

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

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

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N/A

COMPANY INFORMATION

Company's Email Address

sunlife_sec_communications@sunlife.com

Company's Telephone Number/s

8555-8888

Mobile Number

0999-991-7178

No. of Stockholders

7

Annual Meeting
Month/Day

Every Fourth Wednesday of June

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

JEANEMAR S. TALAMAN

Email Address

Jeanemar.Talaman@sunlife.com

Telephone Number/s

8555-8888

Mobile Number

N/A

Contact Person's Address

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

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

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SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
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Company Information

SEC Registration No.: CS201725847

Company Name: SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND INC.

Industry Classification: J65900

Company Type: Stock Corporation

Document Information

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Document Type: Financial Statement

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Period Covered: December 31, 2023

Submission Type: Annual

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER 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 World Equity Index Feeder 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.



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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 19 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 WORLD EQUITY INDEX FEEDER FUND, INC.

(An Open-End Investment Company)

STATEMENTS OF FINANCIAL POSITION

December 31						
2023						
2022						
	Notes	Shareholders	Unit Holders	Shareholders	Unit Holders	
ASSETS						
Cash and cash equivalents	6	P 49,776,270	P 62,073,071	P49,282,622	P 84,810,119	
Financial assets at fair value through profit or loss	7	-	3,252,940,988	-	3,198,008,635	
Accrued interest receivable		14,247	-	-	18,479	
Other current assets		-	30,678	-	49,102	
		P49,790,517	P3,315,044,737	P49,282,622	P3,282,886,335	
LIABILITIES AND EQUITY						
Current Liabilities						
Accrued expenses and other payables	8	P -	P39,069,734	P -	P 5,569,492	
Payable to fund manager		-	4,607,570	-	3,616,738	
Total Current Liabilities		-	43,677,304	-	9,186,230	
EQUITY						
Net assets attributable to shareholders		49,790,517	-	49,282,622	-	
Net assets attributable to unit holders		-	3,271,367,433	-	3,273,700,105	
Total Equity		49,790,517	3,271,367,433	49,282,622	3,273,700,105	
		P49,790,517	P3,315,044,737	P49,282,622	3,282,886,335	
Net Asset Value Per Share / Unit	11	P0.9958	P1.4692	P0.9857	P1.2321	

See Notes to Financial Statements.

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.

(An Open-end Investment Company)

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31

	Notes	2023		2022		2021	
		Shareholders	Unit Holders	Shareholders	Unit Holders	Shareholders	Unit Holders
Investment Income (Loss) - net							
Interest income	12	P634,869	P 2,047,597	P23,605	P 802,008	P62,915	P 155,137
Net realized gain on investments	7	-	92,135,004	-	22,421,347	-	66,894,289
Foreign exchange gain		-	4,413	-	3,588,812	-	-
		634,869	94,187,014	23,605	26,812,167	62,915	67,049,426
Investment Expenses							
Commission		-	289,595	-	716,620	-	1,982,115
Net Investment Income (Loss)		634,869	93,897,419	23,605	26,095,547	62,915	65,067,311
Operating Expenses							
Management and transfer fees	9	-	23,863,440	-	25,232,604	-	17,670,606
Distribution fees	9	-	18,356,492	-	19,409,695	-	13,592,774
Foreign exchange loss		-	-	-	-	-	3,005,813
Custodian fees		-	726,027	-	482,743	-	579,465
Directors' fees	9	-	255,286	-	255,703	-	395,262
Professional fees		-	137,629	-	125,117	-	142,288
Taxes and licenses		-	4,129,942	-	137,717	-	98,549
Printing and supplies		-	13,125	-	8,743	-	7,465
Miscellaneous		-	429,291	-	344,386	-	449,088
		-	47,911,232	-	45,996,708	-	35,941,310
Profit (Loss) Before Net Unrealized Gains (Losses) on Investments		634,869	45,986,187	23,605	(19,901,161)	62,915	29,126,001
Net Unrealized Gains (Losses) on Investments	7	-	539,200,346	-	(329,852,857)	-	435,765,270
Profit (Loss) before tax		634,869	585,186,533	23,605	(349,754,018)	62,915	464,891,271
Provision for income tax	15	126,974	427,884	4,721	191,626	12,583	30,811
Profit (Loss) attributable to Shareholders		507,895	-	18,884	-	50,332	-
Profit (Loss) attributable to Unit Holders		-	584,758,649	-	(349,945,644)	-	464,860,460
Total Comprehensive Income (Loss) for the Year		P507,895	P584,758,649	P18,884	P (349,945,644)	P50,332	P464,860,460
Basic Earnings (Loss) per Share / Unit	13	P0.010	P0.242	P0.000	P (0.128)	P0.001	P0.261

See Notes to Financial Statements.

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.

(An Open-end Investment Company)

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

	Notes	Shareholders				Total
		Share Capital	Additional Paid-in Capital	Deficit		
Balance, January 1, 2021	10, 11	P 500,000	P 49,500,000	(P 786,594)	P 49,213,406	
Total Comprehensive Loss for the Year		-	-	50,332	50,332	
Balance, December 31, 2021	10, 11	500,000	49,500,000	(736,262)	49,263,738	
Total Comprehensive Income for the Year		-	-	18,884	18,884	
Balance, December 31, 2022	10, 11	500,000	49,500,000	(717,378)	49,282,622	
Total Comprehensive Income for the Year		-	-	507,895	507,895	
Balance, December 31, 2023	10, 11	P500,000	P49,500,000	(P209,483)	P49,790,517	

For the Years Ended December 31

	Notes	Unit Holders		
		Principal	Retained Earnings	Total
Balance, January 1, 2021		P 549,497,407	P 45,625,142	P 595,122,549
Total Comprehensive Income for the Year		-	464,860,460	464,860,460
Transactions with owners:				
Contributions	10	3,953,136,871	-	3,953,136,871
Withdrawals	10	(1,172,445,943)	-	(1,172,445,943)
Total Transactions with owners		2,780,690,928	-	2,780,690,928
Balance, December 31, 2021	10, 11	3,330,188,335	510,485,602	3,840,673,937
Total Comprehensive Income for the Year		-	(349,945,644)	(349,945,644)
Transactions with owners:				
Contributions	10	1,091,939,412	-	1,091,939,412
Withdrawals	10	(1,308,967,600)	-	(1,308,967,600)
Total Transactions with owners		(217,028,188)	-	(217,028,188)
Balance, December 31, 2022	10, 11	3,113,160,147	160,539,958	3,273,700,105
Total Comprehensive Loss for the Year		-	584,758,649	584,758,649
Transactions with owners:				
Contributions	10	582,740,917	-	582,740,917
Withdrawals	10	(1,169,832,238)	-	(1,169,832,238)
Total Transactions with owners		(587,091,321)	P -	(587,091,321)
Balance, December 31, 2023	10, 11	P2,526,068,826	P745,298,607	P3,271,367,433

See Notes to Financial Statements.

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.

(An Open-End Investment Company)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31

	Notes	2023		2022		2021	
		Shareholders	Unit Holders	Shareholders	Unit Holders	Shareholders	Unit Holders
Cash Flows from Operating Activities							
Profit (Loss) before tax		P 634,869	P 585,186,533	P 23,605	P (349,754,018)	P 62,915	P464,891,271
Adjustments for:							
Net unrealized (gains) losses on investments	7	-	(539,200,346)	-	329,852,857	-	(435,765,270)
Net realized (gains) losses on investments	7	-	(92,135,004)	-	(22,421,347)	-	(66,894,289)
Interest income	12	(634,869)	(2,047,597)	(23,605)	(802,008)	(62,915)	(155,137)
Operating cash flows before working capital changes		-	(48,196,414)	-	(43,124,516)	-	(37,923,425)
Decrease (Increase) in:							
Accrued interest receivable			18,479				
Other current assets		-	18,424	-	31,396	-	(80,498)
Increase (Decrease) in:							
Accrued expenses and other payables		-	33,500,242	-	(9,622,595)	-	(7,407,423)
Payable to fund manager		-	990,832	-	(573,649)	-	3,538,312
Cash used in operations		-	(13,668,437)	-	(53,289,364)	-	(41,873,034)
Acquisitions of financial assets at fair value							
through profit or loss	7	-	(224,510,554)	-	(603,488,424)	-	(3,406,237,835)
Proceeds from disposal and maturities of							
financial assets at fair value through profit or loss	7	-	800,913,551	-	742,688,746	-	837,564,467
Interest income received	12	620,622	2,047,597	23,605	783,529	62,915	155,137
Income taxes paid		(126,974)	(427,884)	(4,721)	(191,626)	(12,583)	(30,811)
Net cash generated from (used in) operating activities		493,648	564,354,273	18,884	86,502,861	50,332	(2,610,422,076)
Cash Flows from Financing Activities							
Contributions from unit holders	10	-	582,740,917	-	1,091,939,412	-	3,953,136,871
Withdrawals of unit holders	10	-	(1,169,832,238)	-	(1,308,967,600)	-	(1,172,445,943)
Net cash generated from (used in) financing activities		-	(587,091,321)	-	(217,028,188)	-	2,780,690,928
Net Increase (Decrease) in Cash and Cash Equivalents		493,648	(22,737,048)	18,884	(130,525,327)	50,332	170,268,852
Cash and Cash Equivalents, Beginning		49,282,622	84,810,119	49,263,738	215,335,446	49,213,406	45,066,594
Cash and Cash Equivalents, End		P49,776,270	P 62,073,071	P49,282,622	P84,810,119	P49,263,738	P215,335,446

See Notes to Financial Statements.

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.

(An Open-end Investment Company)

NOTES TO FINANCIAL STATEMENTS

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

1. CORPORATE INFORMATION

Sun Life Prosperity World Equity Index Feeder Fund Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 4, 2017 in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980 and the Foreign Investments Act of 1991 (Republic Act No. 7042, as amended), approved on June 13, 1991 and started commercial operations on July 6, 2020. Its primary purpose is to issue its own securities and offer them for sale to the public, and generally to carry on the business of an open-end investment company in all the elements and details thereof.

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 9.

On March 13, 2018, the Board of Directors approved the amendment of the corporate name of DECA Homebuilder Fund, Inc. to Sun Life Prosperity World Equity Index Feeder Fund, Inc. which was approved by SEC on March 15, 2019.

The Company's registered office address and principal place of business is at the 2nd Floor, 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 Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest peso, except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

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

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

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

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

New Accounting Standards Effective as at 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 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 other than purchased or originated credit-impaired (POCI) financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (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 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.

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

Financial Liabilities and Equity Instruments

Financial liabilities

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

Financial liabilities measured subsequently at amortized cost

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

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

financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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

Derecognition of financial liabilities

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

Equity instruments

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

Share capital

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

Retained earnings (deficit)

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

Units of Participation

Represents an undivided interest in the pool of investments assets earmarked for this type of security issued by the Company.

Prepayments

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

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

Revenue Recognition

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

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly

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

Realized gains or losses

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

Fair value gains or losses

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

Expense Recognition

Expenses are recognized in profit or loss when incurred.

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

Fair Value

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

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

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

Related Party Transactions

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions.

An entity that is a post-employment benefit plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

Taxation

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

Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it

further excludes items that are never taxable or deductible. The Company's current tax expense is calculated using 25% regular corporate income tax (RCIT) rate or 1% minimum corporate income tax (MCIT) rate in July 1, 2020 to June 30, 2023 and 25% RCIT rate or 2% MCIT rate, whichever is higher, effective July 1, 2023, respectively.

Final tax

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

Deferred tax

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

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

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

Current and deferred taxes for the year

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

Earnings (Loss) per Share / Unit

The Company computes its basic earnings (loss) per share or unit by dividing profit or loss for the year attributable to ordinary equity holders or unitholders of the Company by the weighted average number of ordinary shares or units outstanding during the period. For the purpose of calculating diluted earnings (loss) per share, profit or loss for the year attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of DFFS which are dilutive potential ordinary shares.

Net Asset Value per Share / Unit

The Company computes its NAVPS/U 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 or the number of issued and outstanding units.

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 or FVTOCI that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company measures its financial assets at amortized cost if the financial asset qualifies for both SPPI and business model test. The Company's business model test 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 attributable to shareholders is nil, while attributable to unit holders amounted to P3,252,940,988 and P3,198,008,635, respectively, as disclosed in Note 7.

Functional currency

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

Puttable shares designated as equity instruments

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

A puttable financial instrument includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset on exercise of the put. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has met all 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 attributable to shareholders in the statements of changes in equity amounted to P500,000 while the amount of net contributions attributable to unit holders amounted to P2,526,068,826 and P3,113,160,147, respectively, as disclosed in Note 10.

Key Sources of Estimation Uncertainty

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

Deferred tax asset

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

Based on Management's expectation of the Company's future taxable income, the Company did not recognize deferred tax asset as at December 31, 2023 and 2022, as disclosed in Note 15.

6. CASH AND CASH EQUIVALENTS

This account consists of:

	2023	2022
Attributable to shareholders		
Cash in banks	P 76,270	P49,282,622
Cash equivalents	49,700,000	-
	P49,776,270	P49,282,622
Attributable to unit holders		
Cash in banks	P62,073,071	P34,412,297
Cash equivalents	-	50,397,822
	P62,073,071	P84,810,119

Cash in banks attributable to shareholders earned interest amounting to P17,420, P23,605 and P62,915 in 2023, 2022 and 2021, respectively, at an average rate of 0.13%, 0.08% and 0.13% in 2023, 2022 and 2021, respectively, as disclosed in Note 12.

Cash in banks attributable to unit holders earned interest amounting to P106,821, P281,632 and P155,137 at an average rate of 0.13%, 0.08% and 0.12% in 2023, 2022 and 2021, respectively, as disclosed in Note 12.

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

Cash equivalents attributable to shareholders earned interest amounting P617,449 at an average interest rate of 2.48% in 2023 and nil in 2022 and 2021.

Cash equivalents attributable to unit holders earned interest amounting P1,940,776 and P520,377 at an average interest rate of 7.70% and 5.50% in 2023 and 2022 and nil in 2021.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of:

	2023	2022
Attributable to unit holders		
Investments in global mutual fund	P3,252,940,988	P3,198,008,635

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

	2023	2022	2021
Attributable to unit holders			
Net realized gain (loss) on investments	P 92,135,004	P 22,421,347	P 66,894,289
Net unrealized gain (loss) on investments	539,200,346	(329,852,857)	435,765,270
	P 631,335,350	(P 307,431,510)	P502,659,559

Net gains and losses on investments in equity securities are composed of investment in global mutual fund.

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

	2023	2022	2021
Attributable to unit holders			
Balance, January 1	P 3,198,008,635	P 3,644,640,467	P 573,307,540
Additions	224,510,554	603,488,424	3,406,237,835
Disposals	(708,778,547)	(720,267,399)	(770,670,178)
Unrealized gains (losses)	539,200,346	(329,852,857)	435,765,270
Balance, December 31	P 3,252,940,988	P 3,198,008,635	P 3,644,640,467

8. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2023	2022
Attributable to unit holders		
Due to investors	P 37,910,202	P 4,709,876
Withholding and documentary stamp taxes	622,635	318,616
Supervisory fees	327,794	362,079
Custodianship fees	71,474	53,804
Professional fees	137,629	125,117
	P 39,069,734	P 5,569,492

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 five days after the transaction date.

9. 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 party below hold the following number of shares and current value of the Company as at December 31, 2023 and 2022:

Related party	2023		2022	
	Number of shares / units	Current Value	Number of shares / units	Current Value
Attributable to shareholders				
SLAMCI	49,999,994	P49,782,840	49,999,994	P49,284,994
Attributable to unit holders				
SLAMCI	-	P -	50,298,401.99	P61,972,661

The details of amounts and transactions with related parties attributable to unit holders are set out below.

Nature of transaction	Transactions during the year			Outstanding Payable		Terms	Condition	Notes
	2023	2022	2021	2023	2022			
Attributable to unit holders								
SLAMCI Fund Manager								
Management distribution and transfer fees	P42,219,932	P44,642,299	P31,263,380	P4,607,570	P3,616,738	Non-interest bearing; Annual rate of 1.15% of average daily net assets; settled in cash on or before the 15 th day of the following month	Unsecured; unguaranteed	a
Key Management Personnel								
Directors' fees	P 255,286	P 255,703	P 395,262	P -	P -	Payable on demand; Settle in cash	Unsecured; Unguaranteed	b

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

a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 1.00% 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 in effect from year to year as approved by the respective Board of Directors of the Company and SLAMCI.

Management, distribution and transfer fees attributable to unit holders charged by SLAMCI to the Company in 2023, 2022 and 2021 amounted to P42,219,932, P44,642,299 and P31,263,380, respectively. Accrued management fees as at December 31, 2023 and 2022 amounting to P4,607,570 and P3,616,738, respectively, are shown as "Payable to fund manager" in the statements of financial position.

b. Remuneration of Directors

Remuneration of directors attributable to shareholders is presented in the statements of comprehensive income under "Directors' fees" account amounting to, nil in 2023 and 2022, and attributable to unit holders amounting to P255,286, P255,703 and P395,262 in 2023, 2022 and 2021, respectively. These 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 key management personnel and employees. Pursuant to the Company's MDA with SLAMCI, the latter provides all the staff of the Company, including executive officers and other trained personnel.

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.

10. EQUITY

Movements are as follows:

	2023		2022		2021	
	Shares	Amount	Shares	Amount	Shares	Amount
Attributable to shareholders						
Authorized: at P0.01 par value	200,000,000	P2,000,000	200,000,000	P2,000,000	200,000,000	P2,000,000
Issued and outstanding	50,000,000	P 500,000	50,000,000	P 500,000	50,000,000	P 500,000
Attributable to unit holders						
	Units	Amount	Units	Amount	Units	Amount
Offer units: at P1.00 Initial offer price	100,000,000,000	P100,000,000,000	100,000,000,000	P100,000,000,000	100,000,000,000	P100,000,000,000
At January 1	2,657,066,553.07	P3,113,160,147	2,746,782,392.53	P3,330,188,335	526,832,833.45	P 549,497,407
Contributions	426,094,274.44	582,740,917	936,773,982.43	1,091,939,412	3,108,144,959.12	3,953,136,871
Withdrawals	(856,576,563.05)	(1,169,832,238)	(1,026,489,821.89)	(1,308,967,600)	888,195,400.04	(1,172,445,943)
At December 31	2,226,584,264.46	P 2,526,068,826	2,657,066,553.07	P 3,113,160,147	2,746,782,392.53	P3,330,188,335

Incorporation

The Company was incorporated on August 4, 2017 with 200,000,000 authorized shares at par value of P0.01 per share attributable to shareholders and 100,000,000,000 Offer Units at P1.00 initial offer price per unit.

The Company started its commercial operations on July 6, 2020.

Current state

As at December 31, 2023, out of the present 200,000,000 authorized shares, the Company has 50,000,000 issued and outstanding shares, with par value of P0.01 per share attributable to shareholders. Out of the present 100,000,000,000 Offer Units, the Company has 2,226,584,264.46 subscribed units.

The total number of unit holders is 6,726 and 5,938 as at December 31, 2023 and 2022, respectively.

The total number of shareholders is 7 as at December 31, 2023 and 2022.

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, have a pre-emptive or other right to purchase, subscribe for, or take any part of shares or any other securities convertible into or carrying options or warrants to purchase shares of the registrant.

c. Right of redemption

The holder of any shares of the Company, 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.

Redeemable Units

Redeemable units refer to units of participation each of which represents an undivided interest in the pool of investments assets earmarked for this type of security issued by a Mutual Fund Company (MFC). The MFC will buy back the redeemable units upon request of the holder.

Additional paid-in capital attributable to shareholders amounting to P49,500,000 as at December 31, 2023 and 2022 pertains to excess payments over par value from investors. However, no corresponding additional paid-in capital is recognized upon issuance of units as these are issued at no par value.

11. NET ASSET VALUE PER SHARE / PER UNIT

NAVPS/NAVPU is computed as follows:

	Note	2023	2022
Attributable to shareholders			
Total equity		P 49,790,517	P 49,282,622
Outstanding shares	10	50,000,000	50,000,000
NAVPS		P 0.9958	P 0.9857
Attributable to unit holders			
Total equity		P 3,271,367,433	P 3,273,700,105
Subscribed units	10	2,226,584,264.46	2,657,066,553.07
NAVPU		P 1.4692	P 1.2321

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

12. INTEREST INCOME

This account consists of interest income on the following:

	Note	2023	2022	2021
Attributable to shareholders				
Cash in banks	6	P 17,420	P 23,605	P 62,915
Cash equivalents	6	617,449	-	-
		P 634,869	P 23,605	P 62,915
Attributable to unit holders				
Cash in banks	6	P 106,821	P281,631	P 155,137
Cash equivalents	6	1,940,776	520,377	-
		P 2,047,597	P802,008	P 155,137

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:

	Note	2023	2022	2021
Attributable to shareholders				
Cash in banks	6	0.13%	0.08%	0.13%
Cash equivalents	6	2.48%	-	-
Attributable to unit holders				
Cash in banks	6	0.13%	0.08%	0.12%
Cash equivalents	6	7.70%	5.50%	-

13. EARNINGS (LOSS) PER SHARE

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

	Note	2023	2022	2021
Attributable to shareholders				
Total comprehensive income (loss) for the year	P	507,895	P 18,884	P 50,332
Weighted average number of shares:				
Issued and outstanding	10	50,000,000	50,000,000	50,000,000
Basic and diluted loss per share	P	0.010	P 0.000	P 0.001
Attributable to unit holders				
Total comprehensive income (loss) for the year	P	584,758,649	(P 349,945,644)	P 464,860,460
Weighted average number of units:				
Subscribed units	10	2,420,400,591.88	2,725,629,930.60	1,780,241,287.31
Basic and diluted earnings per units	P	0.242	(P 0.128)	P 0.261

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

14. 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		
Attributable to unit holders		
Investment in global mutual fund	7	P 3,252,940,988
December 31, 2022		
Attributable to unit holders		
Investment in global mutual fund	7	P 3,198,008,635

Investment in global mutual fund is valued at their published NAVPS at reporting date.

Financial asset and liabilities not measured at fair value

Cash and cash equivalents, 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.

There were no transfers between Level 1, 2 and 3 in 2023 and 2022.

15. INCOME TAXES

Details of tax expense during the period are as follows:

	2023	2022	2021
Final tax	P536,430	P164,950	P43,394
MCIT	18,428	31,397	-
	P554,858	P196,347	P43,394

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

	2023	2022	2021
Accounting profit (loss) before tax	P 585,821,402	(P 349,730,413)	P 464,954,186
Tax expense (benefit) at 25% in 2022 and 2021 and 30% in 2020	146,455,351	(87,432,603)	P 116,238,546
Adjustment for income subject to lower tax rate	(134,108)	(41,453)	(11,119)
Tax effects of:			
Net unrealized losses (gains) on investments	(134,800,087)	82,463,214	(108,941,328)
Unrecognized net operating Loss Carry- Over (NOLCO)	12,049,025	10,781,129	9,480,857
Unrecognized MCIT	18,428	31,397	-
Net realized losses (gains) on investments	(23,033,751)	(5,605,337)	(16,723,572)
	P 554,858	P 196,347	P 43,394

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;

Details of the Company's NOLCO from 2020 and 2022 are as follows:

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2023 Balance
2022	2025	P43,124,516	-	-	P43,124,516
2023	2026	-	48,196,098	-	48,196,098
		P43,124,516	P48,196,098	P -	P91,320,614

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

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2023 Balance
2020	2025	P 8,923,096	P -	P -	P 8,923,096
2021	2026	37,923,426	-	-	37,923,426
		P46,846,522	P -	P -	P46,846,522

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:

Year Incurred	Year of Expiry	Beginning Balance	Applied Current Year	Addition	Expired	2023 Unapplied
2022	2025	P 31,397	P -	P -	P -	P 31,397
2023	2026	-	-	18,428	-	18,428
		P 31,397	P -	P 18,428	P -	P 49,825

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 can be utilized.

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

Realized gains on redemption of investment in in global mutual fund are exempted from tax and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

16. 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.

17. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, which includes, credit risk, foreign exchange risk and liquidity risk. The Company 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. 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 and cash equivalents. Interest rates of the financial assets are disclosed in Notes 6 and 12.

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

A 50 basis points increase or decrease in the interest rates had been determined for sensitivity analysis based on the exposure to interest rates for financial assets at FVTPL and loans and 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 income after tax if interest rates had been 50 basis points higher or lower and all other variables are held constant for the years ended 2023, 2022 and 2021:

Change in Interest rates	Increase (Decrease) in Net Profit or Loss/Equity		
	2023	2022	2021
Attributable to shareholders			
+50 basis	P199,074	P197,130	P197,055
-50 basis	(P199,074)	(P197,130)	(P197,055)
Attributable to unit holders			
+50 basis	P245,094	P334,871	P848,922
-50 basis	(P245,094)	(P334,871)	(P848,922)

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 investment in global mutual fund.

The risk is managed by the Company Manager by actively monitoring the global equity market. Portfolios are traded based on a combination of regularly-carried out fundamental and technical analyses of share prices.

Based on the exposure to equity price risks at the end of each reporting period, if equity prices and NAVPU of investments in UITF had been 2% higher or lower, profit or loss for the years ended December 31, 2023 and 2022 would have increased or decreased by P64,220,862 and P63,136,366, 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.

Liquidity risk

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

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

The Company maintains at least ten percent of the fund in liquid/semi-liquid assets in the form of cash and cash equivalents, special savings deposits, investment in global mutual fund, accrual of interest receivable and dividend 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 Company Manager manages liquidity risk 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			
Attributable to unit holders			
Payable to fund manager	P 4,607,570	P -	P 4,607,570
Accrued expenses	-	39,069,734	39,069,734
	P 4,607,570	P39,069,734	P43,677,304
2022			
Attributable to unit holders			
Payable to fund manager	P 3,616,738	P -	P 3,616,738
Accrued expenses	-	5,569,492	5,569,492
	P 3,616,738	P 5,569,492	P 9,186,230

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 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
2023		
Attributable to shareholders		
Cash and cash equivalents	2.48%	P 49,776,270
Attributable to unit holders		
Cash in banks	0.13%	P 62,073,071
2022		
Attributable to shareholders		
Cash and cash equivalents	0.08%	P 49,282,622
Attributable to unit holders		
Cash in banks	0.08%	P 34,412,297
Cash equivalents	5.50%	50,397,822
		P 84,810,119

The Company expects to meet its obligations from operating cash flows and proceeds from maturing financial asset.

18. CAPITAL RISK MANAGEMENT

The Company Manager manages the Company's capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high quality 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 10.

The Company Manager manages the Company's capital and NAVPU and NAVPS, as disclosed in Notes 10 and 11 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 **Feeder Fund**, the Fund shall be subject to the following:
 - a. The Fund shall invest more than ninety percent (90%) of its net assets in a single collective investment scheme
 - b. The single entity limit of fifteen percent (15%) shall not be applicable;
 - c. The Target Fund:
 - i. shall not be a feeder fund or co-managed fund;
 - ii. is a CIS established by another fund manager/s, asset management company/ies or fund operator/s;
 - iii. shall provide ample protection to the investors of the feeder fund. If the Target Fund is a foreign fund, the securities regulator approving the said fund shall have been assessed to have broadly implemented the IOSCO Principles relevant to collective investment schemes;
 - iv. The Target Fund publishes Quarterly/Semi-Annual and Annual Reports;
 - v. The investment objective of the target fund is aligned with that of the feeder fund.
 - d. 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/authorized/approved, as the case may be in its home jurisdiction by a regulatory authority that is an ordinary or associate member of the IOSCO
 - e. 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.
 - f. The custodian can liaise with the offshore target fund on the transactions of the feeder fund.
 - g. In compliance with SEC Memorandum Circular 11, Series of 2019, "Amendments to ICA Rule 7.9", the Fund Manager can invest the funds of the feeder fund, fund-of-funds or comanaged funds to a target fund that is administered by the Fund manager or its related party/company provided that:

- i. There shall be no cross-holding between the feeder fund or fund-of-funds and the target funds where cross-holding refers to the holding securities in another by two (2) or more funds;
 - ii. All initial charges on the target fund are waived; and
 - iii. The management fee shall be charged only once, either at the level of the feeder fund, fund-of-funds, co-managed funds or at the level of the target fund.
- 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 300% 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. Industry 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; and
- 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;
- 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 invest at least 90% of its net assets in a Target Fund that tracks the performance of the MSCI All Country World Index (ACWI). The MSCI ACWI is a market-capitalization weighted stock market index designed to represent performance of the full opportunity set of large- and mid-cap shares across developed and emerging markets. It is designed to provide a broad measure of equity-market performance throughout the world
- b. Benchmark - 98% MSCI ACWI (PhP Terms) + 2% 30-day USD 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 Company Manager with management and distribution fees each set at an annual rate of 1.00% of the net assets attributable to shareholders on each valuation day.

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

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

The equity ratio at year-end is as follows:

	2023	2022
Attributable to shareholders		
Net assets attributable to shareholders	P 49,790,517	P 49,282,622
Total assets	49,790,517	49,282,622
Equity ratio	1.0000:1	1.0000:1
Attributable to unit holders		
Net assets attributable to unit holders	P 3,271,367,433	P 3,273,700,105
Total assets	3,315,044,737	3,282,886,335
Equity ratio	0.9868:1	0.9972:1

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

19. 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 period 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 P2,920,760 representing taxes in connection with the issuance of share certificates by the Company to its shareholders.

Other taxes and licenses

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

Charged to Operating Expenses	
Filing and registration fees	P 33,075
Business permits	103,642
Residence or community tax	1,500
Others (MSCI License)	1,070,964
	P1,209,182

Withholding taxes

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

	Paid	Accrued	Total
Expanded withholding taxes	P3,253,675	P302,261	P3,555,936

Deficiency tax assessments

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

20. 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.

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