shares to 4,000,000,000 shares both with par value of P0.01 per share).

In September 2017, the Company paid SEC fees amounting to P1,208,753 for the increase of 2,100,000,000 shares. The SEC approved the increase on February 5, 2018 and the registration statements on September 13, 2019.

Pending application for 6,000,000,0000 additional shares

On December 11, 2017, the Chairman of the Board of Directors of the Company and the President of SLAMCI, jointly approved the third tranche of increase in authorized share capital stock of the Company by sixty million pesos (P60,000,000) divided into six billion shares (6,000,000,000) at the par value of Php0.01 per share.
On December 29, 2017, the application for 6,000,000,000 increase in authorized share capital was filed with the SEC.

In October 2019, the Company received comments from the SEC in relation to the 6,000,000,000 shares increase.

In 2020, the Company engaged P&A Grant Thornton (P&A) to render its professional services in providing assistance to the Company in submission of documents as required by the SEC for the approval of 6,000,000,0000 additional shares.

On May 25, 2021, the Company filed with the SEC the soft copy of requirements related to 6,000,000,000 shares increase and the original documents were received by the SEC on June 2, 2021.

On September 6, 2021, the Company filed a letter of follow-up to SEC - Financial Analysis and Audit Division (FAAD) for the status of all pending ACS increase applications.

On September 7, 2021, the Company received the checklist of requirements and comments from SEC-FAAD.

On October 20, 2021, original documents were transmitted by the Company to P&A for submission to SEC.

On November 8, 2021, the Company received an updated checklist of requirements and comments from SEC-FAAD.

On December 23, 2021, the Company through P&A electronically submitted the requested documents to SEC awaiting further comments.

On January 18, 2022, SEC-CRMD acknowledged the receipt of documents. SEC-CGFD requested that the Company submit the latest amended Articles of Incorporation (AOI) and By-Laws (BL) for the processing of clearance.

On January 21, 2022, P&A electronically submitted the requested documents to SEC-CGFD.

On February 7, 2022, the Company was advised by P&A that SEC-CRMD sent an updated list of documents for submission using December 2021 figures.

On June 13, 2022, re-sent the proof of filing of 2019 GIS and the copy of sample Undertaking to the CGFD team since no email acknowledgment was received from them. This is in response to SEC-CGFD comment dated 19April 2022.
On June 15, 2022, received email from SEC-CGFD acknowledging the receipt of reportorial requirements and they confirm that these reports were timely filed with the Commission. They confirmed that the sample Undertaking executed for Sun Life Prosperity Dollar Starter Fund, Inc. may be used as reference in drafting the Applicant's Undertaking to file its amended AOI and BL, provided that the relevant details are indicated therein (e.g., details of specific application for increase in ACS covered by the Undertaking and the date of Comments List/s being complied with). They requested to submit the undertaking for their review.

On June 24, 2022, P&A filed electronically to SEC-CRMD the requested documents with updated figures.

On June 30, 2022, submitted the draft undertaking to SEC-CGFD for their review.

On October 07, 2022, SEC-CGFD informed that Article SEVENTH of the said revised proposed AOI already covers the latest proposed increase in authorized share capital and that the Company is requested to submit the duly signed and notarized Undertaking (draft sent to us last 30 June 2022) for further evaluation.

On September 09, 2022, the Company filed an application for amendment of the Articles of Incorporation and By-Laws to comply with SEC-CGFD 19 April 2022 list of comments.

On November 16, 2022, P&A received list of comments from SEC CGFD (letter dated November 14, 2022) on the ACS increase application and amendment of AOI and BL in compliance with April 29, 2022 List of comments.

Pending application for 7,000,000,0000 additional shares

On January 14, 2020, the Chairman of the Board of Directors of the Company and the President of SLAMCI, jointly approved the fourth tranche of increase in authorized share capital of the Company by seventy million pesos (P70,000,000) divided into seven billion shares (7,000,000,000) at the par value of Php0.01 per share.

On December 29, 2020, the application for 7,000,000,000 increase in authorized share capital was electronically filed with the SEC.

On February 4, 2021, the original copies of the documentary requirements were transmitted to SEC.

On June 13, 2022, re-sent the proof of filing of 2019 GIS and the copy of sample Undertaking to the CGFD team since no email acknowledgment was received from them. This is in response to SEC-CGFD comment dated April 19, 2022.

On June 15, 2022, received email from SEC-CGFD acknowledging the receipt of reportorial requirements and they confirm that these reports were timely filed with the Commission. They confirmed that the sample Undertaking executed for Sun Life Prosperity Dollar Starter Fund, Inc. may be used as reference in drafting the Applicant's Undertaking to file its amended AOI and BL, provided that the relevant details are indicated therein (e.g., details of specific application for increase in authorized share capital covered by the Undertaking and the date of Comments List/s being complied with). They requested to submit the undertaking for their review.

On June 30, 2022, submitted the draft undertaking to SEC-CGFD for their review.

On October 07, 2022, SEC-CGFD informed that Article SEVENTH of the said revised proposed AOI already covers the latest proposed increase in authorized share capital and that the Company is requested to submit the duly signed and notarized Undertaking (draft sent to us last June 30, 2022) for further evaluation.

On September 09, 2022, the Company filed an application for amendment of the Articles of Incorporation and By-Laws to comply with SEC-CGFD April 19, 2022 list of comments.

On November 16, 2022, P&A received list of comments from SEC CGFD (letter dated November 14, 2022) on the authorized share capital increase application and amendment of AOI and BL in compliance with 19 April 2022 List of comments.

Current state

As at September 30, 2023, the Company has 13,294,230,023 issued and outstanding shares out of the 4,000,000,000 ACS with a par value of P0.01 per share.

DFFS received in cash amounting to P 8,600,541,058 and P 9,288,325,129 as at September 30, 2023 and December 31, 2022, respectively, were classified as equity since the Company has met all of the conditions required for such recognition in accordance to Financial Reporting Bulletin (FRB) No. 6 as amended on May 11, 2017.

On January 6, 2022, the SEC's Commission en Banc, issued Financial Reporting Bulletin (FRB) No. 6 - Deposit For Future Stock Subscription (DFFS) which imposed the prohibition on Investment Companies to accept DFFS.

On March 14, 2022, Management filed a Request for Exemptive Relief from the amended FRB No. 6 with the SEC. Consequently, the Commission en Banc in its meeting held on 28 April 2022 approved said request to temporarily allow the acceptance of DFFS during the pendency of the applications for increase of authorized capital stock of the Company, subject to compliance with the following conditions:

a) That the Company will only temporarily accept DFFS up to the maximum number of shares covered by the respective pending applications for increase of authorized capital stock:

Name of Fund	Period	Total ACS Increase
Sun Life Prosperity Philippine Stock Index Fund, Inc.	As of December 29, 2020	13 Billion

b) To expedite the subsequent securities registration process, the Company shall likewise be required to submit, within thirty (30) days from receipt of the letter granting its herein request, the corresponding SEC Form 12-1-ICA for the registration of additional registration of shares covered by the abovementioned ACS applications pursuant to ICA and SRC for concurrent processing, approval of which shall be made subject to the approval of the increase; and

c) That no DFFS shall be accepted beyond the number of shares mentioned in item (a).

The following table shows the number of institutional and retail investors and the percentage of their investments, and the geographic concentration of investments as of September 30, 2023.

% Ownership of Institutional Investors	% Ownership of Retail Investors
42.15%	57.85%

Area	Percentage of Investments
LUZON	95%
VISAYAS	4%
MINDANAO	1%
TOTAL	100%

13. ADDITIONAL PAID-IN CAPITAL

	September 2023	December 2022
APIC	**P 4,262,769,943**	P 4,076,568,510

14. NET ASSET VALUE PER SHARE

	September 2023	December 2022
Total equity	**P 11,066,523,267**	P 11,823,483,088
Outstanding shares	**13,294,230,023**	13,879,179,973
NAVPS	**P 0.8324**	P 0.8519

Net Asset Value Calculation

The net asset value shall be calculated by adding:

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

And subtracting:

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

Price Determination of the Assets of the Investment Company

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

a. If quoted in an organized market, based on official closing price or last known transacted price;
b. If unquoted or quoted investments where the transacted prices are not represented or not available to the market, based on fair value; Provided further that in determining the fair value of investments, the Fund Manager shall, with due care and good faith:
c. Have reference to the price that the Investment Company would reasonably expect to receive upon the sale of the investment at the time the fair value is determined;
d. Document the basis and approach for determining the fair value.

Below table shows the investment company return information of the Fund in the last five (5) recently completed fiscal years as at September 30, 2023:

	Yields	NAVPS	NAVPS Date
Year on year yield (1-year)	11.6866%	0.7453	September 30, 2022
3 Year - Simple	10.0767%	0.7562	September 30, 2020
5 Year - Simple	-10.7250%	0.9324	September 28, 2018

15. INTEREST INCOME

	September 2023	September 2022
Cash equivalents	P 1,243,336	P -
Cash in banks	114,001	208,037
	P 1,357,337	P 208,037

16. LOSS PER SHARE

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

	September 2023	September 2022
Total comprehensive loss for the period	(269,450,751)	(P 2,294,744,850)
Weighted average number of shares:		
Issued and outstanding	3,876,638,561	3,997,825,379
Basic loss per share	(P 0.070)	(P 0. 574)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value on a recurring basis

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

	Note	Level 1	Level 2	Total
September 30, 2023				
Investment in listed equity securities	5	P 11,018,130,927	P-	P 11,018,130,927
December 31, 2022				
Investment in listed equity securities	5	P 11,783,870,319	P-	P 11,783,870,319

Listed equity securities are valued at quoted prices readily available in the Philippine Stock Exchange as at reporting date. If no sale of such security is made on that date, bid prices will then be considered as the closing rate.

Financial assets and liabilities not measured at fair value.

The following financial assets and financial liabilities are not measured at fair values on recurring basis but the fair value disclosure is required:

	Notes	Carrying Amounts	Fair Values Level 1	Level 2	Total
September 30, 2023					
Financial Assets					
Cash and cash equivalents	4	P 109,017,295	P 109,017,295	P -	P 109,017,295
Due from brokers	10	100,494,601		100,494,601	100,494,601
Accrued interest receivable	7	17,808		17,808	17,808
		P 209,529,704	P 109,017,295	P 100,512,409	P 209,529,704
Financial Liabilities					
Accrued expenses and other payables	9	P 127,998,638	P -	P 127,998,638	P 127,998,638
Payable to fund manager	11	11,892,598	-	11,892,598	11,892,598
Due to brokers	10	8,560,287		8,560,287	8,560,287
		P 102,042,342	P -	P 102,042,342	P 102,042,342

	Notes	Carrying Amounts	Fair Values Level 1	Level 2	Total
December 31, 2022					
Financial Assets					
Cash and cash equivalents	4	P 113,089,811	P113,089,811	P -	P 113,089,811
Dividends receivable	6	3,511,917	-	3,511,917	3,511,917
		P 116,601,728	P 113,089,811	P 3,511,917	P 116,601,728
Financial Liabilities					
Accrued expenses and other payables	9	P 22,200,747	P-	P 22,200,747	P 22,200,747
Payable to fund manager	11	12,568,325	P-	12,568,325	12,568,325
Due to brokers	10	28,703,390		28,703,390	28,703,390
		P 63,472,462	P-	P 63,472,462	P 63,472,462

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 and filing and registration fees payable that are not considered financial liabilities.

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

There were no transfers between Level 1 and 2 as at September 30, 2023 and December 31, 2022.

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

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

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

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

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

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

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

Material Changes in the 3rd Quarter Financial Statements

Statement of Financial Position and Statements of Changes in Equity – September 30, 2023 vs. December 31, 2022

	30-Sep-23 Unaudited	31-Dec-22 Audited	Movement	Percentage (%)	MDAS
Cash and cash equivalents	P 109,017,295	P 113,089,811	(P 4,072,516)	-3.60%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	11,018,130,927	11,783,870,319	(765,739,392)	-6.50%	The decrease was due to the net disposal of investment securities and unfavorable market condition during the period.
Due from brokers	100,494,601	-	100,494,601	100.00%	This account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three days after the transaction date.
Dividends receivable	-	3,511,917	(3,511,917)	-100.00%	The collection of receivable is dependent on the scheduled payment dates of each listed stock from which dividends were received.
Accrued interest receivable	17,808	-	17,808	100.00%	Collection of interest depends on the scheduled interest payments of each investment.
Other current assets	53,676	102	53,574	52523.53%	This account pertains to prepaid expense to be amortized until the end of the acocunting period and prepaid tax to be applied in the future income tax payable of the fund.
Total Assets	P 11,227,714,307	P 11,900,472,149	(P 672,757,842)	**-5.65%**	
Accrued expenses and other payables	140,738,155	35,717,346	105,020,809	294.03%	The decrease mainly pertains to the settlement of outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled four (4) days after the transaction date.
Payable to fund manager	11,892,598	12,568,325	(675,727)	-5.38%	The decrease was due to lower average AUM for the period.
Due to brokers	8,560,287	28,703,390	(20,143,103)	-70.18%	This account refers to outstanding amounts payable to brokers in relation to purchase of investment in equity securities during the period, which are usually settled three (3) days after the transaction date.
Income Tax Payable	-	-	0	0.00%	No income tax payable as of year-end due the over remittance made during the period.
Total Liabilities	P 161,191,040	P 76,989,061	P 84,201,979	**109.37%**	
Share capital	39,999,992	39,999,992	-	0.00%	
Deposits for future stock subscriptions	8,600,541,058	9,288,325,129	(687,784,071)	-7.40%	DFFS received recorded in this account since the Company met all the requirements to be classified as equity.
Additional paid-in capital	4,262,769,943	4,076,568,510	186,201,433	4.57%	
Deficit	(1,836,641,937)	(1,567,191,186)	(269,450,751)	17.19%	Net loss for the period.
Treasury shares	(145,789)	(14,219,357)	14,073,568	-98.97%	Decrease due to net reissuance of treasury shares during the period.
Net Assets	P 11,066,523,267	P 11,823,483,088	(P 756,959,821)	**-6.40%**	Decrease in net assets was due to net DFFS redemptions and net loss during the period.
Net Assets Value per Share	**P 0.8324**	**P 0.8519**	**(P 0.0195)**	**-2.28%**	

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

	30-Sep-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash in banks	154,643,835	91,628,425	63,015,410	68.77%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	10,039,685,537	11,734,282,304	(1,694,596,767)	-14.44%	The decrease was mainly driven by the unfavorable movement in market valuation which was partly offset with net acquisition of investments during the period.
Due from brokers	36,696,381	-	36,696,381	100.00%	This account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three days after the transaction date.
Dividends receivable	3,232,573	4,188,455	(955,882)	-22.82%	The collection of receivable is dependent on the scheduled payment dates of each listed stock from which dividends were received.
Other current assets	95,292	123	95,169	77373.17%	This account pertains to prepaid tax to be applied in the future income tax payable of the fund.
Total Assets	**10,234,353,618**	**11,830,099,307**	**(1,595,745,689)**	**-13.49%**	
Accrued expenses and other payables	80,884,072	48,490,796	32,393,276	66.80%	The increase mainly pertains to outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled four (4) days after the transaction date.
Payable to fund manager	11,776,120	12,976,239	(1,200,119)	-9.25%	The decrease was due to lower average AUM for the period.
Due to brokers	30,871,824	-	30,871,824	100.00%	This account refers to outstanding amounts payable to brokers in relation to purchase of investment in equity securities during the period, which are usually settled three (3) days after the transaction date.
Total Liabilities	**123,532,016**	**61,467,035**	**62,064,981**	**100.97%**	
Share capital	39,999,992	39,988,573	11,419	0.03%	
Deposits for future stock subscriptions	9,043,321,197	8,441,211,012	602,110,185	7.13%	DFFS received recorded in this account since the Company met all the requirements to be classified as equity.
Additional paid-in capital	4,048,449,816	4,012,476,032	35,973,784	0.90%	
Deficit	(3,017,748,958)	(723,004,108)	(2,294,744,850)	317.39%	Net loss for the period.
Treasury shares	(3,200,445)	(2,039,237)	(1,161,208)	56.94%	The decrease depicts the net reissuance of treasury shares during the period.
Net Assets	**10,110,821,602**	**11,768,632,272**	**(1,657,810,670)**	**-14.09%**	Decrease in net assets was due to net loss for the period partly offset with the net reissuance of treasury shares during the period.
Net Assets Value per Share	**0.7453**	**0.9173**	**-0.1719**	**-18.74%**	

There were no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Fund's liquidity in any material way.

There was no contingent liability reflected in the accompanying interim unaudited financial statements.

The Fund does not anticipate having any cash flow or liquidity problems as it complies with the liquidity requirements per ICA-IRR 6.10. The Fund was able to meet all its monetary obligations to its shareholders (for redemption) and creditors for the period covered. It does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons created during the reporting period. Likewise, there are no material commitments for capital expenditures, known trends, events, or uncertainties that have had or that are reasonably expected to have a material impact on net income/revenue from the continuing operations of the Fund.

There are no other significant events and transactions from the last annual reporting period that is required for disclosure this quarter.

Statement of Comprehensive Income for the Nine months ended – September 30, 2023 vs. September 30, 2022

	30-Sep-23	30-Sep-22	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	P 95,185,524	(P 53,984,975)	P 149,170,499	-276.32%	The increase was driven by higher dividend and interest income for the period.
Investment Expenses	7,893,528	8,072,664	(179,136)	-2.22%	Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
Operating Expenses	119,383,932	116,355,273	3,028,659	2.60%	Increase was due to higher average AUM and taxes and licenses for the period.
Net Unrealized Losses on Investments	(224,554,546)	(2,107,616,016)	1,883,061,470	-89.35%	Decrease was due to the impact of favorable market condition during the period.
Provision for Income Tax	12,804,269	8,715,922	4,088,347	46.91%	The increase was mainly due to the higher amount of selling tax incurred from the sale of listed equity securities.
Net Investment Loss	(P 269,450,751)	(P 2,294,744,850)	P 2,025,294,099	**-88.26%**	

Statement of Comprehensive Income for the Nine months ended – September 30, 2022 vs. September 30, 2021

	30-Sep-22	30-Sep-21	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Loss	(53,984,975)	(37,800,464)	(16,184,511)	42.82%	The increase in loss was driven by the realized loss on the sale of equity investments.
Investment Expenses	8,072,664	11,741,681	(3,669,017)	-31.25%	Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
Operating Expenses	116,355,273	116,653,005	(297,732)	-0.26%	Decrease was due to lower taxes and licenses paid for the period.
Net Unrealized Losses on Investments	(2,107,616,016)	(72,304,580)	(2,035,311,436)	2814.91%	Decrease was due to the impact of unfavorable market condition during the period.
Provision for Income Tax	8,715,922	13,743,317	(5,027,395)	-36.58%	The decrease was mainly due to the lower amount of selling tax incurred from the sale of listed equity securities.
Net Investment Loss	**(2,294,744,850)**	**(252,243,047)**	**(2,042,501,803.00)**	**809.74%**	

Average daily net asset value from January to September 2023 and January to September 2022 are PHP 11,865,376,188 and PHP 11,557,765,133, respectively.

The Fund has no unusual nature of transactions or events that affect assets, liabilities, equity, net income or cash flows.

There were no commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Fund which are not reflected in the accompanying interim unaudited financial statements.

The management of the Fund is of the opinion that there were no income or losses from these items that will have any material effect on its interim unaudited financial statements.

There were no known material events subsequent to the end of the quarterly reporting period that have not been reflected in the Fund's interim unaudited financial statements as at the period ended September 30, 2023. There were no significant elements of income or loss that did not arise from the Fund's continuing operations.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

PART II – RISK MANAGEMENT

Item 1. Financial Risk Exposures of the Company

1. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: Market risk, which includes fair value interest rate risk and equity price risk; credit risk; and liquidity risk. The Fund 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:

1.1. Interest Rate Risk: Interest Rate Risk is a type of Market Risk which is applicable to the Fund's investments in bonds, if any. This refers to the increase/decrease of a bond price due to movement in market factors such as changes in interest rates. A change in interest rates is the period when interest rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund.

1.2 Credit Risk: Investments in bonds carry the risk that the issuer of the bonds might default on its interest and principal payments. In the event of default, the Fund's value will be adversely affected and may result in a write-off of the concerned asset held by the Fund. To mitigate the risk, each Issuer/Borrower/Counterparty passes through a stringent credit process to determine whether its credit quality complies with the prescribed standards of the Fund. Further, the credit quality of the Issuer/Borrower/Counterparty is reviewed periodically to ensure that excellent credit standing is maintained. Moreover, a 10% exposure limit to a single entity is likewise observed.

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

1.4 Regulatory Risk: The Fund's investments and operations are subject to various regulations affecting among others, accounting of assets and taxation. These regulations occasionally change, and may result in lower returns or even losses borne by the investors. For example, a higher tax imposed on the sale or purchase of underlying assets of the Fund may result in lower net asset value of the Fund. To mitigate this risk, SLAMCI adopts global best practices. Further, it maintains regular communications with the relevant government agencies to keep itself abreast of the issues giving them concern, and to have the opportunity to help them set standards for good governance. SLAMCI also takes an active participation in the Philippine Investment Funds Association, Inc. ("PIFA"), an association of mutual fund companies in the Philippines.

1.5 Non-guarantee: Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the Philippine Deposit Insurance Corporation ("PDIC"). Hence, investors carry the risk of losing the value of their investment, without any guaranty in the form of insurance. Moreover, as with any investment, it is important to note that past performance of the Fund does not guarantee its future success.

1.6 Dilution Risk: Being an open-end mutual fund, various investors may effectively subscribe to any amount of shares of the Fund. As such, investors face the risk of their investments being diluted as more investors subscribe to shares of the Fund. The influence that the investors can exert over the control and management of the Fund decreases proportionately.

1.7 Large Transaction Risk: If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of shares of a Fund, that Fund may be forced to sell securities at unfavorable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the net asset value of the Fund.

1.8 **Fund Manager Risk:** The performance of the Fund is also dependent on the Fund Manager's skills. Hence, the Fund may underperform in the market and/or in comparison with similar funds due to investment decisions made by the Fund Manager, and may also fail to meet the Fund's investment objectives. The Board of Directors of the Issuer, however, shall ensure that all investment policies and restrictions enumerated in this Prospectus are strictly followed.

1.9 **Operational Risk**: This is the risk of loss resulting from inadequate or failed internal processes, controls, people and systems. Categories of operational risks may fall under: sales and distribution, human resources, information technology, processes and people, accounting and finance, model risk, legal and regulatory and third party relationships. The Fund ensures that the internal controls and practices are consistent with enterprise wide policies supporting the management of operational risks. The Fund has established business specific guidelines. Comprehensive investment program, including appropriate level of self-insurance, is maintained to provide protection against potential losses.

1.10 **Index Risk**: The performance of the Fund may not precisely duplicate the performance of the benchmark index being used. The Fund may rebalance the portfolio to account for changes in the composition or valuation of the stocks within the index. This creates the possibility of a marked difference between the Fund's performance and that of the index. Lacking active risk management, the Fund is fully exposed to all of the changes to the market benchmark, the Philippine Stock Exchange Index (PSEi). Considering that this risk is inherent to the Fund, investors must be fully aware of it prior to investing.

1.11 **Passive Management Risk**: The Fund is a passively managed fund. Passively managed funds would not sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. As a result, the performance of a passively managed fund may differ significantly from the performance of an actively managed fund.

2. Capital Risk Management

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

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

The capital structure of the Company consists of issued capital.

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

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

- It does not issue senior securities;
- It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings;
- It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;

- It does not invest directly in real estate properties and developments;
- It does not purchase or sell commodity futures contracts;
- It does not engage in lending operations to related parties such as the members of the Board of Directors, officers of the Company and any affiliates, or affiliated corporations of the Company;
- The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions; and
- It does not change its investment objectives without the prior approval of a majority of its shareholders.

The Investment Policies refer to the following:

- Investment Objective – to provide total returns consisting of current income and capital growth through the investment in a mix of high-quality debt (bonds) and equity (stocks) securities from both domestic and foreign issuers.
- Benchmark – 100% PSE Index
- Asset Allocation Range – the Company allocates its funds available for investments among cash and other deposit substitute, fixed-income securities and equity securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 1% of the net assets attributable to shareholders on each valuation day.

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

As at September 30, 2023 and December 31, 2022, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

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

The Company does not have any investment in foreign securities.

4. Significant accounting judgments made in classifying a particular financial instrument in the fair value hierarchy.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical Judgments in Applying Accounting Policies

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

Business model assessment

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

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

Significant increase of credit risk

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

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

As at September 30, 2023 and December 31, 2022, the Company's financial instrument measured at amortized cost has not experienced a significant increase in its credit risk.

Models and assumptions used

The Company uses various models and assumptions in measuring the fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine peso (PHP). The PHP is the currency of the primary economic environment in which the Company operates. It is the currency being used to report the Company's results of operations.

Puttable shares designated as equity instruments

The Company'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 of the following features:

a. it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets;

b. it is in the class of instruments that is subordinate to all other classes of instruments;

c. all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

d. apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments; and

e. 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 September 30, 2023 and December 31, 2022, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to P39,999,992.

Key Sources of Estimation Uncertainty

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

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

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

As at September 30, 2023 and December 31, 2022, the Company assessed a nil PD for all of its financial assets measured at amortized cost.

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

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

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

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

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

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

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

As at September 30, 2023 and December 31, 2022, the Company has no loss allowance for all of its financial assets measured at amortized cost.

Deferred tax assets

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

Based on Management's expectation of the Company's future taxable income, the Company did not recognize the deferred tax assets as at September 30, 2023 and December 31, 2022.

Compliance with Foreign Account Tax Compliance Act (FATCA)

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

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

SIGNATURES

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

Issuer : **Sun Life Prosperity Philippine Stock Index Fund, Inc.**

Principal Financial/Accounting Officer/Comptroller:

Signature : **Jeanemar S. Talaman**

Title : **Treasurer**

Date : **November 16, 2023**

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
Schedule of Financial Soundness Indicators and Financial Ratios
September 30, 2023 and December 31, 2022

	Formula	**2023**	2022
Current/ Liquidty Ratios			
a. Current ratio	Current Assets/Current Liabilities	**69.65:1**	154.57:1
b. Quick ratio	Quick Assets/Current Liabilities	**69.65:1**	154.57:1
c. Cash ratio	Cash/Current Liabilities	**0.68:1**	1.47:1
d. Days in receivable	Receivable/Revenue * No. of days	**N/A**	N/A
e. Working capital ratio	(Current Assets - Current Liabilities)/Current Liabilities	**68.65:1**	153.57:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	**116.26:1**	-567.22:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operting Expense)	**33856.96:1**	27813.84:1
Solvency Ratios			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	**N/A**	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	**0.01:1**	0.01:1
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	**0.01:1**	0.01:1
Asset to equity ratio	Total Assets/Total Equity	**1.01:1**	1.01:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	**N/A**	N/A
Profitability Ratio			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	**-269.63%**	4004.01%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	**-269.63%**	4004.01%
c. Pre-tax margin	EBIT/Revenue	**-269.63%**	4004.01%
d. Effective tax rate	Income Tax/EBIT	**-4.99%**	-1.15%
e. Post-tax margin	Net Income After Tax/Revenue	**-283.08%**	4049.91%
f. Return on equity	Net Income After Tax/Average Common Equity	**-2.35%**	-7.16%
g. Return on asset	NIAT/Average Total Assets	**-2.33%**	-7.11%
Capital intensity ratio	Total Assets/Revenue	**117.96:1**	-570.91:1
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 PHILIPPINE STOCK INDEX FUND, INC.

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

As of September 30, 2023 and December 31, 2022

	2023			2022		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
Equities						
Aboitiz Equity Ventures Inc	416,049,917	11,066,523,267	3.76%	503,347,681	11,823,483,088	4.26%
Aboitiz Power Corporation	-	-	-	165,200,385	11,823,483,088	1.40%
AC Energy Corporation	140,777,089	11,066,523,267	1.27%	189,373,802	11,823,483,088	1.60%
Alliance Global Group Inc.	108,461,584	11,066,523,267	0.98%	116,960,340	11,823,483,088	0.99%
Ayala Corporation	619,541,520	11,066,523,267	5.60%	723,456,775	11,823,483,088	6.12%
Ayala Land Inc.	663,737,621	11,066,523,267	6.00%	794,146,584	11,823,483,088	6.72%
Bank of the Philippine Islands	887,221,104	11,066,523,267	8.02%	743,605,194	11,823,483,088	6.29%
BDO Unibank Inc.	1,033,078,827	11,066,523,267	9.34%	807,051,210	11,823,483,088	6.83%
Bloomberry Resorts Corp	117,258,980	11,066,523,267	1.06%	-	-	-
Century Pacific Food Inc.	105,921,200	11,066,523,267	0.96%	-	-	-
Converge ICT Solutions Inc.	67,923,840	11,066,523,267	0.61%	117,926,468	11,823,483,088	1.00%
DMCI Holdings Inc.	112,984,060	11,066,523,267	1.02%	-	-	-
Emperador Inc.	205,124,125	11,066,523,267	1.85%	160,300,960	11,823,483,088	1.36%
Globe Telecom Inc.	178,699,345	11,066,523,267	1.61%	227,766,400	11,823,483,088	1.93%
GT Capital Holdings Inc.	169,588,110	11,066,523,267	1.53%	135,838,755	11,823,483,088	1.15%
International Container Terminal Services Inc.	674,436,000	11,066,523,267	6.09%	682,712,000	11,823,483,088	5.77%
JG Summit Holdings Inc.	360,015,358	11,066,523,267	3.25%	498,851,357	11,823,483,088	4.22%
Jollibee Foods Corporation	363,075,968	11,066,523,267	3.28%	364,745,500	11,823,483,088	3.08%
LT Group, Inc.	79,535,070	11,066,523,267	0.72%	85,332,116	11,823,483,088	0.72%
Manila Electric Company	338,721,920	11,066,523,267	3.06%	277,555,320	11,823,483,088	2.35%
Megaworld Corporation	-	-	-	66,431,860	11,823,483,088	0.56%
Metro Pacific Investments Corporation	-	-	-	122,942,263	11,823,483,088	1.04%
Metropolitan Bank & Trust Company	366,149,538	11,066,523,267	3.31%	384,296,778	11,823,483,088	3.25%
Monde Nissin Corporation	203,855,862	11,066,523,267	1.84%	262,532,844	11,823,483,088	2.22%
PLDT, Inc.	295,281,840	11,066,523,267	2.67%	356,452,635	11,823,483,088	3.01%
Puregold Price Club Inc.	91,504,625	11,066,523,267	0.83%	115,977,935	11,823,483,088	0.98%
Robinsons Land Corporation	-	-	-	92,287,851	11,823,483,088	0.78%
San Miguel Corporation	158,140,224	11,066,523,267	1.43%	116,612,282	11,823,483,088	0.99%
Semirara Mining & Power Corporation	111,826,580	11,066,523,267	1.01%	116,023,500	11,823,483,088	0.98%
SM Investments Corporation	1,554,055,965	11,066,523,267	14.04%	1,740,330,000	11,823,483,088	14.72%
SM Prime Holdings Inc.	1,016,927,085	11,066,523,267	9.19%	1,250,499,925	11,823,483,088	10.58%
Union Bank of the Philippines	123,980,610	11,066,523,267	1.12%	-	-	-
Universal Robina Corporation	357,936,560	11,066,523,267	3.23%	429,753,200	11,823,483,088	3.63%
Wilcon Depot Inc.	96,320,400	11,066,523,267	0.87%	135,558,400	11,823,483,088	1.15%
Term Deposit						
Rizal Commercial Banking Corp.	80,137,494	11,066,523,267	0.72%	-	-	-

ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company
As of September 30, 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 in Shares	Outstanding Securities of an Investee Company	% over Investee
Equities (in shares)						
Aboitiz Equity Ventures Inc	8,296,110	5,619,785,757	0.15%	8,723,530	5,630,225,457	0.15%
Aboitiz Power Corporation	-	-	-	4,851,700	7,358,604,307	0.07%
AC Energy Corporation	28,671,505	39,677,394,773	0.07%	24,852,205	39,677,394,773	0.06%
Alliance Global Group Inc.	8,803,700	9,040,173,279	0.10%	9,828,600	9,127,041,679	0.11%
Ayala Corporation	992,855	619,807,425	0.16%	1,040,945	619,143,083	0.17%
Ayala Land Inc.	22,537,780	14,948,920,713	0.15%	25,783,980	15,064,662,731	0.17%
Bank of the Philippine Islands	7,921,617	4,945,197,291	0.16%	7,290,247	4,513,128,255	0.16%
BDO Unibank Inc.	7,280,330	5,268,073,388	0.14%	7,635,300	4,386,642,196	0.17%
Bloomberry Resorts Corp	11,609,800	11,430,368,194	0.10%	-	-	-
Century Pacific Food Inc.	3,782,900	3,542,258,595	0.11%	-	-	-
Converge ICT Solutions Inc.	7,075,400	7,266,573,061	0.10%	7,426,100	7,266,573,061	0.10%
DMCI Holdings Inc.	10,843,000	13,277,470,000	0.08%	-	-	-
Emperador Inc.	9,885,500	15,736,471,238	0.06%	7,781,600	15,736,471,238	0.05%
Globe Telecom Inc.	99,665	144,228,604	0.07%	104,480	144,060,544	0.07%
GT Capital Holdings Inc.	297,523	215,284,587	0.14%	312,273	215,284,587	0.15%
International Container Terminal Services Inc.	3,255,000	2,031,988,603	0.16%	3,413,560	2,030,340,949	0.17%
JG Summit Holdings Inc.	9,449,222	7,520,983,658	0.13%	9,917,522	7,520,983,658	0.13%
Jollibee Foods Corporation	1,582,720	1,119,779,464	0.14%	1,585,850	1,118,797,149	0.14%
LT Group, Inc.	8,837,230	10,821,388,889	0.08%	9,275,230	10,821,388,889	0.09%
Manila Electric Company	920,440	1,127,098,705	0.08%	928,900	1,127,098,705	0.08%
Megaworld Corporation	-	-	-	33,215,930	31,485,239,872	0.11%
Metro Pacific Investments Corporation	-	-	-	35,948,030	28,695,934,752	0.13%
Metropolitan Bank & Trust Company	6,780,547	4,497,415,555	0.15%	7,116,607	4,497,415,555	0.16%
Monde Nissin Corporation	22,575,400	17,968,611,496	0.13%	23,694,300	17,968,611,496	0.13%
PLDT, Inc.	251,090	216,055,775	0.12%	270,655	216,055,775	0.13%
Puregold Price Club Inc.	3,166,250	2,880,137,615	0.11%	3,323,150	2,880,137,615	0.12%
Robinsons Land Corporation	-	-	-	6,168,974	5,053,841,085	0.12%
San Miguel Corporation	1,497,540	2,383,896,588	0.06%	1,254,570	2,383,896,588	0.05%
Semirara Mining & Power Corporation	3,204,200	4,250,547,620	0.08%	3,363,000	4,250,547,620	0.08%
SM Investments Corporation	1,842,390	1,222,023,358	0.15%	1,933,700	1,222,023,358	0.16%
SM Prime Holdings Inc.	33,561,950	28,879,231,694	0.12%	35,225,350	28,879,231,694	0.12%
Union Bank of the Philippines	1,922,180	2,353,746,590	0.08%	-	-	-
Universal Robina Corporation	3,010,400	2,178,269,968	0.14%	3,159,950	2,178,507,618	0.15%
Wilcon Depot Inc.	4,378,200	4,099,724,116	0.11%	4,595,200	4,099,724,116	0.11%
Term Deposit						
Rizal Commercial Banking Corp.	80,137,493.80	-	0.00%	-	-	-

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

As of September 30, 2023 and December 31, 2022

	2023	2022
Total Liquid and Semi-Liquid Assets	11,227,660,631	11,900,472,047
Total Assets	11,227,714,307	11,900,472,149
Total Investment in Liquid or Semi-Liquid Assets	100.00%	100.00%

iv. Total Operating Expenses to Total Net Worth

As of September 30, 2023 and December 31, 2022

	2023	2022
Total Operating Expenses	119,383,932	154,030,160
Average Daily Net Worth	11,865,376,188	11,452,235,331
Total Operating Expenses to Total Net Worth	1.01%	1.41%

v. Total Assets to Total Borrowings

As of September 30, 2023 and December 31, 2022

	2023	2022
Total Assets	11,227,714,307	11,900,472,149
Total Borrowings	161,191,040	76,989,061
Total Assets to Total Borrowings	6965.47%	15457.35%

SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.
Schedule of Investments
Financial Assets

Name of Issuing Entity and Association of Each Issue	September 30, 2023			December 31, 2022	
	Number of Shares	Amount Shown in Balance Sheet	Aggregate Cost	Number of Shares	Amount Shown in Balance Sheet
Equity Shares					
Aboitiz Equity Ventures Inc	8,296,110	P 416,049,917	P 465,116,100	8,723,530	P 503,347,680
Aboitiz Power Corporation	-	-	-	4,851,700	165,200,385
AC Energy Corporation	28,671,505	140,777,089	234,384,068	24,852,205	189,373,802
Alliance Global Group Inc.	8,803,700	108,461,584	107,423,741	9,828,600	116,960,340
Ayala Corporation	992,855	619,541,520	808,280,869	1,040,945	723,456,775
Ayala Land Inc.	22,537,780	663,737,621	850,559,109	25,783,980	794,146,584
Bank of the Philippine Islands	7,921,617	887,221,104	690,744,900	7,290,247	743,605,194
BDO Unibank Inc.	7,280,330	1,033,078,827	759,386,552	7,635,300	807,051,210
Bloomberry Resorts Corp	11,609,800	117,258,980	125,151,034	-	-
Century Pacific Food Inc.	3,782,900	105,921,200	111,215,870	-	-
Converge ICT Solutions Inc.	7,075,400	67,923,840	180,922,165	7,426,100	117,926,468
DMCI Holdings Inc.	10,843,000	112,984,060	125,802,916	-	-
Emperador Inc.	9,885,500	205,124,125	213,430,067	7,781,600	160,300,960
Globe Telecom Inc.	99,665	178,699,345	203,549,525	104,480	227,766,400
GT Capital Holdings Inc.	297,523	169,588,110	225,957,746	312,273	135,838,755
International Container Terminal Services Inc.	3,255,000	674,436,000	428,364,622	3,413,560	682,712,000
JG Summit Holdings Inc.	9,449,222	360,015,358	577,607,337	9,917,522	498,851,357
Jollibee Foods Corporation	1,582,720	363,075,968	355,843,725	1,585,850	364,745,500
LT Group, Inc.	8,837,230	79,535,070	120,948,755	9,275,230	85,332,116
Manila Electric Company	920,440	338,721,920	283,493,163	928,900	277,555,320
Megaworld Corporation	-	-	-	33,215,930	66,431,860
Metro Pacific Investments Corporation	-	-	-	35,948,030	122,942,263
Metropolitan Bank & Trust Company	6,780,547	366,149,538	412,795,556	7,116,607	384,296,778
Monde Nissin Corporation	22,575,400	203,855,862	377,716,521	23,694,300	262,532,844
PLDT, Inc.	251,090	295,281,840	372,885,833	270,655	356,452,635
Puregold Price Club Inc.	3,166,250	91,504,625	134,000,927	3,323,150	115,977,935
Robinsons Land Corporation	-	-	-	6,168,974	92,287,851
San Miguel Corporation	1,497,540	158,140,224	175,239,378	1,254,570	116,612,282
Semirara Mining & Power Corporation	3,204,200	111,826,580	128,415,160	3,363,000	116,023,500
SM Investments Corporation	1,842,390	1,554,055,965	1,677,035,545	1,933,700	1,740,330,000
SM Prime Holdings Inc.	33,561,950	1,016,927,085	1,163,635,116	35,225,350	1,250,499,925
Union Bank of the Philippines	1,922,180	123,980,610	182,719,140	-	-
Universal Robina Corporation	3,010,400	357,936,560	430,156,717	3,159,950	429,753,200
Wilcon Depot Inc.	4,378,200	96,320,400	144,645,499	4,595,200	135,558,400
Term Deposit					
Rizal Commercial Banking Corp.	80,137,494	80,137,494	80,137,494	-	-
GRAND TOTAL	**314,469,938**	**P11,098,268,421**	**P12,147,565,149**	**290,021,438**	**P11,783,870,319**

FUND FACTS

Sun Life Prosperity Philippine Stock Index Fund

September 29, 2023

This document contains key information clients of Sun Life Prosperity Philippine Stock Index Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc., at 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

Launch Date	May 5, 2015	**Fund Classification**	Equity Index Fund	**Minimum Holding Period**	None
Fund Size	PHP 11,066,904,922.78	**Minimum Subscription**	PHP 1,000	**Early Redemption Fee**	None
Net Asset Value Per Share	0.8325	**Minimum Subsequent**	PHP 1,000	**Redemption Settlement**	T+3 business days
Benchmark	100% PSEi	**Management and Distribution Fee**	1.00%	**Bloomberg Ticker**	SLFPSIF PM Equity
Fund Structure	Mutual Fund (Shares)	**Transfer Agency Fee**	0.15%		

What does the Fund invest in?

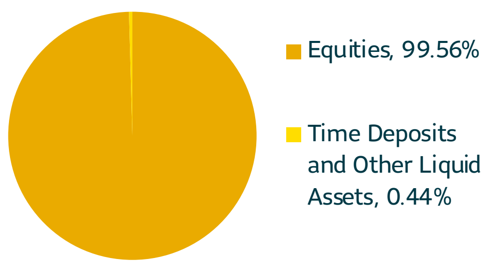
The **Sun Life Prosperity Philippine Stock Index Fund** aims to generate long-term capital growth by tracking the performance of the Philippine Stock Exchange Index (PSEi). The Fund invests primarily in common stocks that comprise the PSEi and in cash and other money market instruments.

The Fund is suitable for investors with an **aggressive risk profile** and a long-term investment horizon. This is for investors who are willing to take risks for higher returns.

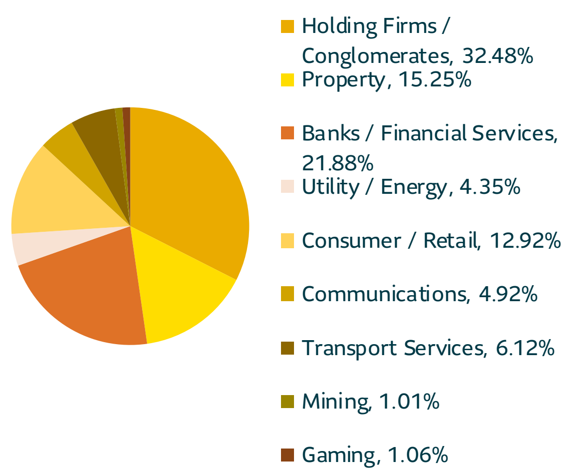
Top Equity Holdings

1. SM Investments Corporation, 14.04%
2. BDO Unibank Inc., 9.33%
3. SM Prime Holdings Inc., 9.19%
4. Bank of the Philippine Islands, 8.02%
5. International Container Terminal Services Inc., 6.09%
6. Ayala Land Inc., 6.00%
7. Ayala Corporation, 5.60%
8. Aboitiz Equity Ventures Inc., 3.76%
9. Metropolitan Bank & Trust Co., 3.31%
10. Jollibee Foods Corporation, 3.28%

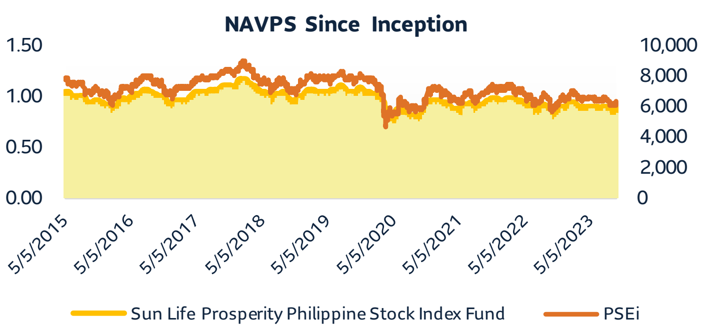
Investment Mix



Sector Allocation



How has the Fund performed?



CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
Fund	2.32%	-2.28%	8.07%	10.51%	-10.71%
Benchmark	2.36%	-3.73%	6.52%	8.21%	-13.13%

Notes:
- Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.
- Benchmark data were based on available information as of extraction date.

Market Review and Outlook

- The Philippine Stock Exchange Index (PSEi) gained 2.4% in September on bargain hunting. The index closed at 6,321 after testing the 6,000-support level during the month.
- PSE index off-cycle rebalancing was implemented in which BLOOM and CNPF were added, while MPI (delisted) and AP (free-float fell below 20% requirement) were excluded.
- The Bangko Sentral ng Pilipinas (BSP) kept policy rate unchanged at 6.25%. September inflation printed at 6.1%, higher than previous month's 5.3%.
- The PSEi may continue to trade within the 6,000 to 6,400 range in the near term as investors wait for stronger catalysts. Third quarter corporate earnings results to be released in the next few weeks may provide market direction.

Doc. Ver. No. 1

FUND FACTS

Sun Life Prosperity Philippine Stock Index Fund

August 31, 2023

This document contains key information clients of Sun Life Prosperity Philippine Stock Index Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc., at 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

Launch Date	May 5, 2015	**Fund Classification**	Equity Index Fund	**Minimum Holding Period**	None
Fund Size	PHP 10,983,797,530.35	**Minimum Subscription**	PHP 1,000	**Early Redemption Fee**	None
Net Asset Value Per Share	0.8136	**Minimum Subsequent**	PHP 1,000	**Redemption Settlement**	T+4 business days
Benchmark	100% PSEi	**Management and Distribution Fee**	1.00%	**Bloomberg Ticker**	SLFPSIF PM Equity
Fund Structure	Mutual Fund (Shares)	**Transfer Agency Fee**	0.15%		

What does the Fund invest in?

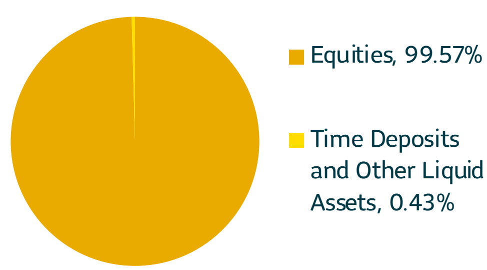
The **Sun Life Prosperity Philippine Stock Index Fund** aims to generate long-term capital growth by tracking the performance of the Philippine Stock Exchange Index (PSEi). The Fund invests primarily in common stocks that comprise the PSEi and in cash and other money market instruments.

The Fund is suitable for investors with an **aggressive risk profile** and a long-term investment horizon. This is for investors who are willing to take risks for higher returns.

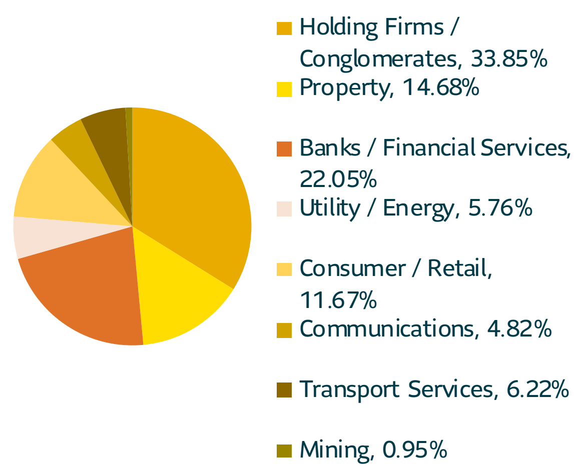
Top Equity Holdings

1. SM Investments Corporation, 14.09%
2. BDO Unibank Inc., 9.31%
3. SM Prime Holdings Inc., 8.99%
4. Bank of the Philippine Islands, 8.00%
5. International Container Terminal Services Inc., 6.19%
6. Ayala Land Inc., 5.62%
7. Ayala Corporation, 5.61%
8. Aboitiz Equity Ventures Inc., 3.58%
9. Jollibee Foods Corporation, 3.44%
10. Metropolitan Bank & Trust Co., 3.44%

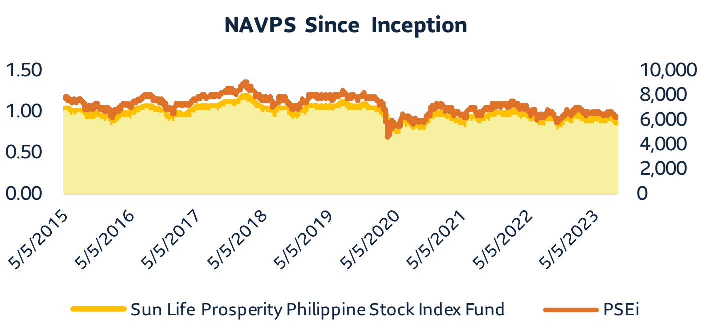
Investment Mix



Sector Allocation



How has the Fund performed?



CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
Fund	-6.16%	-4.50%	-4.76%	7.11%	-19.16%
Benchmark	-6.31%	-5.96%	-6.20%	4.95%	-21.39%

Notes:

- Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.
- Benchmark data were based on available information as of extraction date.

Market Review and Outlook

- The Philippine Stock Exchange Index (PSEi) succumbed to selling pressure last August as it broke below the 6,400-support following a disappointing GDP print of 4.3% and rising input costs. Month-on-month, the PSEi fell 6.3%, closing the month at 6,175.25.
- Additional headwinds brought about by the suspension of reclamation activities in the Manila Bay area also weighed on the market as it impacted index heavyweights SMPH and SM.
- On a positive note, corporate earnings continued to deliver with more than half of index constituents (mostly from power and conglo sectors) tracking ahead of in-house expectations.
- The PSEi may continue to trade within the 6,000 to 6,400 range in the coming weeks as investors await stronger catalysts.

Doc. Ver. No. 1

Sun Life Asset Management

FUND FACTS

Sun Life Prosperity Philippine Stock Index Fund

July 31, 2023

This document contains key information clients of Sun Life Prosperity Philippine Stock Index Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc., at 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

Launch Date	May 5, 2015	**Fund Classification**	Equity Index Fund	**Minimum Holding Period**	None
Fund Size	PHP 11,915,001,377.47	**Minimum Subscription**	PHP 1,000	**Early Redemption Fee**	None
Net Asset Value Per Share	0.8670	**Minimum Subsequent**	PHP 1,000	**Redemption Settlement**	T+4 business days
Benchmark	100% PSEi	**Management and Distribution Fee**	1.00%	**Bloomberg Ticker**	SLFPSIF PM Equity
Fund Structure	Mutual Fund (Shares)	**Transfer Agency Fee**	0.15%		

What does the Fund invest in?

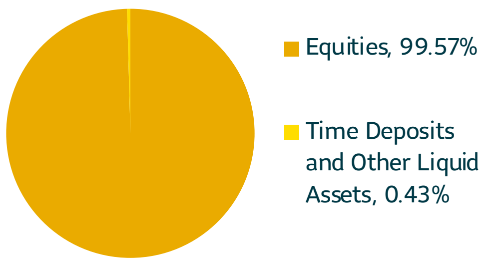
The **Sun Life Prosperity Philippine Stock Index Fund** aims to generate long-term capital growth by tracking the performance of the Philippine Stock Exchange Index (PSEi). The Fund invests primarily in common stocks that comprise the PSEi and in cash and other money market instruments.

The Fund is suitable for investors with an **aggressive risk profile** and a long-term investment horizon. This is for investors who are willing to take risks for higher returns.

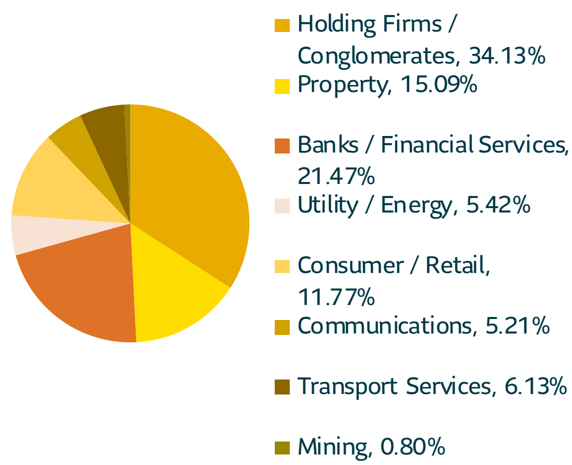
Top Equity Holdings

1. SM Investments Corporation, 14.51%
2. SM Prime Holdings Inc., 9.68%
3. BDO Unibank Inc., 9.12%
4. Bank of the Philippine Islands, 7.53%
5. International Container Terminal Services Inc., 6.10%
6. Ayala Land Inc., 5.34%
7. Ayala Corporation, 5.27%
8. Aboitiz Equity Ventures Inc., 3.86%
9. Metropolitan Bank & Trust Co., 3.51%
10. JG Summit Holdings Inc., 3.51%

Investment Mix

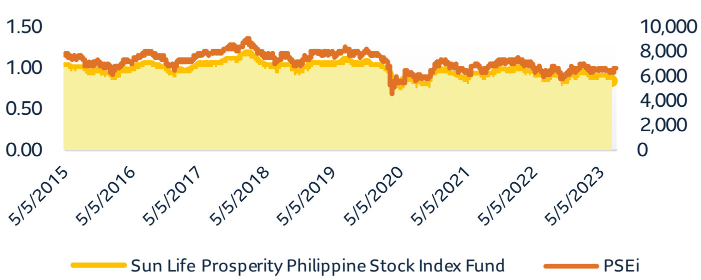


Sector Allocation



How has the Fund performed?

NAVPS Since Inception



CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
Fund	1.81%	1.77%	5.93%	13.38%	-11.77%
Benchmark	1.91%	0.38%	4.36%	11.18%	-14.08%

Notes:

- Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.
- Benchmark data were based on available information as of extraction date.

Market Review and Outlook

- The Philippine Stock Exchange Index (PSEi) recovered in July, gaining 1.9% to close at 6,591.47.
- Philippine inflation continued to ease in July at 4.7%, coming from 5.4% the prior month.
- Meanwhile, President Marcos had his second SONA, highlighting taxes on single use plastics and VAT on digital services. These will fund infrastructure projects to expand roads and bridges.
- Foreign investors were net buyers at $332M during the month, with heavy inflows in banks.
- Given current sentiment, the PSEi may continue to trade within the 6,400 to 6,700 range as market players digest second quarter corporate earnings. So far, earnings reports have been mostly in-line to ahead of in-house expectations for banks, telcos, and utilities sectors.

Doc. Ver. No. 1

From:	ICTD Submission
To:	sunlife_sec_communications
Subject:	Re: CGFD_Sun Life Prosperity Philippine Stock Index Fund, Inc._SEC Form 17-L_09November2023
Date:	Thursday, November 9, 2023 12:27:49 PM

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

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at https://secexpress.ph/. For further clarifications, please call (02) 8737-8888.

-- NOTICE TO COMPANIES --

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15.BP-FCLC 20.S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through https://efast.sec.gov.ph/user/login.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at https://efast.sec.gov.ph/user/login :

1. AFS 7. IHFS 13. SSF

2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – https://apps010.sec.gov.ph/

For your information and guidance.

Thank you.

Sun Life
Asset Management

Certification

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

1) That I have caused this SEC Form 17-L to be prepared on behalf of Sun Life Prosperity Philippine Stock Index Fund, Inc.;
2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3) That the company Sun Life Prosperity Philippine Stock Index Fund, Inc. will comply with the requirements set forth in SEC Notice dated 14 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of November 2023.

Jeanemar S. Talaman
Affiant

NOV 07 2023 MAKATI CITY

SUBSCRIBED AND SWORN to before me this ____day of__________,2023, in ________ City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Valid Until	Place of Issue
Jeanemar S. Talaman	Driver's Licens[redacted]	05 June 2033	DLRC - Ayala

Doc. No. 129
Page No. 27
Book No. 22;
Series of 2023.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2023
Appointment No. - 172 (2022-2023)
PTR NO. 9563521 Jan. 3, 2023 Makati City
IBP No. 1062634 - Jan. 3, 2018
MCLE NO. VI-0023417 Roll No. 27932
28 Amorsolo Street Legaspi Village
Makati City

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-L

NOTIFICATION OF INABILITY TO FILE ALL OR ANY PORTION OF SEC FORM 17-A OR 17-Q

GENERAL INSTRUCTIONS

1. This Form may be signed by an executive officer of the issuer or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the issuer by an authorized representative other than an executive officer, evidence of the representative's authority to sign on behalf of the issuer shall be filed with the Form.

2. One signed original and four conformed copies of this Form and attachments thereto must be completed and filed with the Commission and, where any class of the issuer's securities are listed on a Stock Exchange, one with that Stock Exchange, in accordance with SRC Rule 17-1. The information contained in or filed with the Form will be made a matter of the public record in the Commission's and the Exchange's files.

3. A manually signed copy of the Form and amendments thereto shall be filed with the Stock Exchange if any class of securities of the issuer is listed thereon.

4. One signed original and four conformed copies of amendments to the notifications must also be filed on SEC Form 17-L but need not restate information that has been correctly furnished. The Form shall be clearly identified as an amended notification.

5. If the deadline for filing SEC Form 17-A or 17-Q specified in paragraph 2(b)(ii) of SRC Rule 17-1 is not complied with, a fine will be imposed for each day thereafter that the Form is not filed.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-L

NOTIFICATION OF INABILITY TO FILE ALL OR ANY PORTION OF SEC FORM 17-A OR 17-Q

Check One:

Form 17-A [ ] Form 17-Q [✔]

Period-Ended Date of required filing **September 30, 2023**

Date of this report **November 07, 2023**

Nothing in this Form shall be construed to imply that the Commission has verified any information contained herein.

If this notification relates to a portion or portions of the filing checked above, identify the item(s) to which the notification relates: **SEC FORM 17-Q**

1. SEC Identification Number **CS201424696** 2. BIR Tax Identification No. : **008-930-133-000**

3. **Sun Life Prosperity Philippine Stock Index Fund, Inc.**
   Exact name of issuer as specified in its charter

4. **Bonifacio Global City, Taguig City**
   Province, country or other jurisdiction of incorporation

5. Industry Classification Code: [ ] (SEC Use Only)

6. **8F Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634**
   ....
   Address of principal office Postal Code

7. **(02) – 8555 8888**
   Issuer's telephone number, including area code

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

9. Are any of the issuer's securities listed on a Stock Exchange?

   Yes [ ] No [X]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
……..

Part I - Representations

If the subject report could not be filed without unreasonable effort or expense and the issuer seeks relief pursuant to SRC Rule 17-1, the following should be completed. (Check box if appropriate)

(a) The reasons described in reasonable detail in Part II of this Form could not be estimated without unreasonable effort or expense. [ ]

(b) The subject annual report on SEC Form 17-A, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report on SEC Form 17-Q, or portion thereof, will be filed on or before the fifth day following the prescribed due date. [✔]

(c) The accountant's statement or other exhibit required by paragraph 3 of SRC Rule 17-1 has been attached if applicable. [ ]

Part II - Narrative

State below in reasonable detail the reasons why SEC Form 17-A or SEC Form 17-Q, or portion thereof, could not be filed within the prescribed period. (Attach additional sheets if needed.)

The Company's SEC Form 17-Q for the quarter ending September 30, 2023 could not be completed and filed within the prescribed period. The Company has yet to complete the review of its financial statements and required notes disclosures. The Company undertakes to submit the report within five (5) calendar days after the prescribed deadline to the Securities and Exchange Commission.

Part III - Other Information

(a) Name, address and telephone number, including area code, and position/title of person to contact in regard to this notification

Jeanemar S. Talaman
Treasurer, Sun Life Asset Management Company, Inc.
Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634
8555-8888

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

Yes [✔] No [ ] Reports: ....

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

Yes [ ] No [✔]

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

SIGNATURE

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

Sun Life Prosperity Philippine Stock Index Fund, Inc.
Registrant's full name as contained in charter

JEANEMAR S. TALAMAN
Treasurer, Sun Life Asset Management Company, Inc.

Date: **November 07, 2023**

From: sunlife_sec_communications
To: ICTD Submission; CGFD Account
Cc: PHIL-FIN_FAR2; Jeanemar Talaman
Subject: CGFD_Sun Life Prosperity Philippine Stock Index Fund, Inc._SEC Form 17-L_09November2023
Date: Thursday, November 9, 2023 12:27:00 PM
Attachments: Sun Life Prosperity Philippine Stock Index Fund, Inc._SEC Form 17-L_09November2023.pdf

To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Please see attached SEC Form 17-L of Sun Life Prosperity Philippine Stock Index Fund, Inc.

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

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

Official email address: sunlife_sec_communications@sunlife.com
Alternative email address: sunlife_sec_communications2@sunlife.com
Official email address of authorized filer: ShamiraAngela.Juano@sunlife.com

Best Regards,

Shamira Angela P Juano | Financial Accounting & Reporting | Finance | Sun Life PH
T: 632 8555 8888 local 5931 | **E:** ShamiraAngela.Juano@sunlife.com
5F Sun Life Centre, Fifth Ave. cor. Rizal Drive, Bonifacio Global City, Taguig 1634

Sun Life

Life's brighter under the sun