

COVER SHEET

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S.E.C. Registration Number

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

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

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

Jeanemar S. Talaman

Contact Person

555-8888

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

17-A

FORM TYPE

Month

Day

Annual Meeting

Mutual Fund Company

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC Number: A199908711

File Number: _____

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.

(Company's Full Name)

**8th Floor, Sun Life Centre, 5th Avenue cor. Rizal Drive
Bonifacio Global City, Taguig City, Philippines**

(Company's Address)

555-88-88

(Telephone No.)

December 31

(Fiscal Year Ending)
(Month & Day)

SEC FORM 17-A ANNUAL REPORT

Form Type

Amendment Designation (If applicable)

December 31, 2015

Period Ended Date

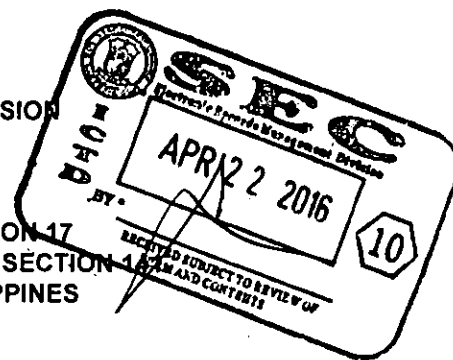
OPEN-END INVESTMENT COMPANY

Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 116
OF CORPORATION CODE OF THE PHILIPPINES



- 1. For the fiscal year ended December 31, 2015
- 2. SEC Identification Number A199908711 3. BIR Tax Identification No. 204-843-965
- 4. Exact name of registrant as specified in its charter

Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

- 5. Metro Manila Province, Country or other jurisdiction of incorporation or organization
- 6. (SEC Use Only) Industry Classification Code:
- 7. 8/F, Sun Life Centre, 5th Avenue cor. Rizal Drive, Bonifacio Global City, Taguig City 1634 Address of principal office Postal Code
- 8. (02) 555-8888 Registrant's telephone number, including area code
- 9. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common Shares, PHP0.01 Par Value</u>	<u>4,099,251,621 shares</u> <u>(as of December 31, 2015)</u>

10. Are any or all of these securities listed on the Philippine Stock Exchange.

Yes No

11. Check whether the registrant:

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

Yes No

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

Yes No

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

The Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (the "Fund") is a registered open-end investment company under the Investment Company Act (R.A. 2629) and the Securities Regulation Code (R.A.8799). It was incorporated on January 17, 2000 under SEC Registration No. A199908711. It is engaged in the sale of its shares of stock, the proceeds of which are invested in listed equities of Philippine entities.

Sun Life Asset Management Company, Inc. (SLAMCI), a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. ("SLOCPI"), acts as the Fund Manager and Principal Distributor. For 2015, income of the Fund is composed of the following:

Interest Income from Bank Deposit	0.02%
Interest Income from Bank SSA	0.92%
Realized Trading Gain from Listed Stocks	64.23%
Dividend Income	34.83%

The Fund is designed to generate long-term capital appreciation through investment in high-quality securities diversified across sectors and issue sizes to provide moderate portfolio volatility. The Fund invests mainly in high-quality listed equities of Philippine entities. Except obligations of the Philippine Government and its instrumentalities, the Fund does not invest more than fifteen percent (15%) of its net assets in any single enterprise or company. Neither does the total investment of the Fund exceed ten percent (10%) of the outstanding voting securities of any one (1) investee company.

The Company was incorporated on January 17, 2000 with 200,000,000 authorized shares at an initial par value of P1.00 per share. .

On May 13, 2005 and February 17, 2006, the Board of Directors and shareholders, respectively, approved the reduction in the par value per share from P1.00 to P0.01.

On May 19, 2006, the shareholders approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares with a par value of P0.01 per share.

On April 24, 2007, the Board of Directors approved the first tranche of share capital increase by 1,000,000,000 (from 200,000,000 shares to 1,200,000,000 shares both with par value of P0.01). The SEC approved the increase including the Company's request to reduce the par value of its shares from P1.00 to P0.01 on October 14, 2008 and the registration statements on November 24, 2008.

On December 18, 2009, the Board of Directors approved the second tranche of share capital increase by 1,800,000,000 shares (from 1,200,000,000 shares to 3,000,000,000 shares both with par value of P0.01). The SEC approved the increase on May 10, 2013 and the registration statements on February 28, 2014.

On March 22, 2013, the Board of Directors approved the third tranche of the share capital increase by 1,500,000,000 (from 3,000,000,000 shares to 4,500,000,000 shares both with par value of P0.01). The SEC approved the increase on January 17, 2014 and the registration statements on June 16, 2014.

As at December 31, 2015, the Company has 4,500,000,000 authorized and registered shares with a par value of P0.01 per share.

The Fund's common shares are available through SLAMCI's registered representatives and eligible securities dealers that have entered into an agreement with SLAMCI to sell shares.

The Fund is part of the eleven (11) Sun Life Prosperity Funds, which offer excellent value to investors as a result of SLAMCI's collective experience in fund management, strong investment philosophy, remarkable investment performance and strong organizational structure. However, it should be noted that past performance of any fund manager is no guarantee of future results. It is only an indication of their capabilities to deal with rapid changes in the economy and market conditions in the future.

The Sun Life Prosperity Funds make investing simple, accessible and affordable. The Sun Life Prosperity Funds offer a unique "family of funds" to choose from. The "family of funds" concept allows investors to modify their investment strategies over time, by letting them transfer from one fund to another, as their needs dictate, as much as four times a year without paying any fees.

The financial statements have been prepared on the historical cost basis, except for financial assets carried either at fair value or at amortized cost. The first adoption of PAS 32 and PAS 39 in the 2006 audited financial statements resulted in the classification of investments in fixed income securities other than corporate loans as "financial assets at fair value through profit and loss" and its measurement at fair value with the fair value changes reflected in the statements of comprehensive income. Fair value changes therefore affect the ratios related to the Fund's total comprehensive income. The change to marked-to-market thus provides equitable treatment between investors coming in and out of the Fund.

The Fund participates in the mutual funds sector which is a sub-sector of the financial services industry. There are no national geographical boundaries as the nature of the industry and prevailing technology make it possible for the various players to offer their services to almost any place in the country.

The Fund principally competes directly with the Unit Investment Trust Funds ("UITFs") offered by commercial banks and other mutual funds in the Philippines, namely: the Philam Strategic Growth Fund, Inc. and Philippine Stock Index Fund Corporation. However, the Fund does not have any knowledge on the relative size, financial and market strengths of the Fund's competitors. The Fund principally competes in terms of returns and the associated risks of the return. The Fund's market strength is its wide distribution network that provides strategic distribution of Fund shares and the financial stability and reputation of its Investment Company Adviser. The Fund intends to compete principally based on the reputation of SLAMCI for superior investment performance and corporate governance coupled with its distribution network and superior backroom operations.

There are potential advantages in investing in mutual funds; corollary to this, there are also attendant risks. Below is a summary of some of the risks and their potential effect on the investor:

Market Risk: Interest Rate Risk is a type of Market Risk which is applicable to the Fund's investments in bonds, if any. This refers to the increase/decrease of a bond price due to movement in market factors such as changes in interest rates. A change in interest rates is the period when interest rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund. For equity investments, changes in prices of equity refer to the equity investments held by the Fund either for strategic or trading purposes. These equity investments, if any, are subject to the daily price fluctuations, as determined by market forces. Hence, prices may vary as a result of the general economic and political conditions, as well as developments in the company's operations and overall profitability.

To manage this risk, the equity investments included in the Fund's portfolio are carefully selected based on their fundamental soundness, and by actively monitoring the Philippine Stock Exchange Index (PSEi). Diversification of the equity investments (not only in terms of the number of stocks but also in terms of industry exposure) is likewise observed.

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

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

The following are additional risks present in managing the Fund, however, non-quantifiable.

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

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

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

Large Transaction Risk: If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of shares of a Fund, that Fund may be forced to sell securities at unfavorable prices to pay

for the proceeds of redemption. This unexpected sale may have a negative impact on the net asset value of the Fund.

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

The above risk factors are by no means exhaustive. New and/or unidentified risks may arise given the fast changing financial markets and economic environment.

Classification of the Fund into high, moderate or low risk investment: The Fund will predominantly have equity securities in its portfolio, which typically are high-risk investments. However, a portion will be maintained in cash and cash equivalents. These two factors make an investment in the Fund subject to a moderate to high risk.

Item 2. Properties

The Fund has financial assets in the form of cash, fixed income and equity securities only. As prescribed by SEC Rules, all of its assets are held by its custodian banks, the Hong Kong and Shanghai Banking Corporation (HSBC), Deutsche Bank and Citibank.

Office space of the Fund is provided by SLAMCI pursuant to the Management Agreement between them. The Fund currently has no properties to its name and therefore no mortgages, liens or encumbrances over such. The Fund also has no current leases. The Fund does not intend to acquire or lease any real property in the course of its business.

Item 3. Legal Proceedings

There is no material pending legal proceeding to which the Fund or any of its affiliates is a party, or of which any of their property is the subject.

Item 4. Submission of Matters to a Vote of Security Holders

On 20 November 2015, the continuation of the annual stockholders' meeting was held. Due to the failure to meet the required vote of 2/3 of the outstanding capital stock, the amendment of Article III of the Articles of Incorporation on the principal office address was not approved. Likewise, due to the failure to meet the required quorum of 50% + 1 of the outstanding capital stock represented in person or by proxy, the members of the Board of Directors were not elected. Thus, the following shall serve on a holdover capacity for the remainder of the 2015 – 2016 term:

1. Rizalina G. Mantaring
2. Oscar M. Orbos
3. Melito S. Salazar, Jr.
4. Nilo B. Peña

It will be noted that Ms. Ma. Karenina M. Casas also stood for reelection as director. However, with her resignation in September 2015, Mr. Benedicto C. Sison was elected to fill the vacancy created by her resignation. He will serve as such for the rest of the 2015 to 2016 term.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

1. Market Information

The shares of the Fund are traded over-the-counter. The Fund's common stocks are available through registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund's Principal Distributor, SLAMCI.

Following are the ranges of high and low prices of the NAVPS of the Fund's shares for each quarter within the last two calendar years:

	2015		2014	
	High	Low	High	Low
Q1	4.4049	4.0875	3.7376	3.4347
Q2	4.4830	4.0484	3.9163	3.7628
Q3	4.2108	3.7601	4.1367	3.8386
Q4	4.0466	3.7013	4.1761	3.9163

The Fund's NAVPS is published daily through Business World, the PSE website, Philippine Daily Inquirer, and Sun Life websites.

2. Holders

The Fund has approximately 41,854 shareholders as of December 31, 2015.

On 7 March 2013, SEC en banc approved the confidential treatment of the list of Top 20 shareholders of the Fund, including the 5% and 10% beneficial owners. This is to protect the investors' privacy, which is a privilege they enjoy when they invest in other shared investment vehicles, such as unit investment trust funds, and when they invest in bank deposits.

3. Dividends

The Fund has not declared cash dividends to date. Stock dividends of two percent (2%) as of record date were declared in 2006, 2007, and 2008.

The Board of Directors of the Fund has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from the Fund's unrestricted retained earnings. The amount of such dividends (either in cash, stock, property or a combination of the foregoing) will depend on the Fund's profits, cash flows, capital expenditure, financial condition, and other factors. The existence of surplus profit arising from the operation of the Fund is needed before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings or profits. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, which are considered not available for dividend declaration.

Cash dividends and property dividends may be declared by the Board of Directors and no stockholder approval is required. Stock dividends paid on the Offer Shares are subject to approval by both the Board of Directors and the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Fund at a stockholders' meeting called for such purpose.

Under the Corporation Code, Corporations with surplus profit in excess of 100% of its paid-in capital stock are required to declare dividends (cash or stock) and distribute it to its stockholders.

Dividends so declared will be automatically reinvested in additional shares on behalf of the shareholders, without sales charges, at the NAVPS on the payment date established for such dividends. Shareholders may also elect not to have dividends reinvested and receive payment in cash, net of tax.

Item 6. Management's Discussion and Analysis of Plan of Operation.

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

- 1. Increase/Decrease in NAVPS.** NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding plus the total number of units outstanding due to deposit for future subscriptions ("DFFS") and for conversion to shares, if any, as of the end of the reporting day. Any increase or decrease in NAVPS translates to a prospective capital gain or capital loss, respectively, for the Fund's shareholders.
- 2. Net Investment Income.** Represents the total earnings of the Fund from its investment securities, less operating expenses and income tax. This gauges how efficiently the Fund utilizes its resources in a given time period.
- 3. Assets Under Management ("AUM").** The assets under the Fund's disposal. This measures the profitability of the Fund (increase/decrease brought about by its operational income) as well as investor confidence (increase/decrease brought about by investor subscriptions/redemptions).
- 4. Cash Flow.** Determines whether the Fund was able to achieve the optimal level of liquidity by being able to meet all its scheduled payments, while maintaining at the same time the maximum investments level and minimum cash level.

Accounting Policies on Financial Assets Through Profit or Loss

Initial recognition

Financial assets are recognized in the Company's financial statements when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets, except for investments classified as at FVTPL. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and subsequent measurement

Financial assets are classified into the following specified categories: financial assets at FVTPL, held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets as at December 31, 2015 and 2014 consist of financial assets at FVTPL and loans and receivables.

Financial assets at FVTPL

The Company classifies financial assets as at FVTPL when the financial asset is either held for trading or designated as such upon initial recognition.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and it is permitted that the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resulting gain or loss recognized in profit or loss.

The Company's financial assets classified under this category include investments in listed equity securities, investments in unit investment in trust fund (UITF) and special savings deposits.

FINANCIAL MARKETS REVIEW (2015)

PERFORMANCE REVIEW

The PSEi lost 3.85% for 2015, below the 7,000 mark, to close at 6,952.08 points. Despite the drop, it still managed to outperform its ASEAN peers given the country's favorable fundamentals. First nine months GDP came in at 5.6% while full-year GDP is expected to be within 5.6-6%, behind government's full-year target of 7-8% growth. Growth was one of the strongest in the region and was mainly driven by private consumption and improved government spending. Inflation for 2015 averaged at 1.4%, below the government's target of 2-4%. Modest inflation rate was due to the continued drop in global oil prices which offset inflationary pressures from climate factors. The BSP kept the policy rate (4%), SDA rate (2.5%), and RRR rate (20%) steady despite the Fed lift-off due to benign inflation and weaker than desired GDP.

For the year, foreigners were net sellers of USD 1.2bn worth of stocks (first outflow since 2008), compared to an inflow of USD 1.25bn in 2014. Locals dominated trading for most of the year accounting for almost 60% of average daily volume.

Best performing sectors were Conglomerates and Property, while the Gaming and Mining & Oil sectors got hit the most.

For the year, the Fund employed an index-plus strategy with limited off-benchmark bets. In general, the fund mimicked the PSE index with minor tilts. It was slightly overweight in property, consumer, and utilities while underweight in conglomerates, telecommunications, and banks. In the end, the Fund posted a 6.49% y-o-y decrease in its NAVPS to PHP3.8228/share.

OUTLOOK

Philippine GDP is still expected to be one of the strongest in the region, further boosted by the elections in mid-2016. Since 2004, every election year had an annual GDP between 6.5% and 7.6%. OFW remittances are expected to slow down but will be compensated by the increase in BPO revenues. Domestic consumption is expected to be boosted by the upcoming elections while government spending is expected to accelerate. Based on reports, the government is aiming to award at least 60% of the planned public works projects for 2016 before the pre-election ban takes effect. One key indicator to watch out for is inflation as the increase in the prices of LPG, electricity; food prices (due to typhoon) can provide upward inflationary pressure in the coming months. This, however, will remain manageable as crude oil prices may remain low.

The PSEi has been resilient even with external market shocks. During the Global Financial Crisis in 2008, the market has recovered after a year. Since 1992, the local bourse yielded an average of 7% six months before an election took place and 7.75% twelve months after the elections. Capital outflows might continue to persist depending on the perceived pace of Fed tightening, China jitters, and the impact of that to the USD. Despite the expected strength of the USD, the Philippine Peso may remain as one of the more resilient currencies in Asia.

Finally, there are headwinds that may impact local equity market's performance in 2016. Externally, these include (1) strength of the USD which may trigger more capital outflows in Emerging markets; (2) further slowdown in China's economy; (3) deflationary pressure in developed markets; and (4) geopolitical risks. Internally, these include (1) slowing corporate earnings and GDP; (2) election uncertainty; and (3) strengthening El Nino that could affect agricultural output.

FINANCIAL STATEMENTS ANALYSIS

31 December 2015 and 31 December 2014

The Company registered a decrease in net assets by PHP 647 Million (4%) from PHP 16.3 Billion in December 2014 to PHP15.7 Billion in December 2015. The decrease was brought about by the impact of unfavorable market condition during the period.

Net investment loss for the year ended December 31, 2015 is PHP 1.1 Billion; PHP 3.6 Billion (141%) lower than last year's profit of PHP 2.6 Billion. The decrease was attributable mainly to the impact of unfavorable market condition.

The Fund does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

Material Changes in the 2015 Financial Statements

Statement of Financial Position

Cash decreased by PHP 7 Million (5%) from PHP 138 Million in December 2014 to PHP 131 Million in December 2015 but still liquidity requirements were met.

The Financial assets at fair value through profit and loss decreased by PHP 670 Million (4%) from PHP 16 Billion in December 2014 to PHP 15.6 Billion in December 2015. The decrease is attributable to the impact of unfavorable market condition mainly from unrealized market loss recognized for investments in equity securities.

Due from Brokers decreased by PHP 24 Million (25%) from PHP 95 Million in December 2014 to PHP 71 Million in December 2015. This is mainly due to settlements of the amounts due from broker in relation to sale of investments in equity securities during the period. The proceeds of sales were settled three (3) days from the transaction date.

Accrued Interest increased by PHP704 Thousand (262%) from PHP268 Thousand in December 2014 to PHP972 Thousand in December 2015. This is due to higher balance of accrued interest receivable from investment in special savings deposit at the end of reporting period.

Dividends Receivable increased by PHP4 Million (140%) from PHP2.9 Million to PHP7.1 Million. Collection of receivable is dependent on the scheduled payment date of each listed stock from which dividend was received.

Accrued Expenses declined by PHP28 Million (38%) from PHP73 Million to PHP45 Million. The drop was mainly due to Proceeds Payable to Investors. These are amounts payable to investors for redemption of their investments processed on or before end of reporting period, which are usually paid four days from the transaction date.

Due to Brokers significantly decreased by PHP 17 Million (18%) from PHP 92 Million in December 2014 to PHP 75 Million in December 2015. This is due to lower outstanding payable to brokers related to the purchases of investment in listed equity securities made at, or towards the end of reporting period. Proceeds from purchases are settled three (3) days from the transaction date.

Payable to Fund Manager slightly decreased by PHP3.3 Million (9%) from PHP36 Million to PHP33 Million mainly due to lower recoverable expenses due to the Fund Manager.

Statement of Comprehensive Income

Revenues decreased by PHP 296 Million (27%) from PHP 1.1 Billion in December 2014 to PHP 802 Million in December 2015. The decrease was mainly due to lower gains realized from Sale of investments in equity securities during the period.

Operating Expenses is PHP11 Million (3%) higher from PHP 386 Million in December 2014 to PHP 397 Million in December 2015. This was mainly due to higher Management Fees partially offset by the lower taxes and licenses paid during the period.

Net investment loss of PHP 1.1 Billion for the year ended December 31, 2015 was PHP 3.6 Billion (141%) lower than PHP 2.6 Billion net income of the same period last year. The decrease was mainly due to the impact of unfavorable market condition.

Statement of Changes in Equity

Total Equity registered a decrease of PHP 648 Million (4%) from PHP 16.3 Billion as of December 31, 2014 to PHP 15.7 Billion as of December 31, 2015.

Item 7. Financial Statements

Copies of the following audited financial statements are attached as Exhibits:

1. Statements of Financial Position, 2015, 2014
2. Statements of Comprehensive Income, 2015, 2014, 2013
3. Statements of Changes in Equity, 2015, 2014, 2013
4. Statements of Cash Flows, 2015, 2014, 2013
5. Notes to Financial Statements

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Navarro Amper & Co./Deloitte Touche Tohmatsu, with address at 19/F Net Lima Plaza, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City, Philippines, has acted as external auditor of the Fund since the reporting year ended December 31, 2003.

There has been no disagreement with the accountants on any accounting and financial disclosures.

External Audit Services/Audit and Audit-Related Fees

For 2015 and 2014, aggregate fees billed for professional services rendered by the external auditor for the audit of the Fund's annual financial statements and services normally provided by external auditors in connection with statutory and regulatory filings amounted to PHP122,694 and PHP117,645 respectively, inclusive of VAT and out-of-pocket expenses.

There were no other payments made to the auditor for any other service, including assurance, tax and related services.

External auditors of the Fund are designated in accordance with Section 29 of the ICA subject to ratification at the annual stockholders' meeting by the vote of a majority of the outstanding voting securities attending.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

1. Directors and Executive Officers

The Board of Directors is responsible for conducting all businesses of the Fund. It exercises general supervision over the duties performed by the Fund Manager, Distributor, Administrator, Transfer Agent and Custodian of the Fund.

The following are the incumbent Directors and Executive Officers of the Fund:

Name	Citizenship	Position	Age	Term of Office	Period Served
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Rizalina G. Mantaring	Filipino	Director/Chairman	56	2007 - present	8 terms
Benedicto C. Sison	Filipino and American	Director/President	55	2013 - present	1 term
Oscar M. Orbos	Filipino	Independent Director	65	2000 - present	15 terms
Melito Salazar, Jr.	Filipino	Independent Director	66	2014 - present	2 terms
Nilo B. Peña	Filipino	Director	79	2005 - present	10 terms
Candy S. Esteban	Chinese	Treasurer	38	2015 - present	1 term
Jemilyn S. Camania	Filipino	Corporate Secretary	40	2005 - present	10 terms
Maria Cecilia V. Soria	Filipino	Asst. Corp. Sec.	39	2013 to present	3 terms
Conchitina D.L. Gregorio	Filipino	Compliance Officer	48	2014 - present	2 terms

A brief write-up on the business experience of the incumbent directors and executive officers of the Fund follows:

RIZALINA G. MANTARING
Director/Chairman (2007 to present)

Ms. Mantaring, 56, Filipino, is currently the Chairman of the nine Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., and Sun Life Prosperity World Voyager Fund, Inc. (the "11 Sun Life Prosperity Funds"). She is also the Chairman of the Grepalife Dollar Bond Fund Corporation, Grepalife Balanced Fund Corporation, and Grepalife Fixed Income Fund Corporation ("Grepalife Funds") (2011 to present). She serves as the President & CEO of Sun Life of Canada (Philippines), Inc. ("SLOCPI") (2009 to present), Sun Life Financial Plans, Inc. ("SLFPI") (2009 to present) and, a Director of the Sun Life Asset Management Company, Inc. ("SLAMCI") (2007 to present). Ms. Mantaring is Independent Director of Ayala Land, Inc. and Microventures Foundation, Inc. Prior to the foregoing, Ms. Mantaring was Deputy President of the Sun Life Financial Philippines group of companies (2009) and Regional Chief Operations Officer of Sun Life Financial Asia (2008 to 2009). She also served as Chief Operating Officer of SLOCPI (1999 to 2008) and Information Systems Head, Asia Pacific Division of the Sun Life Assurance Company of Canada (1992 to 1999). Ms. Mantaring received her Bachelor of Science in Electrical Engineering (cum laude) from the University of the Philippines and Master of Science in Computer Science from the State University of New York at Albany. She is also a Fellow, Life Management Institute (with distinction) and Associate, Customer Service (with honors).

BENEDICTO C. SISON

President and Director (2015 to present)

Mr. Sison, 55, is President of the 11 Sun Life Prosperity Funds. He is also the Chief Financial Management and Strategy Officer of Sun Life in the Philippines. Before returning to the Philippines, Mr. Sison was the Chief Financial Officer of Sun Life Financial - Asia based in Hong Kong from 2012 to 2015. Prior to joining Sun Life in 2010 as Chief Financial Officer, Mr. Sison served as Finance Director - Asia Pacific of ConAgra International Food Group (2006 to 2010). He earned a Bachelor of Science degree in Business Administration (magna cum laude) from the University of the Philippines (Diliman) in 1983 and a Master's in Business Administration from the University of California Riverside in 1988. He is a certified public accountant (CPA); a Chartered Global Management Accountant (CGMA), and a member of the American Institute of CPAs (AICPA).

OSCAR M. ORBOS

Independent Director (2000 to present)

Atty. Orbos, 65, Filipino, is an Independent Director of the Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (2000 to present), Sun Life Prosperity Dollar Advantage Fund, Inc. (2009 to present), Sun Life Prosperity Dollar Abundance Fund, Inc. (2009 to present) and Sun Life Prosperity Philippine Stock Index Fund, Inc. (December 2014 to present). Atty. Orbos has a distinguished public service career, which started with his election as Congressman (1987 to 1990 and 1992 to 1995) and then as Governor of the Province of Pangasinan (1995 to 1998). He also served as Secretary of the Department of Transportation and Communication (1990) and then as Executive Secretary (1990 to 1991) under the administration of President Corazon C. Aquino. Atty. Orbos also serves Chairman of the Board of Alpha Insurance & Surety Co., Inc. (2000 to present) and as Partner of Orbos Cabusora & Taguiam Law Office (1998 to present). He obtained his BS Economics and Bachelor of Laws from the University of the Philippines.

MELITO S. SALAZAR, JR.

Independent Director (2014 to present)

Mr. Melito S. Salazar Jr., 66, Filipino, is an independent Director of Sun Life of Canada Prosperity GS Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc. and Sun Life Prosperity Philippine Stock Index Fund, Inc. (2014 to present). He is currently the Chairman and Director of the Inter-Asia Development Bank (2010 to present). He is also the Chairman and President of Quickminds Corporation (2011 to present), Chairman of Incite.Gov (2011 to present) and Ompipay (Formerly PVB Card, Inc.) (2014 to present). Among his other positions are: Director of PhilsFirst Insurance Company (2007 to present) and Concepcion Industrial Corporation (2013 to present); Vice- President of the Manila Bulletin (2006 to present); Editor-in-Chief of Philippine Rotary (2011 to present); Dean of Centro Escolar University, School of Accountancy and Management (June 2014 to present); Trustee of University of St. La Salle Bacolod (2009 to present) and Regent of Philippine Normal University System (2014 to present). Prior to these posts, he served as a Monetary Board Member of the Bangko Sentral ng Pilipinas (1999 to 2005), President of the Management Association of the Philippines (2013), President of the Financial Executive Institute of the Philippines (2005), and Chairman of the Chamber of Commerce of the Philippine Islands (2009 to 2012). Mr. Salazar is a BSBA and MBA graduate of the University of the Philippines and attended executive education and training programs at the Harvard Business School, Massachusetts Institute of Technology, University of North Carolina, Chapel Hill and INSEAD in France.

NILO B. PEÑA
Director (2005 to present)

Atty. Peña, 79, Filipino, is a Director of the Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (since 2005) and Sun Life of Canada Prosperity Balanced Fund, Inc. (since 1999). He has actively and continuously engaged in the practice of law with the law firm Quasha Ancheta Peña & Nolasco (originally William H. Quasha & Associates), starting as an underbar (1959-1960), Associate, Partner and currently Senior Partner. He is a member of the Board of Trustees of the St. Luke's Medical Center, Inc. (since 1996) and a member of the Board of Directors of its subsidiary St. Luke's Medical Center (Global City), Inc. He is Chairman of the Medical Centers' Board Governance Committee. He is also a Trustee of St. Luke's College of Medicine (since 2004) and a Director of SLMC Global City MAB Corp. (since 2005). Atty. Peña is the Chairman of the Board of Trustees of the Standard Chartered Bank Employees' Retirement Fund (since 1992) and Corporate Secretary of QBE Insurance (Philippines), Inc. (since 1998). He was twice the Bar Examiner for Mercantile Law in the Supreme Court Bar Examinations (1997 and 2006). Atty. Peña is a product of the University of the Philippines High School (1953), Associate In Arts (1955) and Bachelor of Laws (1959).

CANDY S. ESTEBAN
Treasurer (2015 to present)

Ms. Esteban, 38, is Treasurer of the 11 Sun Life Prosperity Funds and the Sun Life Asset Management Company, Inc. She is concurrently the Head of Financial Planning and Analysis for Sun Life of Canada (Philippines), Inc. Prior to joining the Fund, Ms. Esteban held various positions in Citibank and American Express Bank Philippines, both leading global banking institutions. She is a graduate of the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering and she holds a Master's degree in Business Administration from INSEAD in Singapore and France.

JEMILYN S. CAMANIA
Corporate Secretary (2005 to present)

Atty. Camania, 40, Filipino, is also the Corporate Secretary of SLOCPI (2010 to present), SLFPI (2010 to present), SLAMCI (2005 to present), Sun Life Financial Philippines Holding Co., Inc. (2012), Sun Life Financial-Philippines Foundation, Inc. (2012), the 11 Sun Life Prosperity Funds (2005 to present), GAMC (2011 to present), Great Life (2012), and the 3 Grepalife Funds (2011 to present). She also serves as Assistant Corporate Secretary of SLGFI (2012). She started at Sun Life as Assistant Counsel (2004), became its Counsel (2007 to 2011) and Senior Counsel (2011 to 2012). She is currently Sun Life's Deputy General Counsel (2012 to present). Prior to joining Sun Life, she was an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices (2001 to 2004). Atty. Camania received her Bachelor of Arts in Psychology (1996) and Bachelor of Laws (2001) from the University of the Philippines. She was called to the Bar in 2002. She is also a Fellow, Life Management Institute (2010) and Professional, Customer Service (with honors) (2011) of LOMA.

MARIA CECILIA V. SORIA
Assistant Corporate Secretary (2013 to present)

Atty. Soria, 39, Filipino, is the Assistant Corporate Secretary of the 11 Sun Life Prosperity Funds (September 2013 to present), and the 3 Grepalife Funds (September 2013 to present), SLAMCI, GAMC, Sun Life Financial Philippines Holding Company, Inc., and Sun Life Financial-Philippines Foundation, Inc. Prior to joining these companies, she worked as Associate, later promoted to Senior Associate, at Tan Venturanza Valdez (May 2010 to August 2013), as Senior Associate at Reyes-Fajardo and Associates (2009 to 2010) and SGV & Co. (2008 to 2009), as Associate at Medialdea Ata Bello & Guevarra (2007-2008), and as Executive Assistant 6 at the Civil Service Commission (2006-2007). Atty. Soria received her

Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines. She was admitted to the Philippine Bar in May 2007.

CONCHITINA D.L. GREGORIO
Compliance Officer (2014 to present)

Atty. Gregorio, 48, Filipino, is the Chief Compliance Officer of 3 Grepalife Funds, SLOCPI, SLFPI, SLAMCI, the 11 Sun Life Prosperity Funds, SLGFI, GAMC, and Great Life. Before joining Sun Life, Atty. Gregorio headed the Compliance Department of Metrobank Card Corporation where she implemented the company's programs on compliance, money laundering & terrorist financing prevention and corporate governance. Atty. Gregorio also spent a number of years as a capital markets specialist and held legal and compliance roles in both the Philippine Stock Exchange and Fixed-Income Exchange. Atty. Gregorio received her Juris Doctor Degree from the Ateneo de Manila University and was admitted to the Philippine Bar in 1992.

2. Significant Employees

The Fund has no significant employees.

3. Family Relationships

There are no family relationships up to fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated by the Fund to become its directors or executive officers.

4. Material Pending Legal Proceedings

The Fund has no knowledge of any material pending legal proceedings to which any of the directors and executive officers of the Fund is a party of which any of their property is the subject.

There was no bankruptcy petition filed by or against any business of which any of the directors and executive officers of the Fund was a general partner or executive officer either at the time of bankruptcy or within 2 years prior to that time.

No director and executive officer of the Fund was convicted by final judgment in a criminal proceeding, domestic or foreign and neither is any director or officer subject to any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.

No director and executive officer of the Fund is being subject to any order, judgment or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities.

No director and executive officer of the Fund is being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

Item 10. Executive Compensation

1. Compensation of Executive Officers

The executive officers of the Fund do not receive any form of compensation from their appointment up to the present.

2. Compensation of Directors

The directors do not receive any form of compensation from inception up to the present other than a PHP20,000.00 per diem for meetings attended. Only the members of the Board who are "external directors", *i.e.*, those who are not officers and/or employees of SLOCPI, receive remuneration for their attendance in regular or special meetings of the Board at the rate of PHP20,000.00 to each director for every meeting attended. Their contributed efforts to the Fund are on a voluntary basis only. Also, the directors or executive officers of the Fund will not participate in any bonus, profit sharing or other compensation plan, pension or retirement plan, contract or arrangement

However, starting January 1, 2010, each external director, as defined above, also receives a retainer's fee not to exceed PHP15,000.00 per quarter. Payment of such retainer's fee is shared by the Fund with the other Sun Life Prosperity Funds which the external director also serves, provided that each external director receives a maximum of PHP15,000.00 per quarter from all the Sun Life Prosperity Funds.

Total per diem received by the Fund's directors, including retainer's fee, is PHP 322,111 and PHP 371,667 for 2015 and 2014, respectively.

The Board has four (4) regular quarterly meetings for 2016, including the organizational board meeting after the annual shareholders' meeting. For the four (4) meetings and with three (3) members of the Board who are external directors entitled to receive per diem, the Fund forecasts a total directors' per diem of PHP240,000 for 2016. The external directors are also forecasted to receive a total of PHP60,000 as retainer's fees for 2016.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security ownership of more than 5% of the Fund's outstanding capital stock as of December 31, 2015:

<i>Title of Class</i>	<i>Name of Record Owner/Relationship with Issuer</i>	<i>Address</i>	<i>Name of Beneficial Owner/Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Number of Shares Held</i>	<i>Percent of Class</i>
-	-	-	-	-	-	-

The other holders of more than 5%, if any, are included in the list of the Top 20 Shareholders, which is submitted to the SEC through a confidential disclosure.

2. Security Ownership of Management as of December 31, 2015 is as follows:

Title of Class	Name of Beneficial Owner	Number of Shares ¹	Nature of Ownership	Citizenship	Percent of Class
Common	Rizalina G. Mantaring	1	Beneficial (B) and Record (R)	Filipino	0.00%
Common	Benedicto C. Sison	1	B & R	Filipino and American	0.00%
Common	Oscar M. Orbos	1	B & R	Filipino	0.00%
Common	Jose M. Faustino	1	B & R	Filipino	0.00%
Common	Nilo B. Peña	1	B & R	Filipino	0.00%

The above individual owners can be contacted at c/o SLAMCI, 5/F, Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

3. Voting Trust Holders of 5% or More

No holder of 5% or more of the Fund's common shares has any voting trust or similar agreement that vest voting rights or other powers to a voting trustee.

4. Change in Control

The Fund has no knowledge of any arrangement that may result in a change of control of the Fund.

Item 12. Certain Relationships and Related Transactions

The Fund is not involved in any related transactions.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Fund is committed to performing its obligations by following sound standards of business and financial practices. It assesses the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance through the Corporate Governance Self-Rating Form.

Likewise, the Fund requires the directors to answer a Board Effectiveness Questionnaire to determine their outlook on current practices and further enhance their performance. Internal audit and compliance units of the Fund also actively ensure that the Fund meets its regulatory and moral obligations to the government agencies and the general public, respectively.

There has been no reported incident of any deviation from the Fund's Manual on Corporate Governance. A strong ethical business culture in the performance of duties is continuously upheld and promoted.

¹ Number of shares held in their capacity as Director or Chairperson

PART IV – EXHIBITS AND SCHEDULES

Audited Financial Statements

1. Statements of Financial Position, 2015, 2014
2. Statements of Comprehensive Income, 2015, 2014, 2013
3. Statements of Changes in Equity, 2015, 2014, 2013
4. Statements of Cash Flows, 2015, 2014, 2013
5. Notes to Financial Statements

- NOTHING FOLLOWS -

SIGNATURES

Pursuant to the requirements of Section 11 of the RSA and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of _____ on _____, 2016.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
Issuer

Pursuant to the requirements of the Revised Securities Act, this annual report has been signed by the following persons in the capacities and on the dates indicated.

By:

Benedicto C. Sison
Benedicto C. Sison
Principal Executive Officer

Maria Josefina A. Castillo
Maria Josefina A. Castillo
Principal Accounting Officer

Valerie N. Pama
Valerie N. Pama
Principal Operating Officer / SLAMCI President

Roselle L. Lustre
Roselle L. Lustre
Controller

Candy S. Esteban
Candy S. Esteban
Principal Financial Officer/Treasurer

Maria Cecilia V. Soria
Maria Cecilia V. Soria
Assistant Corporate Secretary

APR 22 2016

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2016, affiants exhibiting their government issued identification cards, as follows:

Name	Government ID No.	Date of Issue	Place of Issue
Benedicto Sison	Passport No. 488432394	05/09/2013	United States
Valerie N. Pama	Passport No. EB6184455	08/23/2012	Manila
Candy S. Esteban	Driver's License N02-95-277891	05-08-2015	Quezon City
Ma. Josefina Castillo	Passport No. EB5574529	06/05/2012	Manila
Roselle L. Lustre	Passport No. EB8020503	05/02/2013	Manila
Maria Cecilia V. Soria	Passport No. EC2765788	11/13/2014	Manila

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Book No. 52
Series of 2016.

JOEL G. GORDOLA
Notary Public
Commission expires until December 31, 2017
Adm. No. 069, Rol. No. 25103, IBP No. 1013094
PTR No. 1874282; 1/04/10; Q.C.
TIN 126-768-803; MCLE No. V-0001531
Until 1 # 878 Quirino Hway, Gulod, Novaliches, Q.C