COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	7	0	1	3	0	7

Company Name

SUN LIFE PROSPERITY DOLLAR
STARTER FUND INC.

Principal Office (No./Street/Barangay/City/Town)Province)

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
sunlife_sec_communications@sunlife.com	8555-8888	0999-991-7178

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
3,611	Every Fourth Wednesday of June	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
JEANEMAR S. TALAMAN	Jeanemar.Talaman@sunlife.com	555-8888	N/A

Contact Person's Address

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

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

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

Almer M Doring

From: eafs@bir.gov.ph
Sent: Saturday, April 13, 2024 3:10 PM
To: PHIL-FIN.SLPDollarStarter
Cc: PHIL-FIN.SLPDollarStarter
Subject: Your BIR AFS eSubmission uploads were received

Hi SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.,

Valid files

- EAFS009525650RPTTY122023.pdf
- EAFS009525650ITRTY122023.pdf
- EAFS009525650AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-7BH8KL850CCJ9KC5M1RSVYT40A5CCLAA6**
Submission Date/Time: **Apr 13, 2024 03:10 PM**
Company TIN: [redacted]

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

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

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

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	:	009-525-650-000
Name	:	SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.
RDO	:	044
Form Type	:	1702
Reference No.	:	462400059070094
Amount Payable (Over Remittance)	:	356,047.00
Accounting Type	:	C - Calendar
For Tax Period	:	12/31/2023
Date Filed	:	04/10/2024
Tax Type	:	IT

Proceed to Payment

[BIR Main | eFPS Login | User Menu | Help]

BIR e-Payment

BIR e-Payment Details

Account	[redacted]/Dollar Starter - BIR-PHP-SA
Payment Date	04/11/2024
Status	**Successful** Transaction Status Workflow Status Approved Last Updated on 04/12/2024 05:00:12 **Workflow Progress**
Reference Number	BR-04102024-170252-966434
Filing Reference Number	462400059070094
Payment Transaction Number	240714837
TIN	[redacted]
Branch Number	000
RDO Code	044
Transacting Bank Code	26000
Depository Bank Code	26000
Taxpayer Name	SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.
Tax Type	IT
Tax Return Period	12/31/2023
Quarter	0
Amount Due	PHP 356,047.00
Actual Amount Paid	PHP 356,047.00

Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

eFPS Payment Details

TIN : 009 - 525 - 650 - 000
Name : SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.
Tax Period : 12/31/2023
Reference Number : 462400059070094
Tax Type : IT - Annual Income Tax Return (REGULAR)

Payment Transaction Number : 240714837
Date : 04/10/2024
Cash Amount Paid : 356,047.00
Bank : 026000 - RCBC

Origin	Bank Code	Amount	Number	Date	Status	Message	CBR BCS No.
Pending Online Confirmation	026000	356,047.00	-		Unknown	60 - Details of Payment were redirected to the corresponding Bank. Please verify with your Bank.	56527
Batch Confirmation	026000	356,047.00	04102024170252966434	04/11/2024	Authorized	0 - Successful	56527
Batch Acknowledgment	026000	356,047.00	04102024170252966434	04/11/2024	Authorized	0 - Successful	56527

Total Payments (Successful/Unsuccessful): 356,047.00
Total Payments (Successful) : **356,047.00**

Print Close

Sun Life

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

[redacted]

Benedicto C. Sison, Chairman of the Board

[redacted]

Valerie N. Pama, President

[redacted]

Jeanemar S. Talaman, Treasurer

Signed this 25th day of March 2024.

Sun Life

Subscribed and sworn to me before this ___ day of APR 0 1 2024 ______ 2024 at CITY OF MAKATI ___________, affiants exhibiting to me competent evidence of identity, as follows:

Name	Government Issued ID	Date/Place Issued
Benedicto C. Sison	Passpo[redacted]	24 Nov 2021/DFA Manila
Valerie N. Pama	Passpo[redacted]	8 July 2021/DFA Manila
Jeanemar S. Talaman	Driver'[redacted]	05 June 2033/ DLRC - Ayala

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

Doc. No. 141
Page No. 40
Book No. XLII
Series of 2024.

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

NavarroAmper&Co.

Navarro Amper & Co.
19th Floor Six/NEO Building
5th Avenue corner 26th Street
Bonifacio Global City, 1634 Taguig
Philippines

Tel: +63 2 8581 9000
Fax: +63 2 8869 3676
www.deloitte.com/ph

BOA/PRC Reg. No. 0004

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 21 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

By:

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

Taguig City, Philippines
April 8, 2024

SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.
(An Open-End Investment Company)

STATEMENTS OF FINANCIAL POSITION
(In US Dollars)

		December 31	
	Notes	**2023**	2022
ASSETS			
Current Assets			
Cash and cash equivalents	6	**$38,436,532**	$20,096,863
Financial assets at amortized cost - current portion	8	**4,034,622**	36,558,426
Accrued interest receivable	7	**140,768**	1,032,829
Total Current Assets		**42,611,922**	57,688,118
Non-current Assets			
Financial assets at amortized cost - net of current portion	8	**-**	45,482,752
Deferred tax asset	17	**19,772**	49,021
Total Non-Current Assets		**19,772**	45,531,773
		$42,631,694	$103,219,891
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other payables	9	**$ 96,334**	$ 90,824
Payable to fund manager	10	**20,843**	36,957
Income tax payable		**12,839**	105,970
Total Current Liabilities		**130,016**	233,751
Equity			
Share capital	11	**797,312**	797,312
Deposit for future stock subscriptions	11	**3,300,874**	63,493,668
Additional paid-in capital	12	**37,403,968**	34,985,039
Retained earnings		**1,864,721**	3,772,861
		43,366,875	103,048,880
Treasury shares	11	**(865,197)**	(62,740)
Total Equity		**42,501,678**	102,986,140
		$42,631,694	$103,219,891
Net Asset Value Per Share	13	**$ 1.0977**	$ 1.0692

See Notes to Financial Statements.

SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.
(An Open-End Investment Company)

STATEMENTS OF COMPREHENSIVE INCOME
(In US Dollars)

		For the Years Ended December 31		
	Notes	**2023**	2022	2021
Investment Income				
Interest income	14	**$2,465,377**	$3,519,616	$1,591,650
Net realized losses on investments	8	**(3,701,840)**	(468,970)	240,679
Other income		**-**	11	1,885
		(1,236,463)	3,050,657	1,834,214
Operating Expenses				
Management and transfer fees	10	**201,843**	590,163	399,789
Distribution fees	10	**91,747**	268,256	181,722
Provision for (Reversal of) expected credit losses	8	**(118,738)**	36,145	82,593
Custodian fees		**8,953**	28,542	10,569
Taxes and licenses		**6,387**	3,558	21,542
Directors' fees	10	**4,621**	4,286	7,976
Professional fees		**2,749**	6,829	2,936
Printing and supplies		**697**	416	323
Miscellaneous		**2,385**	10,802	7,245
		200,644	948,997	714,695
Profit (Loss) Before Net Unrealized Loss on Investments		**(1,437,107)**	2,101,660	1,119,519
Net Unrealized Loss on Investments		**-**	-	(13,408)
Profit (Loss) before tax		**(1,437,107)**	2,101,660	1,106,111
Income Tax Expense	17	**471,033**	614,041	235,003
Total Comprehensive Income (Loss) for the Period		**($1,908,140)**	$1,487,619	$871,108
Basic Earnings (Loss) per Share	15	**($0.320)**	$ 0.124	$ 0.073
Diluted Earnings per Share	15	**(0.045)**	$ 0.008	$ 0.007

See Notes to Financial Statements.

SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.

(An Open-End Investment Company)

STATEMENTS OF CHANGES IN EQUITY

(In US Dollars)

	Notes	Share Capital	Deposits for Future Share Subscription	Additional Paid-in-Capital	Treasury Shares	Retained Earnings	Total
		For the Years Ended December 31, 2023, 2021 and 2021					
Balance, January 1, 2021	11,12	$257,620	$79,443,982	$11,423,301	($827)	$1,414,134	$92,538,210
Total comprehensive income for the year		-	-	-	-	871,108	871,108
Transactions with owners:	11,12						
Acquisition of treasury shares during the year		-	-	-	(1,782,921)	-	(1,782,921)
Reissuance of treasury shares during the year		-	-	(24,381)	1,778,289	-	1,753,908
Receipt of deposits for future share subscriptions		-	327,353,866	-	-	-	327,353,866
Redemption of deposits for future share subscriptions		-	(234,506,240)	(508,828)	-	-	(235,015,068)
Transfer from deposit for future share subscription to share capital		7,659	(7,659)	-	-	-	-
Total transactions with owners		7,659	92,839,967	(533,209)	(4,632)	-	92,309,785
Balance, December 31, 2021	11,12	265,279	172,283,949	10,890,092	(5,459)	2,285,242	185,719,103
Total comprehensive income for the year		-	-	-	-	1,487,619	1,487,619
Transactions with owners:	11,12						
Acquisition of treasury shares during the year		-	-	-	(2,330,403)	-	(2,330,403)
Reissuance of treasury shares during the year		-	-	(8,466)	2,273,122	-	2,264,656
Receipt of deposits for future share subscriptions		-	448,403,354	-	-	-	448,403,354
Redemption of deposits for future share subscriptions		-	(531,028,023)	(1,530,166)	-	-	(532,558,189)
Transfer from deposit for future share subscription to share capital		532,033	(26,165,612)	25,633,579	-	-	-
Total transactions with owners		532,033	(108,790,281)	24,094,947	(57,281)	-	(84,220,582)
Balance, December 31, 2022	11,12	797,312	63,493,668	34,985,039	(62,740)	3,772,861	102,986,140
Total comprehensive loss for the year		-	-	-	-	(1,908,140)	(1,908,140)
Transactions with owners:	11,12						
Acquisition of treasury shares during the year		-	-	-	(2,349,479)	-	(2,349,479)
Receipt of deposits for future share subscriptions		-	110,629,420	-	-	-	110,629,420
Redemption of deposits for future share subscriptions		-	(169,325,767)	2,469,504	-	-	(166,856,263)
Reissuance of treasury shares from deposit for future stock subscription		-	(1,496,447)	(50,575)	1,547,022	-	-
Total transactions with owners		-	(60,192,794)	2,418,929	(802,457)	-	(58,576,322)
Balance, December 31, 2023	11,12	**$797,312**	**$3,300,874**	**$37,403,968**	**($865,197)**	**$1,864,721**	**$42,501,678**

See Notes to Financial Statements.

SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.
(An Open-End Investment Company)

STATEMENTS OF CASH FLOWS
(In US Dollars)

	Notes	For the Years Ended December 31 **2023**	2022	2021
Cash Flows from Operating Activities				
Profit (Loss) before tax		**($1,437,107)**	$ 2,101,660	$ 1,106,111
Adjustments for:				
Net realized losses (gains) on investments	8	**3,701,840**	468,970	(240,679)
Interest income	14	**(2,465,377)**	(3,519,616)	(1,591,650)
Provision for (Reversal of) expected credit losses	8	**(118,738)**	36,145	82,593
Net unrealized gains on investments		**-**	-	13,408
Operating cash flows before working capital changes		**(319,382)**	(912,841)	(630,217)
Increase (Decrease) in:				
Payable to fund manager		**(16,114)**	(24,473)	31,833
Accrued expenses and other payables		**5,510**	(49,363)	(619,460)
Cash used in operations		**(329,986)**	(986,677)	(1,217,844)
Acquisition of financial assets at fair value through profit or loss		**-**	-	(940,030,669)
Proceeds from disposal of financial assets at fair value through profit or loss		**-**	3,538,594	957,979,215
Interest received		**3,621,660**	5,210,542	1,826,663
Income taxes paid		**(534,915)**	(593,256)	(97,000)
Net cash generated from operating activities		**2,756,759**	7,169,203	18,460,365
Cash Flows from Investing Activities				
Acquisitions of financial assets at amortized cost	8	**(46,033,687)**	(227,047,491)	(205,248,856)
Proceeds from maturities/disposal of financial assets at amortized cost	8	**120,192,919**	282,748,307	111,280,401
Net cash generated from (used in) investing activities		**74,159,232**	55,700,816	(93,968,455)
Cash Flows from Financing Activities				
Proceeds from reissuance of treasury shares	11,12	**-**	2,264,656	1,753,908
Payments on acquisition of treasury shares	11	**(2,349,479)**	(2,330,403)	(1,782,921)
Receipt of deposit for future stock subscriptions	11	**110,629,420**	448,403,354	327,353,866
Redemption of deposit for future stock subscriptions	11,12	**(166,856,263)**	(532,558,189)	(235,015,068)
Net cash generated from (used in) financing activities		**(58,576,322)**	(84,220,582)	92,309,785
Net Increase (Decrease) in Cash and cash equivalents		**18,339,669**	(21,350,563)	16,801,695
Cash and cash equivalents, Beginning		**20,096,863**	41,447,426	24,645,731
Cash and cash equivalents, End		**$ 38,436,532**	$ 20,096,863	$ 41,447,426

NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022 AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(In US Dollars)

1. CORPORATE INFORMATION

Sun Life Prosperity Dollar Starter Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 16, 2017 and started its commercial operations on November 6, 2017. The Company is a registered open-end investment company under the Investment Company Act (Republic Act "R.A." No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). It is engaged in the sale of and distribution of mutual fund shares, and seeks to provide higher yields than conventional bank deposits, short-term corporate and government debt and other fixed income instruments denominated in US Dollars. As an open-end investment company, its shares are redeemable anytime based on the Net Asset Value Per Share (NAVPS) at the time of redemption.

The Company appointed Sun Life Asset Management Company, Inc. (SLAMCI), an investment management company incorporated in the Philippines and a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as its fund manager, adviser, administrator, distributor and transfer agent and provider of management, distribution and all required operational services, as disclosed in Note 10.

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

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

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

Basis of Preparation and Presentation

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

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

Functional and Presentation Currency

These financial statements are presented in United States Dollar (USD), the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest dollar, except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

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

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

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

The amendments have no impact on the financial statements as Congress has not enacted a law recognizing the applicability of Pillar Two Reform in the Philippines.

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

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

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

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

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

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

Effective date is deferred indefinitely

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

Financial assets

Initial recognition and measurement

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

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

Classification and Subsequent Measurement

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

- FVTPL
- Amortized cost

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

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

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

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

Debt instruments

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

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

Amortized cost and effective interest method

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

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

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

Impairment of financial assets

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost and financial assets at FVOCI.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow 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 are no past due amounts.

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

Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

Credit-impaired financial assets

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or FVOCI 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.

Measurement and recognition of ECL

The measurement of ECL is a function of the PD, 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 FVOCI, for which the loss allowance is recognized in OCI and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

Presentation of allowance for ECL in the statements of financial position

Loss allowances for ECL are presented in the statements 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, but is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Financial liabilities

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

Financial liabilities at FVTPL

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.

As at December 31, 2023 and 2022, the Company does not have financial liabilities classified at FVTPL, hence, all financial liabilities are subsequently measured at amortized cost.

Financial liabilities measured subsequently at amortized cost

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

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

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

Derecognition of financial liabilities

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

<u>Equity instruments</u>

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

Share capital

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

Retained earnings

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

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

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

Deposit for future share subscriptions

DFFS is recorded at historical cost. According to Financial Reporting Bulletin (FRB) No. 6 as issued by SEC, it is classified as equity when all of the following criteria are met:

- the unissued authorized capital share 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 share (for which a deposit was received by the Company);
- there is shareholders' approval of said proposed increase; and
- the application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

DFFS is classified as liability, when the above criteria are not met.

Revenue Recognition

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

<u>Dividend income</u>

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

<u>Interest income</u>

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.

<u>Realized gains or losses</u>

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.

<u>Fair value gains or losses</u>

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

Expense Recognition

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

Fair Value

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

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

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

Related Party Transactions

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

Taxation

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

Current tax

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

Final tax

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

Deferred tax

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

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

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

Current and deferred taxes for the year

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

Earnings (Loss) per Share

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

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

Net Asset Value per Share (NAVPS)

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical Judgments in Applying Accounting Policies

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

Business model assessment

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

As at December 31, 2023 and 2022, financial assets at amortized cost amounted to $42,611,922 and $103,170,870, respectively, composed of cash and cash equivalents, accrued interest receivables, and financial assets at amortized cost as disclosed in Notes 6, 7, and 8, respectively.

Significant increase of credit risk

ECL is 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 disclosed in Note 19.

As at December 31, 2023 and 2022, the Company's allowance for credit losses for financial instruments measured at amortized cost amounted to nil and $118,738, respectively, as disclosed in Note 8 and Note 19.

Models and assumptions used

The Company uses various models and assumptions in measuring 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.

The Company's model and assumptions used in measuring fair value of financial assets and estimating ECL are disclosed in Notes 16 and 19, respectively.

Puttable shares designated as equity instruments

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

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

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

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

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

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

e. the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument (excluding any effects of the instrument).

As at December 31, 2023 and 2022, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to $797,312, as disclosed in Note 11.

Key Sources of Estimation Uncertainty

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

Probability of default (PD)

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

As at December 31, 2023 and 2022, the Company assessed a PD of 0.14%, respectively, for all of its financial assets measured at amortized cost.

The assumptions used by the Company is estimating PD is disclosed in Note 19.

Loss Given Default (LGD)

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

The Company uses portfolio averages from external estimates sourced out from Standard and Poor's (S&P) as the LGD estimates. The categorization of LGD estimates per financial asset measured at amortized cost is disclosed in Note 19.

Estimating loss allowance for ECL

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. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 19 Credit Risk - ECL measurement, which also sets out the key sensitivities of the ECL to changes in these elements.

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 December 31, 2023 and 2022, the Company's estimated credit losses for financial instruments measured at amortized cost amounted to nil and $118,738, respectively as disclosed in Notes 8 and 19.

Deferred tax asset

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

Total deferred tax asset recognized in the statements of financial position as at December 31, 2023 and 2022 amounted to $19,772 and $49,021, respectively, as disclosed in Note 17.

6. CASH AND CASH EQUIVALENTS

This account consists of:

	2023	2022
Cash in banks	**$ 302,969**	$ 1,760,376
Cash equivalents	**38,133,563**	18,336,487
	$ 38,436,532	$20,096,863

Cash in banks earned interest amounting to $107, $223 and $185 in 2023, 2022 and 2021, respectively, at an average rate of 0.03%, 0.05% and 0.00%, respectively, as disclosed in Note 14.

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

Cash equivalents earned interest amounting to $951,414, $337,799 and $1,780 at an average interest rate of 3.37%, 2.38% and 0.28% in 2023, 2022 and 2021, respectively, as disclosed in Note 14. Accrued interest receivable amounted to $92,732 and $6,544 as at December 31, 2023 and 2022, respectively, as disclosed in Note 7.

7. ACCRUED INTEREST RECEIVABLE

This account consists of accrued interest on the following:

	Notes	2023	2022
Corporate bonds	8	**$ 48,036**	$1,026,285
Cash equivalents	6	**92,732**	6,544
		$ 140,768	$1,032,829

Collection of interest depends on the scheduled interest payments of each asset held.

8. FINANCIAL ASSETS AT AMORTIZED COST - net

This account consists of:

	Note	2023	2022
Current			
Corporate bonds		**$ 4,034,622**	$36,558,426
Non-current			
Corporate bonds		**$ -**	$45,601,490
Less: Provision for expected credit loss	**19**	**-**	(118,738)
		-	45,482,752
		$4,034,622	$82,041,178

The following are the principal amounts and unamortized premium (discount):

	2023	2022
Principal amount	**$ 4,031,000**	$81,331,000
Unamortized premium	**3,622**	828,916
	$ 4,034,622	$82,159,916

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

	Note	**2023**	2022	2021
Balance, January 1		**$82,041,178**	$139,916,394	$ 46,718,149
Additions		**46,033,687**	227,047,491	205,248,856
Maturities		**-**	-	(43,182,930)
Disposal		**(125,150,535)**	(283,216,801)	(67,890,638)
Amortization of premium		**991,554**	(1,669,761)	(894,450)
Reversal of (provision for) expected credit loss	19	**118,738**	(36,145)	(82,593)
Balance, December 31		**$ 4,034,622**	$82,041,178	$139,916,394

Realized gains (losses) from sale of financial assets at amortized cost amounting to ($3,701,726), ($468,495), and $206,833 in 2023, 2022, and 2021, respectively, are part of the net realized gains on investment as presented in the statements of comprehensive income. The disposal of financial assets of the Company is attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.

Interest income earned on financial assets at amortized cost investments amounted to $1,513,856, $2,779,175 and $1,541,216 in 2023, 2022 and 2021, respectively, as disclosed in Note 14. The average interest rates of financial assets at amortized cost investments are also disclosed in Note 14. Accrued interest receivables amounted to $48,036 and $1,026,285 as at December 31, 2023 and 2022, respectively, as disclosed in Note 7.

The amortization of discount and premium of financial assets at amortized cost investments are summarized as follows:

	2023	2022
Amortization of premium	**$ 991,554**	($1,392,736)
Amortization of discount	**-**	131,771
	$ 991,554	($1,260,965)

The following presents the breakdown of the maturity profile of the principal amounts of financial assets at amortized cost:

	2023	2022
Due in one year or less	**$4,031,000**	$36,378,000
Due after one year through five years	**-**	44,953,000
	$4,031,000	$81,331,000

9. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2023	2022
Filing and registration fees payable	**$ 82,994**	$80,731
Due to investors	**6,962**	852
Professional fees	**2,754**	2,487
Custodianship fees	**1,862**	2,552
Withholding and documentary stamp taxes	**1,762**	4,202
	$ 96,334	$90,824

Filing and registration fees payable pertains to the amount payable to SEC in relation with the Company's application for increase in authorized share capital. 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 one day after the transaction date.

10. RELATED PARTY TRANSACTIONS

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

The related parties below hold the following number of shares and current value of the Company as at December 31, 2023 and 2022:

	2023		2022	
Related party	**Number of shares**	**Current Value**	Number of shares	Current Value
SLOCPI DFFS	**3,437,824**	**$ 3,773,784**	2,969,267	$3,176,819
Sun Life Grepa Financial, Inc. DFFS	**1,055,295**	**1,158,423**	1,105,918	1,183,222

Subscriptions of related parties classified as DFFS are recorded at historical cost. It will be reclassified into ACS once the SEC approves the application for increase in ACS. These are non-interest bearing and are settled in cash based on the current NAVPS of the Company one day after the date of their redemptions.

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

Nature of Transaction	**Transactions During the Year**			**Outstanding Balances (Payable)**		**Terms**	**Condition**	**Notes**
	2023	2022	2021	**2023**	2022			
SLAMCI-Fund Manager								
Management, distribution and transfer fees	**$293,590**	$858,419	$581,511	**$20,843**	$36,957	Non-interest bearing; Annual rate of 0.40% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; Unguaranteed	a
Cash infusion	**$3,562,423**	-	-	**-**	-	Settled in cash		
Key Management Personnel								
Directors' fee	**4,621**	4,286	7,976	**-**	-	Payable on demand; Settled in cash	Unsecured, Unguaranteed	b
Entities Under Common Control								
Prosperity Dollar Advantage Fund, Inc Sale	**$304,976**	-	-	**-**	-			
Sun Life Prosperity Dollar Abundance Fund, Inc. Sale	**$637,970**	-	-	**-**	-	Non-interest bearing; Settled in cash on the day of transaction	Unsecured, Unguaranteed	c

In quarter three of 2023, the Company received a cash infusion of $3,562,423 from SLAMCI, the Company's fund manager. The Company did not issue any new shares from this cash infusion. This amount is recorded as an additional paid-in capital of the Company.

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

a) Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services.

Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 0.125% of the net assets attributable to shareholders on each valuation day. Moreover, under the Transfer Agency Agreement, SLAMCI receives aggregate fees for these services at an annual rate of 0.15% of the net assets attributable to shareholders on each valuation day.

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

Management, transfer and distribution fees charged by SLAMCI to the Company in 2023, 2022 and 2021 amounted to $293,590, $858,419 and $581,511, respectively. Accrued management fees as at December 31, 2023 and 2022 amounted to $20,843 and $36,957 shown as "Payable to fund manager" in the statements of financial position.

b) Remuneration of Directors

Remuneration of directors is presented in the statements of comprehensive income under "Directors' fees" amounting to $4,621, $4,286 and $7,976 in 2023, 2022 and 2021, respectively, which are usually paid to directors based on the meetings held and attended. There were no accrued directors' fees as at December 31, 2023 and 2022.

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

c) Purchase and Sale of Investments

These types of transactions are buy and sell of the same security between portfolios of two separate affiliated legal entities and whose assets are managed by Investments Department until July 25, 2021 and Sun Life Investment Management and Trust Corporation from July 26, 2021 onwards. Portfolio Managers determine that this is appropriate and in the best interest of certain portfolios and ensure that the trade will be executed in a manner that is fair and equitable to both parties involved in the cross trade.

11. EQUITY

Movements are as follows:

	2023		2022		2021	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized:						
at P1.00 par value	**37,000,000**	**P 37,000,000**	37,000,000	P 37,000,000	12,000,000	P12,000,000
Issued and fully paid:						
At January 1	**36,735,435**	**$797,312**	11,989,705	$ 265,279	11,982,343	$ 257,620
Transfer of shares from DFFS	**-**	**-**	24,745,730	532,033	7,362	7,659
At December 31	**36,735,435**	**$797,312**	36,735,435	$ 797,312	11,989,705	$ 265,279
Treasury shares:						
At January 1	**58,666**	**$62,740**	5,536	$ 5,459	786	$ 827
Acquired during the year	**2,164,060**	**2,349,479**	2,188,420	2,330,403	1,686,354	1,782,921
Reissuance	**-**	**-**	-	-	(1,681,604)	(1,778,289)
Reissuance of treasury shares from DFFS	**(1,432,158)**	**(1,547,022)**	(2,135,290)	(2,273,122)	-	-
At December 31	**790,568**	**$ 865,197**	58,666	$ 62,740	5,536	$ 5,459
DFFS:						
At January 1	**59,644,201**	**$63,493,668**	163,096,073	$172,283,949	75,848,781	$ 79,443,982
Receipts	**102,760,820**	**110,629,420**	421,797,988	448,403,354	309,398,200	327,353,866
Redemptions	**(158,199,752)**	**(169,325,767)**	(500,504,130)	(531,028,023)	(222,143,546)	(234,506,240)
Reissuance of treasury shares from DFFS	**(1,432,158)**	**(1,496,447)**	-	-	-	-
Transfer to ACS	**-**	**-**	(24,745,730)	(26,165,612)	(7,362)	(7,659)
At December 31	**2,773,111**	**$ 3,300,874**	59,644,201	$63,493,668	163,096,073	$172,283,949

Incorporation

The Company was incorporated on January 16, 2017 with 6,000,000 authorized shares at par value of P1.00 per share.

Approved changes

On February 23, 2017, the shareholders and Board of Directors approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares with a par value of P1.00 per share.

The increase will be implemented by the Chairman of the Board of Directors and President of SLAMCI acting jointly in tranches.

Pending Application for 6,000,000 additional shares

On July 24, 2018, the Chairman of the Board of Directors of the Company and the President of SLAMCI jointly approved the first tranche of increase in authorized share capital by P6,000,000 divided into 6,000,000 shares at a par value of P1.00 per share.

On September 14, 2018, the Company's application for increase in ACS for 6,000,000 shares was filed/presented with the SEC.

On October 24, 2018, the Company received SEC evaluator's comments and additional requirements on the 6,000,000 ACS increase application.

On July 29, 2019, the Company's application for 6,000,000 increase in ACS was approved by the SEC.

As at July 29, 2019, the Company reclassified the 6,000,000 DFFS to subscribed capital share.

On August 27, 2020, the Company paid P309,938 to SEC for the registration statement (RS) fee of 6,000,000 shares.

On January 22, 2021, the Company received comments from the SEC-CGFD on the Company's Q3 2020 UIFS and 2019 AFS in relation to the 6,000,000 shares increase.

On February 18, 2021, the Company submitted its response letter via email to SEC-CGFD.

On March 17, 2021, the Company filed its amended registration statement for the registration of the approved 6,000,000 shares increase.

Currently, the Company is waiting for feedback from SEC-CGFD on the documents provided.

Pending Application for 25,000,000 additional shares

On August 19, 2019, the Chairman of the Board of Directors of the Company and the President of SLAMCI, jointly approved the second tranche of increase in authorized capital share by P25,000,000 divided into 25,000,000 shares at the par value of P1.00 per share.

On September 30, 2019, the Company's application for increase in ACS for 25,000,000 shares was filed/presented with the SEC.

In 2020, the Company engaged Reyes Tacandong & Co (RTC) to render its professional services in providing assistance to the Company in submission of documents as required by the SEC for the approval of 25,000,000 additional shares.

On October 28, 2020, the Company received comments from SEC for the Company's application for increase in ACS of 25,000,000 shares.

On September 29, 2021, the Company submitted to SEC–CRMD the documentary requirements in the list received by the Company on October 28, 2020.

On October 11, 2021, the Company received CGFD's monitoring findings and comment list on the AOI and By Laws dated October 8, 2021.

On January 3, 2022, the Company filed with SEC-CGFD the Deed of Undertaking and Secretary's Certificate in relation to the SEC comments on AOI and By Laws.

On January 14, 2022, the Company was advised by RTC that SEC-CGFD is amenable to the submission and terms of the Company's Deed of Undertaking in lieu of immediate compliance with comments but shall be subject to acceptance by CRMD if the same would satisfy its application requirements.

On January 31, 2022, RTC provided to SEC-FAAD the email response of SEC-CGFD.

On February 18, 2022, RTC submitted the hard copy of the documentary requirements to the SEC.

On March 17, 2022, the Company was advised by RTC that they received an email from SEC stating that the undertaking is okay since the CGFD allowed it.

On August 11, 2022, the Company paid the ACS increase fee of Php 1,097,720.74.

On 08 September 2022, RTC emailed to SEC-CGFD the copy of Certificate of Increase and Secretary's Certificate of No Pending Case of Intra-Corporate Dispute and on 09 September 2022, RTC transmitted to the original copy to SEC.

On 12 September 2022, the Company's application for 25,000,000 increase in authorized share capital was approved by the SEC awaiting RS approval.

As at 12 September 2022, the Company reclassified the 25,000,000 deposit for future subscription to subscribed capital share.

Pending Application for 60,000,000 additional shares

On August 12, 2020, the Chairman of the Board of Directors of the Company and the President of SLAMCI, jointly approved the third tranche of increase in authorized capital share by P60,000,000.00 divided into 60,000,000 shares at the par value of P1.00 per share.

On September 30, 2020, the Company's application for increase in ACS for 60,000,000 shares was filed/presented with the SEC.

On October 14, 2020, the Company received the monitoring clearance from SEC-CGFD dated October 5, 2020.

On May 10, 2021, SEC required the submission of the Company's 2020 audited financial statements (AFS).

On September 22, 2021, the Company provided to SEC the scanned copy of the Company's 2020 AFS.

On January 3, 2022, the Company filed with SEC-CGFD the Deed of Undertaking and Secretary's Certificate in relation to the SEC comments on AOI and By Laws.

On January 14, 2022, the Company was advised by RTC that SEC is amenable to the submission and terms of the Company's Deed of Undertaking in lieu of immediate compliance with comments but shall be subject to acceptance by CRMD if the same would satisfy its application requirements.

Currently, the Company and RTC is consistently monitoring and following-up the status of the application to the SEC.

Pending Application for 100,000,000 additional shares

On October 20, 2021, the President of the Company and SLAMCI, jointly approved the fourth tranche of increase in authorized capital share by Php100,000,000.00 divided into 100,000,000 shares at the par value of Php 1.00 per share.

On December 27, 2021, the Company's application for increase in ACS for 100,000,000 shares was filed/presented with the SEC.

On January 6, 2022, the application was reprocessed, and pre-processing checklist was received from the examiner on the week March 16, 2022 for Company's proper action.

On 05 May 2022, the revised/updated documents are for routing to signatories.

On 02 September 2022, the Company sent to RTC via email the updated Certificate of Increase and Directors Certificate based on the comments from checklist.

Currently, the Company and RTC is consistently monitoring and following-up the status of the application to the SEC.

Pending Application for 300,000,000 additional shares

On March 18 and 21, 2022, the President of the SLAMCI and the Company, approved the fifth tranche of increase in authorized capital share by Php 300,000,000.00 divided into 300,000,000 shares at the par value of Php 1.00 per share.

On March 31, 2022, the Company's application for increase in ACS for 300,000,000 shares was filed/presented with the SEC.

On 05 May 2022, the Company submitted to SEC the updated Deed of Undertaking indicating the four pending applications in compliance to the comment of SEC-CGFD in the email received on 08 April 2022. On the same day, received from SEC-FAAD the pre-processing checklist issued by the examiner (1st processing checklist dated 28 Apr 2022).

On August 8, 2022, RTC forwarded an email from SEC-CGFD stating that they are amenable to the submission and terms of the Company's said Deed of Undertaking in lieu of immediate compliance with their comments, hence, they INTERPOSE NO OBJECTION to the processing of the Company's application.

On 09 September 2022, the Company filed an application for amendment of the Articles of Incorporation and By-Laws to comply with SEC-CGFD 08 October 2021 list of comments.

On 04 November 2022, the Company received an email from SEC-CGFD that they INTERPOSE NO OBJECTION to the processing of the Company's application for amendment of AOI and BL subject only to compliance with their Comment List dated 3 November 2022.

On 16 December 2022, SLAMCI sent a letter to the SEC requesting to withdraw the application for the 300,000,000,000 shares increase in ACS. The Company reassessed the number of shares applied for increase in ACS, and it was determined that it no longer matches the current DFFS levels of the Company.

On 11 August 2023, the request for withdrawal was acknowledged by SEC-CRMD.
On 20 October 2023, the SEC-CRMD granted the request for withdrawal of application for increase in ACS and is considered withdrawn.

On 10 November 2023, the Company was informed through SEC-CGFD's letter dated 3 November 2023 that considering CRMD's approval of request to withdraw the application for increase in ACS, the subject request is hereby noted, subject to the Company's continuous compliance with the reduced allowable number of DFFS equivalent in shares.

Current state

DFFS received in cash amounting to $3,300,874, $63,493,668 and $172,283,949 as at December 31, 2023, 2022 and 2021, respectively, were classified as equity since the Company has met all of the conditions required for such recognition.

As of December 31, 2023, the Company have not exceeded the allowable DFFS in shares in compliance with the Exemptive Relief from the amended Financial Reporting Bulletin (FRB) No. 6, approved by the SEC on April 28, 2022.

The outstanding shares classified as DFFS as at December 31, 2023, 2022 and 2021 are held by the Company's shareholders and related parties as disclosed in Note 11.

As at December 31, 2023, the Company has 38,717,978 issued and outstanding shares out of the 37,000,000 ACS with a par value of P1.00 per share.

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

Year	NAVPS, end	Issuances	Redemptions	Balances
2017	$0.9987	2,356,784	-	2,356,784
2018	$1.0159	11,001,003	(1,865,912)	11,491,875
2019	$1.0383	57,821,516	(32,783,505)	36,529,886
2020	$1.0536	142,553,080	(91,252,628)	87,830,338
2021	$1.0608	311,079,804	(223,829,900)	175,080,242
2022	$1.0692	423,933,278	(502,692,550)	96,320,970
2023	$1.0977	102,760,820	(160,363,812)	38,717,978

The total number of shareholders as at December 31, 2023, 2022 and 2021 are 3,611, 3,375 and 2,523, respectively.

Redeemable shares

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

a. Distribution of dividends

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

b. Denial of pre-emptive rights

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

c. Right of redemption

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

12. ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital of $37,403,968, $34,985,039 and $10,890,092 as at December 31, 2023, 2022 and 2021, respectively, pertains to excess payments over par value from investors and from reissuance of treasury shares.

13. NET ASSET VALUE PER SHARE

NAVPS is computed as follows:

	Note	**2023**	2022
Total equity		**$ 42,501,678**	$102,986,140
Outstanding shares	11	**38,717,978**	96,320,970
		$1.0977	$1.0692

NAVPS is based on issued, outstanding and fully paid shares minus treasury shares plus deposits for future share subscriptions classified as equity. The expected cash outflow on redemption of these shares is equivalent to computed NAVPS as at reporting period.

14. INTEREST INCOME

This account consists of interest income on the following:

	Notes	2023	2022	2021
Fixed-income securities	8	**$1,513,856**	$2,779,175	$1,541,216
Cash equivalents	6	**951,414**	337,799	1,780
Cash in banks	6	**107**	223	185
Special savings deposits		**-**	402,419	48,469
		$2,465,377	$3,519,616	$1,591,650

Interest income is recorded gross of final withholding tax which is shown as "Income tax expense (benefit)" account in the statements of comprehensive income.

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

	Notes	2023	2022	2021
Fixed-income securities	8	**6.07%**	3.26%	1.66%
Special savings deposits		**0.00%**	0.00%	0.31%
Cash equivalents	6	**3.37%**	2.38%	0.28%
Cash in banks	6	**0.03%**	0.05%	0.00%

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

	Notes	2023	2022	2021
Financial assets at amortized cost	8	**$1,513,856**	$2,779,175	$1,541,216
Cash and cash equivalents	6	**951,521**	338,022	1,965
Special savings deposits		**-**	402,419	48,469
		$2,465,377	$3,519,616	$1,591,650

15. EARNINGS (LOSS) PER SHARE

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

	2023	2022	2021
Total comprehensive income (loss) for the year	**($1,908,140)**	$1,487,619	$871,108
Weighted average number of shares:			
Issued and outstanding	**5,963,692**	11,958,601	11,924,098
Potential dilutive shares	**36,765,972**	186,904,295	122,830,872
Weighted average number of outstanding and potential dilutive shares	**42,729,664**	198,862,896	134,754,970
Basic earnings (loss) per share	**($ 0.320)**	$0.124	$0.073
Diluted earnings (loss) per share	**($ 0.045)**	$0.008	$0.007

The DFFS as at December 31, 2023, 2022 and 2021 are dilutive, therefore, diluted earnings (loss) per share is lower than the basic earnings(loss) per share.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value on a recurring basis

There were no financial instruments that are measured subsequent to initial recognition at fair value as of December 31, 2023.

Financial assets and liabilities not measured at fair value

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

			Fair Values			
	Notes	**Carrying Amounts**	**Level 1**	**Level 2**	**Level 3**	**Total**
December 31, 2022						
Financial Assets						
Financial assets at amortized cost	8	**P 4,034,622**	**P -**	**P-**	**P4,034,622**	**P 4,034,622**
December 31, 2022						
Financial Assets						
Financial assets at amortized cost	8	P 82,041,178	P -	P -	P92,713,337	P 92,713,337

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

The fair values of financial assets at amortized cost were determined based on the discounted cash flow analysis using the Company's estimated cost of borrowing ranging from 2.31% to 3.89% for loans with less than one year maturity and loans maturing in five years, respectively, for 2023 and 2.31% to 3.89% for loans with less than one year maturity and loans maturing in five years, respectively, for 2022.

There were no transfers between Levels 1, 2 and 3 in 2023. In 2023 and 2022, transfer from Level 2 to Level 3 in financial assets at amortized cost is due to the unavailability of related market prices sources, thus, the Company's estimated cost of borrowing was used.

17. INCOME TAX EXPENSE

Details of income tax expense are as follows:

	2023	2022	2021
Current taxes			
Final tax	**$ 142,730**	$ 50,693	$ 7,445
RCIT	**299,054**	567,205	170,883
	441,782	617,898	178,328
Deferred tax expense (benefit)	**29,249**	(3,857)	39,703
Effects of change in tax rate	**-**	-	16,972
	29,249	(3,857)	56,675
	$ 471,033	$614,041	$235,003

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

	2023	2022	2021
Accounting profit (loss) before tax	**($1,437,107)**	$2,101,660	$1,106,111
Tax expense at 25%	**($359,277)**	$525,415	$276,528
Adjustment for income subject to lower tax rate	**(95,150)**	(33,796)	(4,963)
Tax effects of:			
Unrecognized Net Operating Loss Carry-Over (NOLCO)	**-**	-	(12,343)
Net realized losses (gains) on investments	**925,460**	117,243	(44,543)
Net unrealized losses (gains) on investments	**-**	-	3,352
Non-deductible expenses	**5,179**	5,179	-
Changes in current tax expense due to the change in income tax rate	**-**	-	16,972
	$471,033	$614,041	$235,003

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

Among others, the Act includes the following significant revisions:

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

Deferred taxes

The following is the composition of deferred tax asset recognized by the Company:

	Accrued Expense	Allowance for Impairment	NOLCO	Total
January 1, 2021	$23,969	$ -	$77,870	$101,839
Charged to profit or loss	4,541	20,648	(64,892)	(39,703)
Effect of change in tax rate	(3,994)	-	(12,978)	(16,972)
December 31, 2021	24,516	20,648	-	45,164
Charged to profit or loss	(5,179)	9,036	-	3,857
December 31, 2022	19,337	29,684	-	49,021
Charged to profit or loss 2023	435	(29,684)	-	(29,249)
December 31, 2023	**$19,772**	**$ -**	**$ -**	**$ 19,772**

Based on Management’s expectation of the Company’s future taxable income, the Company recognizes deferred tax asset only to the extent that future taxable income will be available against which it can be utilized.

The Company’s interest income from cash in banks and cash equivalents is already subjected to final tax.

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

18. CONTINGENCIES

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

19. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, which includes 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.

Market risk

The Company's activities expose it primarily to the financial risks of changes in interest rates and movements in NAVPU of investment in UITF. The Company has insignificant exposure to foreign exchange risk since foreign currency denominated transactions are minimal. There has been no change on the manner in which the Company manages and measures these risks.

Interest rate risk

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

The primary source of the Company's interest rate risk relates to cash and cash equivalent, special savings deposits and fixed-income securities. The interest rates of these financial assets are disclosed in Notes 6, 8 and 14.

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

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

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

	Increase (Decrease) in Net Profit (Loss)		
Change in Interest Rates	**2023**	2022	2021
+50 basis	**$162,623**	$71,338	$144,691
-50 basis	**($162,623)**	($71,338)	($144,691)

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

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults, and transacts only with entities that are rated with the equivalent of investment grade of "High" down to "Low". This information is supplied by independent rating agencies, when available. If the information is not available, the Company uses other publicly available financial information and its own trading records to rate its major counterparties. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties.

The carrying amounts of financial assets recorded in the financial statements represent the Company's maximum exposure to credit risk:

	Notes	**2023**	2022
Cash in banks	6	**$ 302,969**	$ 1,760,376
Cash equivalents	6	**38,133,563**	18,336,487
Financial assets at amortized cost	8	**4,034,622**	82,041,178
Accrued interest receivable	7	**140,768**	1,032,829
		$ 42,611,922	$103,170,870

ECL measurement

ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition. The Company's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognizing expected credit losses**
Stage 1	The counterparty has a low risk of default and does not have any past-due amounts or that the financial instrument is not credit-impaired on initial recognition	12 month ECL
Stage 2	There has been a significant increase in credit risk since initial recognition but not yet deemed to be credit-impaired	Lifetime ECL - not credit-impaired
Stage 3	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery or that the financial instrument is credit-impaired	Lifetime ECL - credit-impaired

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is determined by projecting the PD, LGD and exposure at default (EAD) for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Given that the Company currently has no history of default on their portfolio, a model which incorporates internal default experience is not feasible. For the 12M and Lifetime PD, the Company use external benchmarking of current internal credit ratings to Standard and Poor's using one-year transition matrices in S&P's Annual Global Corporate Default Study and Rating Transition reports. From the transition matrices, cumulative PDs are identified. The overall PD for a specific time horizon is calculated from the cumulative PD, by determining the marginal PD and taking the conditional probability of default given that it has not yet defaulted prior to the said time horizon. The resulting overall PDs are the values that will act as components in ECL calculation. The Lifetime PD is developed by analysis of the transition matrices over the maximum life of active loans, which is 4 years.

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

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

The 12M and lifetime EADs are determined based on the contractual repayments owed by the borrower over the 12month or lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. The Company does not have an undrawn component for any of its debt instruments.

For the 12M and lifetime LGDs, considering the availability of related information, the Company used the external estimates sourced from S&P's.

The table below summarized the LGD value for each category of financial assets at amortized costs.

Category	LGD value
Senior Unsecured Bonds	48.00%

Forward-looking information incorporated in the ECL models

The assessment of significant increase in credit rating and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and ECL for each portfolio. The Company assessed that the key economic variables are unemployment rates for 2023 and 2022.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are based on the economic data from the International Monetary Fund (IMF) from year 2023 until 2027. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of EAD and LGD.

In addition to the base economic scenario, the best value economically spanning from the historical years is taken (upside forecasts). A similar approach applies for the downside forecasts. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The per-scenario Forward Looking Adjustments were assigned probability weights of 70% for the base scenario and 15% for each of the upside and downside forecast in 2023 and 2022.
As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at December 31, 2023 and 2022:

	Notes	Internal Credit rating	Category	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
2023							
Cash in banks	6	**AAA**	**Stage 1**	**12-month ECL**	**$ 302,969**	**$ -**	**$ 302,969**
Cash equivalents	6	**AAA**	**Stage 1**	**12-month ECL**	**38,133,563**	**-**	**38,133,563**
Accrued interest receivable	7	**AAA**	**Stage 1**	**12-month ECL**	**140,768**	**-**	**140,768**
Financial assets at amortized cost - current portion	8	**AA**	**Stage 1**	**12-month ECL**	**4,034,622**	**-**	**4,034,622**
					$ 42,611,922	**-**	**$ 42,611,922**
2022							
Cash in banks	6	AAA	Stage 1	12-month ECL	$ 1,760,376	$ -	$ 1,760,376
Cash equivalents	6	AAA	Stage 1	12-month ECL	18,336,487	-	18,336,487
Accrued interest receivable	7	AAA	Stage 1	12-month ECL	1,032,829	-	1,032,829
Financial assets at amortized cost - current portion	8	AA	Stage 1	12-month ECL	36,558,426	-	36,558,426
Financial assets at amortized cost – non-current portion – net	8	AA	Stage 1	12-month ECL	45,601,490	(118,738)	45,482,752
					$103,289,608	($118,738)	$103,170,870

The movements in the ECL recognized for the year are summarized as follows:

	Gross Carrying Amount			ECL		
	Stage 1	**Stage 2**	**Total**	**Stage 1**	**Stage 2**	**Total**
January 1, 2022	$135,663,060	$4,335,927	$139,998,987	$ 72,110	$10,483	$ 82,593
Additions	227,047,491	-	227,047,491	60,899	-	60,899
Disposals	(284,886,562)	-	(284,886,562)	(20,033)	(10,483)	(30,516)
Effect of changes in the model	-	-	-	5,762	-	5,762
December 31, 2022	$ 77,823,989	$4,335,927	$82,159,916	$118,738	-	$118,738
Disposals	(77,823,989)	(4,335,927)	(82,159,916)	(118,738)	-	(118,738)
December 31, 2023	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Liquidity risk

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

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

The Company maintains at least ten percent of the fund in liquid/semi-liquid assets in the form of cash and cash equivalents and accrued interest receivable to assure necessary liquidity. This is also in compliance to Section 6.10 of the Implementing Rules and Regulations of the Investment Company Act series of 2018.

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

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

	Less than One Month	One Month to One Year	Total
2023			
Accrued expenses and other payables	**$ -**	**$ 11,578**	**$ 11,578**
Payable to fund manager	**20,843**	**-**	**20,843**
	$20,843	**$ 11,578**	**$ 32,421**
2022			
Accrued expenses and other payables	$ -	$ 5,891	$ 5,891
Payable to fund manager	36,957	-	36,957
	$36,957	$ 5,891	$42,848

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.

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

	Average Effective Interest Rate	Less than One Year	One Year to Five Years	Five Years to Ten Years	Total
2023					
Cash in banks	**0.03%**	**$ 302,969**	**$ -**	**$ -**	**$ 302,969**
Cash equivalents	**3.37%**	**38,133,563**	-	-	**38,133,563**
Financial assets at amortized cost	**6.07%**	**4,034,622**	**-**	**-**	**4,034,622**
Accrued interest receivable	**-**	**140,768**	-	**-**	**140,768**
		$ 42,611,922	**$ -**	**$ -**	**$ 42,611,922**
2022					
Cash in banks	0.05%	$ 1,760,376	$ -	$ -	$ 1,760,376
Cash equivalents	2.38%	18,336,487	-	-	18,336,487
Financial assets at amortized cost	3.26%	38,776,097	47,204,054	-	85,980,151
Accrued interest receivable		1,032,829	-	-	1,032,829
		$ 59,905,789	$47,204,054	$ -	$107,109,843

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

20. CAPITAL RISK MANAGEMENT

The Fund Manager manages the Company's capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high quality financial instruments.

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 custodian banks.

The capital structure of the Company consists of issued capital as disclosed in Note 11.

The Fund Manager manages the Company's capital and NAVPS, as disclosed in Notes 11, 12 and 13 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:

a. It does not issue senior securities;

b. 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;

c. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;

d. It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;

e. It does not invest more than twenty percent (20%) of its assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any;

f. It does not purchase or sell commodity futures contracts;

g. It does not make any loan to other persons, or to other interested persons such as the members of the Board of Directors, officers of the Fund and any affiliates, or affiliated corporations of the Fund. However, it shall engage in legally permissible lending operations considered by its Board of Directors to be financially solid and sound;

h. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions; and

i. The subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions;

j. It may use various techniques to hedge investment risks; and

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

The Investment Policies refer to the following:

a. Investment Objective - to provide higher yields than conventional bank deposits and money market funds by investing in a composition of cash, long-term bank deposits, short-term corporate and government debt and other fixed income instruments denominated in Us dollars.

b. Benchmark - 100% 30-day US Dollar Deposit Rate.

c. Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 0.125% 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 December 31, 2023 and 2022, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

The equity ratio at year-end is as follows:

	2023	2022
Total equity	**$42,501,678**	$102,986,140
Total assets	**42,631,694**	103,219,891
Equity ratio	**$0.9970:1**	$0.9977:1

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

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

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

Documentary stamp tax

Documentary stamp taxes incurred by the Company during 2023 amounted to P10,877 representing taxes paid in connection with the issuance of share certificates by the Company to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholder's investments in excess of 10 (ten) inter-fund transfers per calendar year, if any.

Other taxes and licenses

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

Charged to Operating Expenses	
Business permit	**P 199,541**
Filing and registration fees	**33,075**
Residence or community tax	**10,500**
	P 243,116

Withholding taxes

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

	Paid	Accrued	Total
Expanded withholding taxes	**P 1,527,682**	**P 96,123**	**P 1,623,805**

Deficiency tax assessments

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

22. APPROVAL OF FINANCIAL STATEMENTS

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

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

* * *

NavarroAmper&Co.

Navarro Amper & Co.
19th Floor Six/NEO Building
5th Avenue corner 26th Street
Bonifacio Global City, 1634 Taguig
Philippines

Tel: +63 2 8581 9000
Fax: +63 2 8869 3676
www.deloitte.com/ph

BOA/PRC Reg. No. 0004

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

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

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

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

By:

Lloyd Ryan C. Moraño
Partner
CPA License No. 0108235
TIN 226-565-008
BIR A.N. 08-002552-090-2023, issued on March 10, 2023; effective until March 9, 2026
PTR No. A-6110718, issued on January 18, 2024, Taguig City

Taguig City, Philippines
April 8, 2024

Deloitte.

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

		2023
Unappropriated Retained Earnings, beginning of reporting period		**3,710,121**
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**	
	Reversal of Retained Earnings Appropriations	-
	Effect of restatements or prior-period adjustments	-
	Others (describe nature)	-
		-
Less:	**Category B: Items that are directly dedited to Unappropriated Retained Earnings**	
	Dividend declaration during the reporting period	-
	Retained Earnings appropriated during the reporting period	-
	Effect of restatements or prior-period adjustments	-
	Others (describe nature)	-
		-
Unappropriated Retained Earnings, as adjusted		**3,710,121**
Add/Less: Net income (loss) for the current year		(1,908,140)
Less:	**Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**	
	l Equity in net income of associate/joint venture, net of dividends declared	-
	l Unrealized foreign exchange gain (except those attributable to Cash and Cash Equivalents)	-
	l Unrealized fair value adjustment (mark-to-market gains) of financial	-
	instruments at fair value through profit or loss (FVTPL)	-
	l Unrealized fair value gain of Investment Property	-
	l Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
	Sub-total	**-**
Add:	**Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**	
	l Realized foreign exchange gain (except those attributable to Cash and Cash Equivalents)	-
	l Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
	l Realized fair value gain of Investment Property	-
	l Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
	Sub-total	**-**
Add:	**Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)**	
	l Reversal of previously recorded foreign exchange gain (except those attributable to Cash and Cash Equivalents)	-
	l Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	
	l Reversal of previously recorded fair value gain of Investment Property	-
	l Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
	Sub-total	**-**
Adjusted Net Income/Loss		**(1,908,140)**
Add:	**Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**	
	l Depreciation on revaluation increment (after tax)	-
	Sub-total	**-**
Add/Less:	**Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)**	
	l Amortization of the effect of reporting relief	-
	l Total amount of reporting relief granted during the year	-
	l Others (describe nature)	-
	Sub-total	**-**
Add/Less:	**Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**	
	l Net movement of treasury shares (except for reacquisition of redeemable shares)	(802,457)
	l Net movement of deferred tax asset not considered in reconciling items under the previous categories	-
	l Net movement in deferred tax assets and liabilities related to same transactions, e.g., set up of ROU and lease liability, set up of asset and asset retirement obligation, and set-up of service concession asset and concession payable.	-
	l Adjustments due to deviation from PFRS/GAAP - gain (loss)	-
	l Others (describe nature)	-
	Sub-total	**(802,457)**
Total Retained Earnings, end of the reporting period available for dividend		**999,524**

SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.
Schedule of Financial Soundness Indicators and Financial Ratios
December 31, 2023 and December 31, 2022

	Formula	**2023**	2022
Current/ Liquidty Ratios			
a. Current ratio	Current Assets/Current Liabilities	**327.74:1**	246.79:1
b. Quick ratio	Quick Assets/Current Liabilities	**296.71:1**	90.39:1
c. Cash ratio	Cash/Current Liabilities	**295.63:1**	85.98:1
d. Days in receivable	Receivable/Revenue * No. of days	**N/A**	N/A
e. Working capital ratio	(Current Assets-Current Liabilities)/Current Liabilities	**326.74:1**	245.79:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	**-34.36:1**	18.83:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operting Expense)	**69216.26:1**	8015.5:1
Solvency Ratios			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	**N/A**	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	**0.00**	0.00
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	**N/A**	N/A
d. Total debt to asset ratio	Total Liabilities/Total Assets	**0.00**	0.00
Asset to equity ratio	Total Assets/Total Equity	**1.00**	1.00
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	**116.23%**	68.89%
(EBITDA) margin	EBITDA/Revenue	**116.23%**	68.89%
c. Pre-tax margin	EBT/Revenue	**116.23%**	68.89%
d. Effective tax rate	Income Tax/EBIT	**-32.78%**	29.22%
e. Post-tax margin	Net Income After Tax/Revenue	**154.32%**	48.76%
f. Return on equity	Net Income After Tax/Average Common Equity	**-2.62%**	1.03%
g. Return on asset	NIAT/Average Total Assets	**-2.62%**	1.03%
Capital intensity ratio	Total Assets/Revenue	**-34.48:1**	33.84:1
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 DOLLAR STARTER FUND, INC.
Schedule Required under SRC Rule 68

i. Percentage of Investment in a Single Enterprise to Net Asset Value
As of December 31, 2023 and December 31, 2022

	2023			2022		
	Investment (Book Value)	**Net Asset Value**	**% over NAV**	Investment (Book Value)	Net Asset Value	% over NAV
Cash equivalents						
CHINA BANKING CORPORATION	**6,461,615**	**42,501,678**	**15.20%**	-	-	-
METROPOLITAN BANK AND TRUST COMPANY	**7,130,820**	**42,501,678**	**16.78%**	8,888,969	102,986,140	8.63%
RIZAL COMMERCIAL BANKING CORPORATION	**6,445,100**	**42,501,678**	**15.16%**	9,107,308	102,986,140	8.84%
SECURITY BANK CORPORATION	**7,096,253**	**42,501,678**	**16.70%**	340,210	102,986,140	0.33%
STANDARD CHARTERED PLC	**4,671,777**	**42,501,678**	**10.99%**	-	-	-
UNION BANK OF PHILIPPINES	**6,327,998**	**42,501,678**	**14.89%**	-	-	-
Bonds						
BANK OF PHILIPPI BPIPM 4 1/4 09/04/23	-	-	-	4,276,858	102,986,140	4.15%
BANK PHILIPP ISL BPIPM 2 1/2 09/10/24	-	-	-	609,971	102,986,140	0.59%
Subtotal BANK OF THE PHILIPPINE ISLANDS				4,886,829	102,986,140	4.75%
BDO UNIBANK INC BDOPM 2 1/8 01/13/26	-	-	-	1,297,352	102,986,140	1.26%
JGSH PHILIPPINES JGSPM 4 3/8 01/23/23	-	-	-	9,187,642	102,986,140	8.92%
PHILIPPINE NATIONAL BANK 3.28% 27SEP2024	-	-	-	4,559,036	102,986,140	4.43%
	-	-	-			
RIZAL COMM BANK RCBPM 4 1/8 03/16/23	-	-	-	3,638,906	102,986,140	3.53%
RIZAL COMMERCIAL BANKING 3% 11SEP2024	-	-	-	2,380,615	102,986,140	2.31%
Subtotal RIZAL COMMERCIAL BANKING CORPORATION				6,019,521	102,986,140	5.84%
	-	-	-			
SECURITY BK CORP SECBPM 4 1/2 09/25/23	-	-	-	497,587	102,986,140	0.48%
PETRON CORP PCORPM 4.6 PERP	-	-	-	4,412,556	102,986,140	4.28%
SAN MIGUEL CORP FRN 29JUL2025	-	-	-	11,005,883	102,986,140	10.69%
SMC GLOBAL POWER 25/04/2024 CALLABLE	**4,034,622**	**42,501,678**	**9.49%**	7,843,621	102,986,140	7.62%
SMC GLOBAL POWER SMCGL 21OCT2025	-	-	-	2,418,851	102,986,140	2.35%
SMC GLOBAL POWER SMCGL 5.7 PERP	-	-	-	423,632	102,986,140	0.41%
SMC GLOBAL POWER SMCGL 5.95 PERP	-	-	-	252,861	102,986,140	0.25%
Subtotal SMC GLOBAL POWER HOLDINGS CORPORATION	**4,034,622**	**42,501,678**	**9.49%**	10,938,965	102,986,140	10.62%
BAIDU INC BIDU 4 3/8 05/14/24	-	-	-	1,803,468	102,986,140	1.75%
CAN IMPERIAL BK CM 0.45 06/22/23	-	-	-	1,667,337	102,986,140	1.62%
DOMINION ENERGY INC 2.45 15JAN2023	-	-	-	6,469,707	102,986,140	6.28%
	-	-	-			
GEN MOTORS FIN GM 2 3/4 06/20/25	-	-	-	2,023,937	102,986,140	1.97%
GEN MOTORS FIN GM 3 1/4 01/05/23	-	-	-	1,722,322	102,986,140	1.67%
Subtotal GENERAL MOTORS FINANCIAL COMPANY	-	-	-	3,746,259	102,986,140	3.64%
GLENCORE FDG LLC GLENLN 1 5/8 04/27/26	-	-	-	4,172,680	102,986,140	4.05%
METROPOLITAN BANK & TRU 2.125% 15JAN2026	-	-	-	2,324,151	102,986,140	2.26%
MITSUB UFJ FIN MUFG 2.527 09/13/23	-	-	-	1,922,519	102,986,140	1.87%
WILLIAMS PARTNER WPZ 4 09/15/25	-	-	-	2,393,979	102,986,140	2.32%
SANTANDER UK GRP SANUK 1.089 03/15/25	-	-	-	1,972,714	102,986,140	1.92%
	-	-	-			
CHINA OVERSEA FI CHIOLI 5 3/8 10/29/23	-	-	-	2,762,993	102,986,140	2.68%
Subtotal CHINA OVERSEAS FIN KY V	-	-	-	2,762,993	102,986,140	2.68%

ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company
As of December 31, 2023 and December 31, 2022

	2023			2022		
	Total Investment	**Outstanding Securities of an Investee Company**	**% over Investee**	Total Investment	Outstanding Securities of an Investee Company	% over Investee
Cash equivalents						
CHINA BANKING CORPORATION	**6,461,615**	**	-	-	**	-
METROPOLITAN BANK AND TRUST COMPANY	**7,130,820**	**	-	8,888,969	**	-
RIZAL COMMERCIAL BANKING CORPORATION	**6,445,100**	**	-	9,107,308	**	-
SECURITY BANK CORPORATION	**7,096,253**	**	-	340,210.39	**	-
STANDARD CHARTERED PLC	**4,671,777**	**	-	-	**	-
UNION BANK OF PHILIPPINES	**6,327,998**	**	-	-	**	-
Bonds						
BANK OF PHILIPPI BPIPM 4 1/4 09/04/23	-	**	-	4,193,000	**	-
BANK PHILIPP ISL BPIPM 2 1/2 09/10/24	-	**	-	600,000	**	-
Subtotal BANK OF THE PHILIPPINE ISLANDS	-	**	-	4,793,000	**	-
BDO UNIBANK INC BDOPM 2 1/8 01/13/26	-	**	-	1,283,000	**	-
JGSH PHILIPPINES JGSPM 4 3/8 01/23/23	-	**	-	9,180,000	**	-
PHILIPPINE NATIONAL BANK 3.28% 27SEP2024	-	**	-	4,436,000	**	-
RIZAL COMM BANK RCBPM 4 1/8 03/16/23	-	**	-	3,619,000	**	-
RIZAL COMMERCIAL BANKING 3% 11SEP2024	-	**	-	2,330,000	**	-
Subtotal RIZAL COMMERCIAL BANKING CORPORATION	-	**	-	5,949,000	**	-
SECURITY BK CORP SECBPM 4 1/2 09/25/23	-	**	-	489,000	**	-
PETRON CORP PCORPM 4.6 PERP	-	**	-	4,457,000	**	-
SAN MIGUEL CORP FRN 29JUL2025	-	**	-	10,807,000	**	-

SMC GLOBAL POWER 25/04/2024 CALLABLE	**4,031,000**	**	-	7,781,000	**	-
SMC GLOBAL POWER SMCGL 21OCT2025	-	**	-	2,367,000	**	-
SMC GLOBAL POWER SMCGL 5.7 PERP	-	**	-	465,000	**	-
SMC GLOBAL POWER SMCGL 5.95 PERP	-	**	-	271,000	**	-
Subtotal SMC GLOBAL POWER HOLDINGS CORPORATION	**4,031,000**	**	-	10,884,000	**	-
BAIDU INC BIDU 4 3/8 05/14/24	-	**	-	1,745,000	**	-
CAN IMPERIAL BK CM 0.45 06/22/23	-	**	-	1,671,000	**	-
DOMINION ENERGY INC 2.45 15JAN2023	-	**	-	6,467,000	**	-
GEN MOTORS FIN GM 2 3/4 06/20/25	-	**	-	2,000,000	**	-
GEN MOTORS FIN GM 3 1/4 01/05/23	-	**	-	1,722,000	**	-
GENERAL MOTORS FINL CO 3.55% 08JUL2022	-	**	-	-	**	-
Subtotal GENERAL MOTORS FINANCIAL COMPANY	-			3,722,000		
GLENCORE FDG LLC GLENLN 1 5/8 04/27/26	-	**	-	4,253,000	**	-
METROPOLITAN BANK & TRU 2.125% 15JAN2026	-	**	-	2,325,000	**	-
MITSUB UFJ FIN MUFG 2.527 09/13/23	-	**	-	1,902,000	**	-
WILLIAMS PARTNER WPZ 4 09/15/25	-	**	-	2,290,000	**	-
SANTANDER UK GRP SANUK 1.089 03/15/25	-	**	-	2,000,000	**	-
CHINA OVERSEA FI CHIOLI 5 3/8 10/29/23	-	**	-	2,678,000	**	-

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

As of December 31, 2023 and December 31, 2022

	2023	2022
Total Liquid and Semi-Liquid Assets	**38,577,300**	21,129,692
TOTAL ASSETS	**42,631,694**	103,219,891
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	**90%**	20%

iv. Total Operating Expenses to Total Net Worth

As of December 31, 2023 and December 31, 2022

	2023	2022
Total Operating Expenses	**200,644**	948,997
Average Daily Net Worth	**71,909,750**	192,853,683
Total Operating Expenses to Average Daily Net Worth	**0.28%**	0.49%

v. Total Assets to Total Borrowings

As of December 31, 2023 and December 31, 2022

	2023	2022
Total Assets	**42,631,694**	103,219,891
Total Borrowings	**130,016**	233,751
Total Assets to Total Borrowings	**32790%**	44158%

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

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

TABLE OF CONTENTS

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

SCHEDULE A - FINANCIAL ASSETS
As at December 31, 2023

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Income Received and Accrued
Corporate Bonds			
SMC GLOBAL POWER 25/04/2024 CALLABLE	4,031,000	4,034,622	
	4,031,000	4,034,622	$ 1,513,856
Cash equivalents			
CHINA BANKING CORPORATION	6,461,615	6,461,615	
METROPOLITAN BANK AND TRUST COMPANY	7,130,820	7,130,820	
RIZAL COMMERCIAL BANKING CORPORATION	6,445,100	6,445,100	
SECURITY BANK CORPORATION	7,096,253	7,096,253	
STANDARD CHARTERED PLC	4,671,777	4,671,777	
UNION BANK OF PHILIPPINES	6,327,998	6,327,998	
	38,133,563	38,133,563	951,413
TOTAL	**42,164,563**	**$ 42,168,185**	**$ 2,465,269**

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

SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES
As at December 31, 2023

Name of Related Party	Relationship	Balance at beginning of period	Balance at end of period
Sun Life Asset Management Company, Inc.	Fund Manager	$36,957	$20,843

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

SCHEDULE H - CAPITAL STOCK
As at December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares reserved for options, warrants, conversion and other rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Share Capital						
Ordinary Shares	37,000,000	36,735,435	-	4,493,119	5	32,242,311
Treasury Shares	-	(790,568)	-	-	-	(790,568)
TOTAL	**37,000,000**	**35,944,867**	**-**	**4,493,119**	**5**	**31,451,743**