COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 5 1 7 7 7 8

Company Name

S U N L I F E P R O S P E R I T Y D O L L A R
W E L L S P R I N G F U N D I N C .

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

S U N L I F E C E N T R E 5 T H A V E . C O R .
R I Z A L D R I V E , B O N I F A C I O G L O B A L
C I T Y , T A G U I G C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	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
740	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.

The following document has been received:

Receiving: Edmundo Guia
Receipt Date and Time: April 15, 2024 08:00:00 AM

Company Information

SEC Registration No.: CS201517778
Company Name: SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST10415202482196388
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2023
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

Mariel Javal

From: Merobhe T Esmele
Sent: Saturday, April 13, 2024 9:33 AM
To: PHIL-FIN_FAR2
Subject: Fwd: Your BIR AFS eSubmission uploads were received

Get [Outlook for iOS]()

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Saturday, April 13, 2024 9:11:51 AM
To: PHIL-FIN.SLPWellspring <PHIL-FIN.SLPWellspring@sunlife.com>
Cc: PHIL-FIN.SLPWellspring <PHIL-FIN.SLPWellspring@sunlife.com>
Subject: Your BIR AFS eSubmission uploads were received

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

Hi SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.,

Valid files

- EAFS009123698AFSTY122023.pdf
- EAFS009123698ITRTY122023.pdf
- EAFS009123698RPTTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-VSWX4WN0VYRVMNVMMZY2WWY098LJHJA5**
Submission Date/Time: **Apr 13, 2024 09:11 AM**
Company TIN: **009-123-698**

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.

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 WELLSPRING 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 Wellspring 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 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

By:

Lloyd Ryan C. Moraño
Partner
CPA License No. 0108235
TIN 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

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

STATEMENTS OF FINANCIAL POSITION
(In US Dollars)

	Notes	December 31 2023	2022
ASSETS			
Current Assets			
Cash in banks	6	**$ 136,231**	$ 157,403
Financial assets at fair value through profit or loss	7	**4,462,158**	5,112,303
Accrued interest receivable	8	**4,106**	2,768
		$4,602,495	$5,272,474
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other payables	10	**$ 5,641**	$ 5,688
Payable to fund manager	11	**6,891**	7,818
Due to brokers	9	**35,041**	-
Income tax payable		**111**	36
Total Current Liabilities		**47,684**	13,542
Equity			
Share capital	12	**142,732**	142,732
Additional paid-in capital	13	**6,257,459**	6,299,704
Retained earnings		**276,860**	(49,557)
		6,677,051	6,392,879
Treasury shares	12	**(2,122,240)**	(1,133,947)
Total Equity		**4,554,811**	5,258,932
		$4,602,495	$5,272,474
Net Asset Value Per Share	14	**$ 1.0410**	$ 0.9716

See Notes to Financial Statements.

SUN LIFE PROSPERITY DOLLAR WELLSPRING 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 (Loss)				
Net realized gains (loss) on investments	7	**($111,549)**	($387,561)	$807,358
Dividend income	7	**10,426**	11,698	14,705
Interest income	15	**15,004**	16,995	5,529
Others		**683**	120	42
		(85,436)	(358,748)	827,634
Investment Expenses				
Commission	9	**858**	1,197	265
Net Investment Income (Loss)		**(86,294)**	(359,945)	827,369
Operating Expenses				
Management and transfer fees	11	**47,448**	60,237	74,049
Distribution fees	11	**39,540**	50,173	61,706
Directors' fees	11	**4,961**	6,041	8,764
Custodian fees		**2,435**	8,639	3,296
Professional fees		**3,142**	2,798	3,240
Taxes and licenses		**3,150**	2,779	2,042
Printing and supplies		**22**	24	32
Miscellaneous		**467**	1,952	914
		101,165	132,643	154,043
Profit (Loss) Before Net Unrealized Gains (Loss) on Investments		**(187,459)**	(492,588)	673,326
Net Unrealized Gain (Loss) on Investments	7	**514,399**	(742,966)	(599,786)
Profit (Loss) Before Tax		**326,940**	(1,235,554)	73,540
Income Tax Expense	18	**523**	466	112
Total Comprehensive Income (Loss) for the Year		**$326,417**	($1,236,020)	$73,428
Basic earnings (loss) per share	16	**$ 0.068**	($0.215)	$ 0.012
Diluted earnings (loss) per share	16	**$ 0.068**	($0.215)	$ 0.012

See Notes to Financial Statements.

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

STATEMENTS OF CHANGES IN EQUITY
(In US Dollars)

		For the Years Ended December 31				
	Notes	**Share Capital**	**Additional Paid-in Capital**	**Retained Earnings**	**Treasury Shares**	**Total**
Balance, January 1, 2021	12	$ 140,801	$6,361,847	$1,191,485	$ -	$ 7,694,133
Total comprehensive income for the year		-	-	73,428	-	73,428
Transactions with owners:	12					
Issuance of shares during the year		1,931	-	-	-	1,931
Acquisition of treasury shares during the year		-	-	-	(1,237,492)	(1,237,492)
Reissuance of treasury shares during the year		-	10,783	-	621,541	632,324
Total transactions with owners	12	1,931	10,783	-	(615,951)	(603,237)
Balance, December 31, 2021	12,13	142,732	6,372,630	1,264,913	(615,951)	7,164,324
Total comprehensive income for the year		-	-	(1,236,020)	-	(1,236,020)
Transactions with owners:	12					
Acquisition of treasury shares during the year		-	-	-	(981,607)	(981,607)
Reissuance of treasury shares during the year		-	(64,143)	-	376,378	312,235
Issuance of stock dividends		-	(8,783)	(78,450)	87,233	-
Total transactions with owners	12	-	(72,926)	(78,450)	(517,996)	(669,372)
Balance, December 31, 2022	12,13	142,732	6,299,704	(49,557)	(1,133,947)	5,258,932
Total comprehensive loss for the year		-	-	326,417	-	326,417
Transactions with owners:	12					
Acquisition of treasury shares during the year		-	-	-	(1,264,191)	(1,264,191)
Reissuance of treasury shares during the year	12	-	(42,245)	-	275,898	233,653
Total transactions with owners	12	-	(42,245)	-	(988,293)	(1,030,538)
Balance, December 31, 2023	12,13	**$142,732**	**$6,257,459**	**$276,860**	**($2,122,240)**	**$4,554,811**

See Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS
(In US Dollars)

		For the Years Ended December 31		
	Notes	**2023**	2022	2021
Cash Flows from Operating Activities				
Profit (Loss) before tax		**$ 326,940**	($ 1,235,554)	$ 73,540
Adjustments for:				
Net unrealized loss (gains) on investments	7	**(514,399)**	742,966	599,786
Net realized loss (gains) on investments	7	**111,549**	387,561	(807,358)
Interest income	15	**(15,004)**	(16,995)	(5,529)
Operating cash flows before working capital changes		**(90,914)**	(122,022)	(139,561)
Increase (Decrease) in:				
Accrued expenses and other payables		**(47)**	2,255	(1,252)
Payable to fund manager		**(927)**	(2,674)	(594)
Cash used in operations		**(91,888)**	(122,441)	(141,407)
Acquisition of financial assets at fair value through profit or loss	7,9	**(6,220,786)**	(7,092,626)	(5,374,321)
Proceeds from disposal of financial assets at fair value through profit or loss	7,9	**7,308,822**	7,583,464	6,081,586
Interest received		**13,666**	17,164	3,765
Income taxes paid		**(448)**	(443)	(167)
Net cash generated from operating activities		**1,009,366**	385,118	569,456
Cash Flows from Financing Activities				
Proceeds from issuance of share capital	12	**-**	-	1,931
Payments on acquisition of treasury shares	12	**(1,264,191)**	(981,607)	(1,237,492)
Proceeds from reissuance of treasury shares	12	**233,653**	312,235	632,324
Net cash used in financing activities		**(1,030,538)**	(669,372)	(603,237)
Net Decrease in Cash in banks		**(21,172)**	(284,254)	(33,781)
Cash in banks, Beginning		**157,403**	441,657	475,438
Cash in banks, End		**$ 136,231**	$ 157,403	$ 441,657

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023 AND 2022 AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. CORPORATE INFORMATION

Sun Life Prosperity Dollar Wellspring Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 4, 2015. 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). The Company's investment objective is to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities. 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 11.

As at December 31, 2023 and 2022, SLAMCI owns 18.10% and 14.64%, respectively, of the Company's share capital. The Company's registered office address and principal place of business is at the Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The Company's financial statements 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 and certain financial instruments carried at amortized cost.

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

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;
- Fair value through other comprehensive income (FVTOCI); and
- 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 Company classifies its debt instruments:

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

Amortized cost and effective interest method

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

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

Equity instruments

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

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

Impairment of financial assets

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

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

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

Derecognition

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

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

Financial Liabilities and Equity Instruments

Financial liabilities

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

Financial liabilities measured subsequently at amortized cost

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

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

The Company's financial liabilities classified under this category include accrued expenses and other payables, due to brokers 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 (deficit)

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.

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>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>Dividend income</u>

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

Realized gains or losses

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

Fair value gains or losses

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

Other income

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

Expense Recognition

Expenses are recognized in profit or loss when incurred.

Expenses in the statements of comprehensive income are presented using the function of expense method. Investment expenses are transaction costs incurred in the purchase and sale of investments. 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 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.

Foreign Currency

Transactions in currencies other than functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

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 (loss) per share, profit or loss for the year attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of DFFS which are dilutive potential ordinary shares.

Net Asset Value per Share (NAVPS)

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical Judgments in Applying Accounting Policies

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

Business model assessment

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

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

As at December 31, 2023 and 2022, the Company's financial assets measured at FVTPL amounted to $4,462,158 and $5,112,303, respectively, as disclosed in Note 7, and financial assets measured at amortized cost amounted to $140,337 and $160,171, respectively, composed of cash in banks and accrued interest receivables as disclosed in Note 6 and 8, respectively.

Models and assumptions used

The Company uses various models and assumptions in measuring the fair value of financial assets. 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.

The Company's model and assumptions used in measuring the fair value of financial assets and estimating ECL are disclosed in Notes 17 and 20, respectively.

Functional currency

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

Puttable shares designated as equity instruments

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

A puttable financial instrument includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset on exercise of the put. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has met all 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 $142,732, as disclosed in Note 12.

Key Sources of Estimation Uncertainty

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

Deferred tax assets

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

Based on Management's expectation of the Company's future taxable income, the Company did not recognize the deferred tax assets as at December 31, 2023 and 2022, as disclosed in Note 18.

Determining the fair value of investments in debt securities classified as financial assets at FVTPL

The Company carries its investments in traded debt securities at fair value, which requires the use of accounting estimates and judgment. Since market interest rate is a significant component of fair value measurement, fair value would differ if the Company applied a different set of reference rates in the valuation methodology. Any change in the fair value of these financial assets would affect profit or loss and equity.

As at December 31, 2023 and 2022, the carrying amounts of investments in debt securities classified as financial assets at FVTPL amounted to $443,389 and $374,721, respectively, as disclosed in Note 7.

6. CASH IN BANKS

This account consists of:

	2023	2022
Cash in banks	**$136,231**	$157,403

Cash in banks earned interest amounting $31, $26 and $43 at average rates of 0.03%, 0.05% and 0.01% in 2023, 2022 and 2021, respectively, as disclosed in Note 15.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of:

	2023	2022
Global mutual funds	**$ 3,115,179**	$4,033,946
Global exchange traded funds	**903,590**	703,636
Investments in fixed-income securities	**443,389**	374,721
	$ 4,462,158	$5,112,303

Financial assets at FVTPL are composed of investments in global mutual funds, global exchange traded funds and fixed-income securities in the form of dollar-denominated government bonds.

Investment in global mutual funds and global exchange traded funds are investments to foreign-based securities.

Investments in fixed-income securities are composed of treasury bonds.

The Company recognized dividend income from global mutual funds amounting to $10,426, $11,698, and $14,705 in 2023, 2022 and 2021, respectively.

Interest income earned on fixed-income securities amounted to $14,973, $16,969, and $5,486, in 2023, 2022 and 2021, respectively, as disclosed in Note 15. Average interest rates earned on these investments are also disclosed in Note 15.

Accrued interest receivable amounted to $4,106 and $2,768 as at December 31, 2023 and 2022, respectively, as disclosed in Note 8.

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

	2023	2022	2021
Net realized gains (losses) on investments in:			
Equity securities	**($56,930)**	($294,180)	$840,406
Fixed-income securities	**(54,619)**	(93,381)	(33,048)
	(111,549)	(387,561)	807,358
Net unrealized gains (losses) on investments in:			
Equity securities	**457,345**	(616,852)	(643,011)
Fixed-income securities	**57,054**	(126,114)	43,225
	514,399	(742,966)	(599,786)
	$402,850	($1,130,527)	$207,572

Net gains and losses on investments in equity securities are composed of global exchange traded and mutual funds while fixed-income securities pertain to dollar-denominated bonds.

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

	2023	2022	2021
Balance, January 1	**$ 5,112,303**	$6,713,668	$7,283,361
Additions	**6,255,827**	7,092,626	5,324,321
Disposal	**(7,420,371)**	(7,951,025)	(5,294,228)
Unrealized gains (losses)	**514,399**	(742,966)	(599,786)
Balance, December 31	**$ 4,462,158**	$5,112,303	$6,713,668

The following presents the breakdown of the maturity profile of the principal amounts of fixed-income securities:

	2023	2022
Due after five years through ten years	$ **117,000**	$ 82,000
Due after ten years	**383,000**	421,000
	$500,000	$503,000

8. ACCRUED INTEREST RECEIVABLE

	Note	**2023**	2022
Fixed-income securities	7	**$4,106**	$2,768

9. DUE TO BROKERS

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

Due to brokers amounted to $35,041 and nil as at December 31, 2023 and 2022, respectively.

Commissions are paid to brokers when buying and selling shares of stock. Commission expense amounting to $858, $1,197,and $265 in 2023, 2022 and 2021, respectively, are paid to brokers when buying and selling shares of stock.

10. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2023	2022
Professional fees	**$ 3,102**	$2,843
Due to investors	**1,628**	643
Withholding and documentary stamp taxes	**770**	926
Custodianship fees	**141**	1,276
	$ 5,641	$5,688

Accrued expenses and other payables are non-interest bearing and are normally settled within one year.

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

11. RELATED PARTY TRANSACTIONS

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

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

Nature of Transaction	Transactions During the Period			Outstanding Payable		Term	Condition	Notes
	2023	2022	2021	**2023**	2022			
SLAMCI-Fund Manager								
Management Distribution and Transfer fees	**$ 86,988**	$110,410	$135,755	**$ 6,891**	$7,818	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; Unguaranteed;	a
Key Management Personnel								
Director's Fee	**$ 4,961**	$6,041	8,764	**-**	**-**	Payable on demand; Settled in cash	Unsecured; Unguaranteed;	b
Entities Under Common Control								
Sun Life Prosperity Dollar Advantage Fund, Inc								
Sale	**$171,422**	**-**	-	-	-	Non-interest bearing; Settled in cash on the day of transaction	Unsecured;	c

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

a. Investment Management

On September 7, 2015, the Company and SLAMCI entered into a Management and Distribution Agreement (MDA) wherein SLAMCI will act as its fund manager, adviser, administrator, distributor and transfer agent and will provide management, distribution and all required operational services. Under the MDA, SLAMCI will receive aggregate fees for these services at an annual rate of 1.50% of the net assets 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. The agreement shall take effect upon commencement of the Company's commercial operations.

On July 13, 2022, the Board of Directors of the Company and SLAMCI jointly approved to continue its MDA and Transfer Agency Agreements based on the provisions of ICA 2018 IRR (Implementing Rules and Regulations of the Investment

Company Act 2018) published by the SEC on January 11, 2018. The agreements shall remain to continue in effect from year to year as approved by the respective Board of Directors of the Company and SLAMCI.

Management, distribution and transfer fees charged by SLAMCI to the Company in 2023, 2022 and 2021 amounted to $86,988, $110,410 and $135,755, respectively. Accrued management fees as at December 31, 2023 and 2022 amounted to $6,891 and $7,818, respectively, 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 $4,961, $6,041, and $8,764 in 2023, 2022 and 2021, respectively, which are usually paid to directors based on the number of 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 management personnel and employees. Pursuant to the Company's MDA with SLAMCI, the latter provides all the staff of the Company, including executive officers and other trained personnel.

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 of SLAMCI 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.

12. EQUITY

Movements are as follows:

	2023		2022		2021	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized:						
at P1.00 par value	**10,000,000**	**P10,000,000**	10,000,000	P10,000,000	10,000,000	P10,000,000
Issued and fully paid:						
At January 1	**6,487,796**	**$142,732**	6,487,796	$142,732	6,400,040	$140,801
Issuance during the year	**-**	**-**	-	-	87,756	1,931
At December 31	**6,487,796**	**$142,732**	6,487,796	$142,732	6,487,796	$142,732
Treasury shares:						
At January 1	**1,075,349**	**$1,133,947**	507,417	$ 615,951	-	$ -
Acquisition	**1,270,706**	**1,264,191**	947,592	981,607	1,399,367	1,237,492
Reissuance	**(233,723)**	**(275,898)**	(379,660)	(463,611)	(891,950)	(621,541)
At December 31	**2,112,332**	**$ 2,122,240**	1,075,349	$1,133,947	507,417	$ 615,951

Fully paid ordinary shares with a par value of P1.00 carry one vote per share and carry a right to dividends.

Incorporation

The Company was incorporated on September 4, 2015 with 6,000,000 authorized shares with a par value of 1.00. The SEC approved the registration on March 22, 2016.

Approved changes

On September 7, 2015, the shareholders approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares with a par value of 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.

On September 21, 2017, the Chairman of the Board of Directors of the Company and the President of SLAMCI jointly authorized the increase in Authorized Share Capital by Four Million Pesos (P4,000,000) divided into Four Million (4,000,000) shares at a par value of P1 per share. This increases the authorized share capital from P6,000,000 divided into 6 million shares to P10,000,000 divided into 10 million shares.

In April 2018, requirements were already provided to SEC based on the evaluator's initial comments.

On July 25, 2018, the SEC approved the additional 4 Million shares increase in authorized share capital, from 6 Million shares to 10 Million shares at a par value of P1.00 per share.

On September 18, 2018, the SEC received the registration statement filed by the Company to register the approved 4,000,000 shares.

On October 23, 2019, SEC approved the registration statement for the 4,000,000 shares increase.

Stock dividends

On November 13, 2020, 4,196,301 shares or 70.39% of the outstanding share capital as at September 30, 2020 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 1.88% stock dividends to shareholders of record as of November 26, 2020 has been approved. The payout date was on November 27, 2020.

On November 12, 2021, 4,191,633 shares or 69.24% of the outstanding share capital as at September 30, 2021 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 1.58% stock dividends to shareholders of record as of November 25, 2021 has been approved. The payout date was on November 26, 2021.

On November 9, 2022, 3,716,841 shares or 66.68% of the outstanding share capital as at September 30, 2022 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 1.46% stock dividends to shareholders of record as of November 24, 2022 has been approved. The payout date was on November 25, 2022.

Current state

As at December 31, 2023, the Company has 4,375,464 issued and outstanding shares out of the 10,000,000 authorized share capital with a par value of P1.00 per share.

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

Year	NAVPS, end	Issuances	Redemptions	Balances
2015	$0.9909	1,500,000	-	1,500,000
2016	$1.0082	4,146,839	(124,808)	5,522,031
2017	$1.1122	3,140,724	(740,711)	7,922,044
2018	$1.0100	3,991,237	(5,962,768)	5,950,513
2019	$1.1287	443,890	(400,791)	5,993,612
2020	$1.2023	1,166,995	(760,567)	6,400,040
2021	$1.1980	979,706	(1,399,367)	5,980,379
2022	$0.9716	379,660	(947,592)	5,412,447
2023	$1.0410	233,723	(1,270,706)	4,375,464

The total number of shareholders as at December 31, 2023, 2022 and 2021 are 740, 714, and 697, 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.

13. ADDITIONAL PAID IN CAPITAL

Additional paid-in capital of $6,257,459, $6,299,704 and $6,372,630 as at December 31, 2023, 2022 and 2021, respectively, pertains to excess payments over par value from investors and from reissuance of treasury shares.

14. NET ASSET VALUE PER SHARE (NAVPS)

NAVPS is computed as follows:

	Note	2023	2022
Total equity		**$4,554,811**	$5,258,932
Outstanding shares	12	**4,375,464**	5,412,447
NAVPS		**$1.0410**	$0.9716

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

15. INTEREST INCOME

This account consists of interest income on the following:

	Notes	2023	2022	2021
Fixed-income securities	7	**$ 14,973**	$16,969	$5,486
Cash in banks	6	**31**	26	43
		$ 15,004	$16,995	$5,529

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

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

	2023	2022	2021
Fixed-income securities	**3.32%**	2.23%	1.94%
Cash in banks	**0.03%**	0.05%	0.01%

16. 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	**$326,417**	($1,236,020)	$73,428
Weighted average number of shares:			
Issued and outstanding	**4,789,072**	5,747,659	6,100,805
Basic earnings (loss) per share	**$0.068**	($0.215)	$0.012

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

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value on a recurring basis

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

	Note	**Level 1**
December 31, 2023		
Global mutual funds	7	**$ 3,115,179**
Global exchange traded funds	7	**903,590**
Investments in fixed-income securities	7	**443,389**
		$ 4,462,158

December 31, 2022		
Global mutual funds	7	$4,033,946
Global exchange traded funds	7	703,636
Investments in fixed-income securities	7	374,721
		$5,112,303

The fair value of fixed-income securities is based on quoted prices of either done deals or bid rates. Investments in mutual funds and global exchange traded funds are valued at their published NAVPS as at reporting date.

Financial assets and liabilities not measured at fair value

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

18. INCOME TAXES

Details of income tax expense are as follows:

	2023	2022	2021
MCIT	**$322**	$248	$183
Final tax	**201**	218	6
Effects of change in tax rate	**-**	-	(77)
	$523	$466	$112

The reconciliation between income 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	**$326,940**	($1,235,554)	$73,540
Tax expense (benefit) at 25%	**81,735**	($308,889)	$18,385
Adjustment for income subject to lower tax rate	**(137)**	(146)	(4)
Tax effects of:			
Unrecognized Net Operating Loss Carry-Over (NOLCO)	**19,316**	26,621	33,518
Unrecognized MCIT	**322**	248	183
Changes in current tax expense due to the change in income tax rate	**-**	-	(77)
Net realized (gains) loss on investments	**27,887**	96,890	(201,840)
Net unrealized fair value (gains) loss on investments	**(128,600)**	185,742	149,947
	$ 523	$ 466	$ 112

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. Minimum corporate income tax (MCIT) rate is reduced to from 2% to 1% from July 1, 2020 to June 30, 2023;

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

Details of the Company's NOLCO from previous years are as follows (in Philippine Peso) :

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	**2023 Balance**
2022	2025	P5,943,293	P -	P -	**P5,943,293**
2023	2026	-	4,281,649	-	**4,281,649**
		P5,943,293	P4,281,649	P -	**P10,224,940**

Details of the Company's NOLCO covered by Revenue Regulations (RR) No. 25-2020 is as follows (in Philippine Peso):

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	**2023 Balance**
2020	2025	P 6,177,820	P -	-	**P 6,177,820**
2021	2026	6,834,133	-	-	**6,834,133**
		P13,011,953	P -	-	**P13,011,953**

Pursuant to Section 4 COVID-19 Response and Recovery Interventions paragraph (bbbb) of Republic Act No. 11494 also known as "Bayanihan to Recover As One Act" and to RR No. 25-2020 of Bureau of Internal Revenue, the NOLCO incurred by the Company for taxable years 2021 and 2022 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

Details of MCIT are as follows (in Philippine Peso):

Year Incurred	Year of Expiry	Amount	Applied Previous Year	Applied Current Year	Expired	**Unapplied**
2020	2023	P14,869	-	-	P14,869	**P -**
2021	2024	9,335	-	-	-	**9,335**
2022	2025	13,816	-	-	-	**13,816**
2023	2026	17,838	-	-	-	**17,838**
		P55,858	P -	P -	P 14,869	**P40,989**

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

The Company's interest income from cash in banks are already subjected to final tax therefore, excluded from the computation of taxable income subject to RCIT and MCIT.

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

19. 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.

20. FINANCIAL RISK MANAGEMENT

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

<u>Market risk</u>

The Company's activities expose it primarily to the financial risks of changes in interest rates and movements in NAVPS of investments in global exchange traded funds and mutual funds. 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 instrument will fluctuate because of changes in market interest.

The primary source of the Company's interest rate risk relates to cash in banks and fixed-income securities. The interest rates of these financial assets are disclosed in Notes 6, 7 and 15.

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 loans receivables at the end of each reporting period. The same is used for reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonable effect of the maximum possible movement in interest rates.

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

	Increase (Decrease) in Net Profit (Loss)		
Change in Interest Rates	**2023**	2022	2021
+50 basis	**($30,672)**	($29,008)	($39,168)
-50 basis	**34,297**	32,732	45,064

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

Equity price risk

The Company is exposed to equity price risks arising from investments in global exchange traded funds and mutual funds.

The risk is managed by the Fund Manager by actively monitoring the movements in NAVPS of investments in global exchange traded funds and mutual funds.

Based on the exposure to equity price risks at the end of each reporting period, if NAVPS of investments in global exchange traded funds and mutual funds had been 2% higher or lower, profit or loss for the years ended December 31, 2023, 2022 and 2021 would have increased or decreased by $78,890, $93,001, and $123,937, respectively.

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

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

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter 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 in banks, investments in mutual funds, and other collective schemes wholly invested in liquid/semi-liquid assets 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	**$ -**	**$ 4,871**	**$ 4,871**
Due to broker	**35,041**		**35,041**
Payable to fund manager	**6,891**	**-**	**6,891**
	$41,932	**$ 4,871**	**$ 46,803**
2022			
Accrued expenses and other payables	$ -	$4,762	$ 4,762
Payable to fund manager	7,818	-	7,818
	$7,818	$4,762	$ 12,580

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

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

	Average Effective Interest Rate	Less than One Year	One to Five Years	Five to Ten Years	More than Ten Years	Total
2023						
Cash in banks	**0.03%**	**$ 136,231**	**$ -**	**$ -**	**$ -**	**$ 136,231**
Financial assets at FVTPL	**3.32%**	**16,754**	**67,015**	**198,685**	**605,804**	**888,258**
Accrued interest receivable		**4,106**	**-**	**-**	**-**	**4,106**
		$157,091	**$67,015**	**$198,685**	**$605,804**	**$1,028,595**
2022						
Cash in banks	0.05%	$157,403	$ -	$ -	$ -	$157,403
Financial assets at FVTPL	2.23%	11,644	46,575	138,836	608,412	805,467
Accrued interest receivable		2,768	-	-	-	2,768
		$171,815	$46,575	$138,836	$608,412	$965,638

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

21. CAPITAL RISK MANAGEMENT

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

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

The capital structure of the Company consists of issued capital as disclosed in Note 12.

The Company manages capital and NAVPS, as disclosed in Notes 12, 13 and 14, 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. As a **Fund-of-Funds**, the Company shall be subject to the following:

   a. It shall invest more than fifty percent (50%) of net assets in more than one (1) collective investment scheme;

b. The Target Fund shall not be a Feeder Fund;

c. The Target Funds are CIS established by another fund manager/s, asset management company/ies or fund operator/s;

d. The Target Fund shall provide ample protection to the investors of the Fund-of-Funds. If the Target Fund is a foreign fund, it shall have assessed to have broadly implemented the IOSCO Principles relevant to collective investment schemes;

e. The Target Fund publishes Quarterly/Semi-Annual and Annual Reportsl

f. Investment limit of fifteen percent (15%) in non-collective investment scheme or entity;

g. The investment objectives of the Target Fund is aligned with that of the Fund-of-Funds;

h. The Fund-of-Funds is compliant with Rule 6.10 of the Implementing Rules and Regulations of the Investment Company Act;

i. The Target Fund is supervised by a regulatory authority, as follows:

i. A local Target Fund shall either be registered with the Commission or approved by the Bangko Sentral ng Pilipinas;

ii. A Target Fund constituted in another economy shall be registered/authorize/approved, as the case may be in its home jurisdiction by a regulatory authority that is an ordinary or associate member of the IOSCO

j. Investments in Target Funds shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority to act as third party custodian.

b. It does not issue senior securities;
c. 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 30% for all its borrowings;

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

e. It generally maintains a diversified portfolio. Asset class and geographic concentrations may vary at any time depending on the investment manager's view on the prospects;

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

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

h. It does not engage in lending operations to related parties such as the members of the Board of Directors, officers of the Company and any affiliates, or affiliated corporations of the Company;

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

j. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions;

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

l. 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 moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

b. Benchmark – 68% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 2% 30-Day US Dollar Deposit Savings Rate.

c. Asset Allocation Range – the Company shall allocate its funds available for investments among cash and other deposit substitute, fixed-income securities and equity securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 1.50% of the net assets on each valuation day.

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

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

	2023	2022
Equity	**$ 4,554,811**	$5,258,932
Total assets	**4,602,495**	5,272,474
Equity ratio	**0.9896:1**	0.9974:1

22. 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 taxes

Documentary stamp taxes incurred by the Company during 2023 amounted to P1,805 representing taxes in connection with the issuance of the Company's share certificates to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholders' investment for share certificate issuances in excess of ten (10) inter- fund transfers per calendar year.

Other taxes and licenses

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

Charged to Operating Expenses	
MSCI license fee	**P94,266**
Business tax	**42,728**
Registration and filing fees	**33,075**
Residence or community tax	**1,700**
	P171,769

Withholding taxes

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

	Paid	Accrued	Total
Expanded withholding taxes	**P379,340**	**P38,294**	**P417,634**

Deficiency tax assessments

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

23. 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.

* * *