



**Sun Life of Canada Prosperity Bond Fund, Inc.**

**ANNUAL REPORT  
2001**



## MESSAGE TO SHAREHOLDERS

Dear Shareholders:

I am pleased to report to you that the Sun Life Prosperity Bond Fund ended the year 2001 as the best performing bond fund in terms of return on investment. The Bond Fund registered a yield 10.5% p.a. net of expenses. In addition, the Bond Fund also consistently outperformed the benchmark, the 91-day T-Bill net yield of 7.9%, for the relevant period.

While the year 2001 started with a euphoric change in the country's political leadership, several events and issues surfaced that slowed down economic growth. However, opportunities to improve the yield of the Prosperity Bond Fund appeared in the middle part of the year as increased market volatility resulted in higher yields on fixed-income instruments. Taking advantage of these opportunities, your investment manager acquired higher-yielding, long-term instruments in the primary and secondary markets.

You will also be pleased to know that your Fund Manager complied with all regulatory requirements for the period under review. Fund expenses were also kept to a minimum through innovative measures. This helped improve the yield of the fund to make it the top performing bond fund in the industry.

For the most part of 2001, there was a dearth of high-yielding long-term fixed-income instruments even as the Bureau of Treasury temporarily suspended issues of long-term bonds to save on borrowing costs. Auctions of higher-yielding, long-dated bonds resumed only in the last quarter. The Bond Fund was able to lock in at high yields by acquiring long-term treasury notes.

Notwithstanding the ensuing decline in interest rates at the close of the year, rest assured your Fund Manager remains as vigilant as ever for opportunities to earn competitive returns on your investment.

In the coming year, we have lined up several Investor Forums aimed at keeping you informed about economic developments so that you can make smart choices with your investment. In addition, you can now visit the Sun Life Prosperity Funds' website at [sunlifefunds.com](http://sunlifefunds.com). The website contains useful information to help you in designing your investment strategies as well as tools that will enable you to plot your retirement and education fund goals. I trust that you will take advantage of these resources we developed especially for you.

On behalf of the Board of Directors of the Sun Life Prosperity Bond Fund, thank you for your continued patronage. We look forward to another fruitful and rewarding year with you.



Esther C. Tan  
Chairperson and President

STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR THE FINANCIAL STATEMENTS

January 14, 2002

Securities and Exchange Commission  
SEC Building, EDSA Greenhills  
Mandaluyong City

The management of Sun Life of Canada Prosperity Bond Fund, Inc. is responsible for all information and representations contained in the financial statements as of December 31, 2001 and 2000 and for the years ended December 31, 2001 and 2000. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on best estimates and informed judgement of management with an appropriate consideration of materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal control to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the Company. SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, have examined the financial statements of the Company in accordance with generally accepted auditing standards and have expressed their opinion on the fairness of the presentation upon completion of such audit, in their report to the stockholders and the Board of Directors.



Esther C. Tan

Chairperson and President



Caesar P. Altarejos, Jr.

Treasurer

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

SyCip Gorres Velayo & Co.  
A member firm of Arthur Andersen

6760 Ayala Avenue  
1226 Makati City  
Philippines

The Stockholders and the Board of Directors  
Sun Life of Canada Prosperity Bond Fund, Inc.  
10/F Tower II, The Enterprise Center  
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Tel 632 891 0307  
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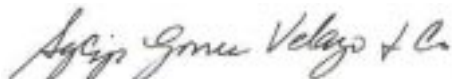
[www.sgv.com.ph](http://www.sgv.com.ph)

We have audited the accompanying statements of assets and liabilities of Sun Life of Canada Prosperity Bond Fund, Inc. (an open-end investment company) as of December 31, 2001 and 2000 and the related statements of operations, changes in net assets, and cash flows for the year ended December 31, 2001 and the eleven months ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Philippines. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The Company was incorporated on January 19, 2000 and started commercial operations on May 1, 2000.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sun Life of Canada Prosperity Bond Fund, Inc. as of December 31, 2001 and 2000, and the results of its operations, changes in net assets and its cash flows for the periods than ended, in conformity with accounting principles generally accepted in the Philippines.



R.D. Dizon  
Partner  
CPA Certificate No. 46047  
PTR No. 6723209  
January 2, 2002  
Makati City

January 14, 2002

**SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.**  
**(An Open-End Investment Company)**

**STATEMENTS OF ASSETS AND LIABILITIES**

	<b>December 31</b>	
	<b>2001</b>	<b>2000</b>
<b>ASSETS</b>		
Cash	P 7,255,444	P 1,016,392
Investment in fixed-income securities	858,324,563	79,653,914
Accrued Interest Receivable	14,163,738	1,783,479
Organization Costs - net of accumulated amortization of P 176,043 in 2001 and P 74,948 in 2000	331,957	433,052
	<b>P 880,075,702</b>	<b>P82,886,837</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	P 962,928	P 506,754
Payable to Fund Manager (Note 3)	500,158	127,367
	1,463,086	634,121
<b>NET ASSETS (Note 4)</b>	<b>P 878,612,616</b>	<b>P82,252,716</b>

*See accompanying Notes to Financial Statements.*

**SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.**  
**(An Open-End Investment Company)**

**STATEMENTS OF OPERATIONS**

*For the year ended December 31, 2001*

*And the eleven months ended December 31, 2000*

	<b>2001</b>	<b>2000</b>
	<i>(One Year)</i>	<i>(Eleven Months)*</i>
<b>INVESTMENT INCOME</b>		
Interest - net	P 75,170,892	P 7,389,110
Others	-	62,236
	75,170,892	7,451,346
<b>EXPENSES</b>		
Management fee (Note 3)	8,153,198	932,914
Taxes and licenses	2,901,152	325,444
Custodian and transfer agent fees	135,567	59,446
Printing and supplies	120,964	146,442
Amortization of organization costs	101,095	74,948
Directors' fees	40,000	35,000
Others	44,439	15,743
	11,496,415	1,589,937
<b>INVESTMENT INCOME BEFORE INCOME TAX</b>	<b>63,674,477</b>	<b>5,861,409</b>
<b>PROVISION FOR INCOME TAX (Note 6)</b>	<b>13,382,041</b>	<b>1,439,787</b>
<b>NET INVESTMENT INCOME</b>	<b>P 50,292,436</b>	<b>P 4,421,622</b>

\* The Company started commercial operations on May 1, 2000.

*See accompanying Notes to Financial Statements.*

**SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.**  
**(An Open-End Investment Company)**

**STATEMENTS OF CHANGES IN NET ASSETS**

*For the year ended December 31, 2001*

*And the eleven months ended December 31, 2000*

	<b>2001</b>	<b>2000</b>
	<i>(One Year)</i>	<i>(Eleven Months)*</i>
<b>FROM OPERATIONS</b>		
Net investment income	P 50,292,436	P 4,421,622
<b>FROM CAPITAL STOCK TRANSACTIONS (Note 3)</b>		
Proceeds from issuance of capital stock -		
744,590,470 shares in 2001		
and 80,392,412 shares in 2000	837,515,990	81,727,137
Payments made on redemption of capital stock -		
80,251,135 shares in 2001		
and 3,709,643 shares in 2000	(91,448,526)	(3,896,043)
Net increase in net assets from capital stock transactions	746,067,464	77,831,094
<b>NET INCREASE IN NET ASSETS</b>	<b>796,359,900</b>	<b>82,252,716</b>
<b>NET ASSETS AT BEGINNING OF PERIOD</b>	<b>82,252,716</b>	<b>-</b>
<b>NET ASSETS AT END OF PERIOD (Note 4)</b>	<b>P 878,612,616</b>	<b>P82,252,716</b>

\* The Company started commercial operations on May 1, 2000.

*See accompanying Notes to Financial Statements.*



**SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.**  
**(An Open-End Investment Company)**

**STATEMENTS OF CASH FLOWS**

*For the year ended December 31, 2001*

*And the eleven months ended December 31, 2000*

	<b>2001</b>	<b>2000</b>
	<i>(One Year)</i>	<i>(Eleven Months)*</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net investment income	P 50,292,436	P 4,421,622
Adjustments to reconcile net investment income to net cash used in operating activities:		
Amortization of organization costs	101,095	74,948
Changes in operating assets and liabilities:		
Purchases of fixed-income securities	(778,670,649)	(79,653,914)
Increase in:		
Accrued interest receivable	(12,380,259)	(1,783,479)
Organization costs	-	(508,000)
Increase in:		
Accounts payable and accrued expenses	456,174	506,754
Payable to fund manager	372,791	127,367
<b>Net cash used in operating activities</b>	<b>(739,828,412)</b>	<b>(76,814,702)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of capital stock	837,515,990	81,727,137
Payments made on redemption of capital stock	(91,448,526)	(3,896,043)
<b>Net cash provided by financing activities</b>	<b>746,067,464</b>	<b>77,831,094</b>
<b>NET INCREASE IN CASH</b>	<b>6,239,052</b>	<b>1,016,392</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>1,016,392</b>	<b>-</b>
<b>CASH AT END OF PERIOD</b>	<b>P 7,255,444</b>	<b>P 1,016,392</b>

\* The Company started commercial operations on May 1, 2000.

*See accompanying Notes to Financial Statements.*

**SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.**  
**(An Open-End Investment Company)**

**NOTES TO FINANCIAL STATEMENTS**

**1. Organization and Status of Operations**

Sun Life of Canada Prosperity Bond Fund, Inc. is an open-end investment company engaged in the sale of its shares of stock and investment of the proceeds in fixed-income securities. As an open-end investment company, its outstanding shares of stock are redeemable anytime based on the net asset value (NAV) per share at the time of redemption. The registered office address of the Company is located at 10th Floor, Tower 2, The Enterprise Center, 6766 Ayala Avenue, Makati City.

Sun Life Asset Management Company, Inc. (SLAMC), a wholly-owned subsidiary of Sun Life of Canada (Philippines), Inc., acts as the Company's Fund Manager. SLAMC serves as the manager, adviser, administrator, distributor and transfer agent of the Company and provides management, distribution and all required operational services. The aggregate annual fees of SLAMC for these services amount to one and a half percent (1.5%) of the daily average net assets managed.

The Company was registered with the Securities and Exchange Commission (SEC) on January 19, 2000 and started commercial operations on May 1, 2000.

**2. Summary of Significant Accounting Policies**

**Basis of Financial Statements**

The Company's financial statements have been prepared under the historical cost convention method and in accordance with accounting principles generally accepted in the Philippines.

**Investment in Fixed-Income Securities**

Fixed-income investments include the amortized cost of short and long-term investments in Philippine government securities which approximates market values. Interest on these investments is recognized on a time proportion basis that takes into account the effective yield on the assets.

**Net Asset Value (NAV) Per Share**

Net asset value per share is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding at report date.

**Sales and Redemption of Shares of Stock**

Sales of fund shares are recorded by crediting capital stock at par value and additional paid-in-capital for the amount received in excess of the par value; redemptions are recorded by debiting those accounts.

### Deferred Income Tax

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial reporting bases of assets and liabilities and their related tax bases and the tax effect of net operating loss carryover (NOLCO). Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled and NOLCO is expected to be realized. A valuation allowance is provided for the portion of deferred tax assets which is not expected to be realized in the future.

### Organization Costs

Organization costs and other expenses incurred prior to the Company's operations are capitalized and are amortized on a straight-line basis over a period of five (5) years.

## 3. Related Party Transactions

Transactions with related parties include the following:

### a) Payable to Fund Manager

This account represents the liability to SLAMC arising from management and service fees as described in Note 1.

On October 10, 2001, the Company entered into an agreement with SLAMC, wherein SLAMC has agreed to reduce its management fee or absorb Company's expenses above a specified limit. Any reductions or absorptions made to the Company by SLAMC are subject to recovery, provided the Company is able to effect such reimbursement and remain in compliance with the applicable expense limitations.

b) As of December 31, 2001, Sun Life of Canada (Philippines), Inc. and Sun Life Financial Plans, Inc. invested in the Company a total of 396.08 Million shares and 16.49 Million shares, respectively.

## 4. Net Assets

The Company's net assets consist of:

	2001	2000
Capital stock - P 1 par value		
Authorized - 900,000,000 shares in 2001 and 200,000,000 shares in 2000		
Issued and outstanding - 741,022,104 shares in 2001 and 76,682,769 shares in 2000	P 741,022,104	P 76,682,769
Additional paid-in capital	82,876,454	1,148,325
Retained earnings (see Note 5)	54,714,058	4,421,622
	<b>P 878,612,616</b>	<b>P 82,252,716</b>
<b>NAV</b>	<b>P 1.1857</b>	<b>P 1.073</b>

On December 4, 2000, the Company's Board of Directors (BOD) approved the increase in authorized capital stock from 200,000,000 shares to 500,000,000 shares. On March 30, 2001, the SEC approved the said increase in authorized capital stock.

On May 21, 2001, the Company's BOD approved another increase in authorized capital stock from 500,000,000 shares to 700,000,000 shares. On July 27, 2001, the SEC approved the said increase.

On October 10, 2001, the third increase in authorized capital stock from 700,000,000 shares to 900,000,000 shares was approved by the BOD, amending the Articles of Incorporation. On December 21, 2001, SEC approved the said increase.

## 5. Retained Earnings

This account consists of:

	2001	2000
Retained earnings at beginning of period	P 4,421,622	P -
Net investment income	50,292,436	4,421,622
	<b>P 54,714,058</b>	<b>P 4,421,622</b>

## 6. Income Taxes

The Company's net deferred income tax asset is attributable to the following:

	2001	2000
NOLCO	P 421,189	P 411,980
Less valuation allowance	421,189	411,980
	<b>P -</b>	<b>P -</b>

The current provision for income tax consists of the final tax on interest income. As mentioned in Note 2, a full valuation is provided where a tax benefit is not likely to be realized in the future since the Company's income is already subjected to final tax.

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Expiry Date
2000	P 411,980	December 31, 2003
2001	9,209	December 31, 2004
	<b>P 421,189</b>	

A reconciliation of statutory income tax rate to effective income tax rate follows:

	2001	2000
Statutory income tax rate	32.00%	32.00%
Tax effects of:		
Income subjected to final tax	(11.00)	(14.13)
Valuation allowance on DIT	0.02	7.03
Tax-paid income	-	(0.34)
<b>Effective income tax rate</b>	<b>21.02%</b>	<b>24.56%</b>

**SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.**  
**(An Open-End Investment Company)**

**Schedule A. Marketable Securities –**  
**(Long-Term Debt Securities and Other Short-Term Cash Investments)**

Name of Issuing Entity and Description of Each Issue	Amount Shown in the Balance Sheet	
Investment in Fixed Income Securities	December 31	
	2001	2000
<b>Short-term Cash Investments:</b>		
Citibank, N.A.                      SSA	P 177,850,000	P 8,050,000
<b>Long-term Debt Securites:</b>		
Philippine Government      Treasury Notes	P 564,474,563	P 65,603,914
Globe Telecom, Inc.           Private Loan Placement	65,000,000	-
Filinvest Alabang, Inc.       Private Loan Placement	45,000,000	-
Others                              Private Loan Placement	6,000,000	6,000,000

## BUSINESS DEVELOPMENT

The Sun Life of Canada Prosperity Bond Fund, Inc. (Fund), a diversified, open-end investment company, was incorporated in the Philippines on January 19, 2000 under Investment Company Act 2629. Sun Life Asset Management Company, Inc. (SLAMC), a wholly-owned subsidiary of Sun Life of Canada (Philippines), Inc., acts as the Fund's Fund Manager. The Fund will invest only in high-quality fixed-income securities issued by the Philippine Government and prime Philippine companies. With the exception of Philippine government issues, the Fund may not invest more than ten percent (10%) of its assets in any single enterprise or company. The Fund is designed to provide regular interest income and principal preservation through investments in government and high-quality corporate debt securities aggregating below-average risk. The Fund is ready to redeem the shareholdings of any investor at the applicable net asset value per share.

The Fund's authorized capital is P 900,000,000 divided into 900,000,000 shares with a par value of P 1.00. Out of the P 900 Million authorized capital of the Fund, P 741,022,104 worth of shares had been subscribed and paid as of December 31, 2001.

The Sun Life Prosperity Funds offer excellent value to investors as a result of the Fund Manager's 50 years of 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 only an indication of their capabilities to deal with rapid changes in the economy and market conditions in the future.

In addition, investors of the Sun Life Prosperity Funds may switch among the family of funds when there is a need to reassess their portfolio holdings in view of evolving investment objectives brought by changes in their personal economic situation or investor profile (age, social status, lifestyle). Investors, likewise, may invest in our back-end commission scheme that allows an investor to invest 100% of his funds immediately and redeem after 8 years, free of all charges. These features are not available to investors in the other mutual funds and have found wide acceptance with our investors.

As for the industry, twenty one (21) mutual funds operate within the mutual fund industry with aggregate net assets of P 11.46 Billion, a 87.03% increase from last year's P 6.13 Billion. For the year ended December 31, 2001, net sales have reached P 5.05 Billion, of which 14.81% was invested in the Fund.

Once passed, the mutual fund industry will greatly benefit from the Revised Investment Company Act that will replace the current R.A. 2629 "Investment Company Act of 1960." The Investment Company Act is the main legislation that regulates the mutual fund industries in terms of investor protection. The Fund Manager of the Sun Life Prosperity Funds is participating in the crafting of the legislation and expecting the regulatory environment to improve with the passage of the bill to the benefit of investors. In addition, the Fund Manager has filed several petitions with the Securities and Exchange Commission requesting various improvements in the regulations mandated by the Commission that will also augment its efforts for investor protection.

## OPERATIONAL AND FINANCIAL INFORMATION

### a. Market For Issuer's Common Equity and Related Stockholders Matters

#### 1. Market Information

The capital stock of Sun Life of Canada Prosperity Bond Fund, Inc. (Fund) is offered for sale over-the-counter through the principal distributor's registered representatives scattered all over the Philippines. The following data are the range of high and low information of the Fund's share prices (NAVPS) for each quarter within the last two calendar years:

Year 2001	Low	High
1st Quarter	1.0729	1.0957
2nd Quarter	1.0959	1.1272
3rd Quarter	1.1275	1.1547
4th Quarter	1.1551	1.1857

Year 2000	Low	High
2nd Quarter (start of operations)	1.0088	1.0285
3rd Quarter	1.0292	1.0489
4th Quarter	1.0496	1.0720

#### 2. Holders

The Fund has approximately 820 shareholders as of December 31, 2001.

The Fund's investment company manager has a pending request with the Securities and Exchange Commission seeking exemption from the requirements to disclose the top twenty (20) shareholders, on the grounds of, among others, confidentiality of investments and irrelevance of such requirements to mutual funds.

*(Shareholders of the Fund buy shares of the Fund primarily for savings purposes or as an investment vehicle, where the resulting control of the Fund is merely incidental. This is evident in the Fund's prospectus where the shareholders' pre-emptive rights have been denied. It is thus improper to impose on mutual funds these requirements which were designed to protect shareholders of other public or listed companies. The publication of the identities of these shareholders will only needlessly compromise the personal safety and security of these shareholders.)*

#### 3. Dividends

Each shareholder has a right to dividends declared by the Fund's Board of Directors. Shares of the Fund are priced (NAVPS) based on its underlying assets, and NAVPS is computed by dividing the value of the assets of the Fund less the liabilities by the total shares outstanding at any particular day. Any dividend declared shall create dividends payable (liability) in the books of the Fund which in turn reduces both net assets and NAVPS of the Fund. Since investments in the Fund are intended for long-term investment, dividends so declared shall be automatically reinvested in behalf of the shareholders.

During the calendar year 2001, the Fund did not declare any dividends to its shareholders.

## b. Management Analysis and Discussion

Sun Life of Canada Prosperity Bond Fund, Inc. (Fund) posted a remarkable growth on its net assets to end the year with P 878.61 Million, 968% increase or P 796.36 Million higher than last year's P 82.25 Million. Ninety four percent (94%) of the growth (P 746.07 Million) in net assets came from net investments from shareholders and 6% (P 50.29 Million) from net investment income.

Net investment income of P 50.29 Million for 2001 posted a tremendous 1037% growth as compared to previous year's P 4.4 Million, due to the fact that the increase in the Fund's net assets was primarily invested in long-term treasury notes & prime corporate debt issues. Balanced portfolio allocation within the different kinds of debt instruments available in the market enabled the Fund to reduce its effective tax rate that in turn increased its net yield. A portion of the funds' assets was invested in special savings deposits serving as liquidity buffer. With this, the fund's liquidity condition has been secured by its portfolio allocation structure.

It was expected that since net assets increased by 968% primarily due to sale of shares of stocks of the Fund, and such was invested, the same should be true to accounts, which are related to these assets, particularly accrued interest receivable. The significant increase in investment in the fixed-income securities account has caused the 694% increase in the accrued interest receivable account. Also, the heavy sales transactions during the month of December and the accumulated AUM volume have caused the 90% increase in the accounts payable and accrued expenses at the end of the year. Accounts payable and accrued expenses account is paid every first week of the following month.

The lackluster performance of the local bond markets was largely precipitated by the economic slowdown in 2001. Interest rates remained soft for the most part of the year amidst teeming market liquidity and lackluster lending activity. Saddled with deteriorating credit quality (non-performing loans rose to 18.8% in October), banks had little choice and settled for risk-free government debt paper.

Taking the hint, the Bureau of Treasury quickly suspended issues of long-dated bonds in a bid to save on borrowing costs. The weekly treasury bill auctions were occasionally supplemented with re-issues of short-to-medium tenor treasury bonds. Long tenor auctions resumed only in the last quarter mostly through negotiated bids as Treasury borrowed aggressively to cover the bulging fiscal deficit.

Consequently, long-term rates rose, albeit momentarily. This augured well for fixed-income investors and the Fund was able to lock in at higher yields by taking long positions.

In 2001, the Sun Life Prosperity Bond Fund yielded 10.5% p.a. net of expenses. Aside from handily surpassing the benchmark 91-day treasury bill yield of 7.9% (net), the Fund also led its peers by posting the highest ROI (return on investment). Notably, the Fund was the best performing bond fund in terms of yield in 2001.

Despite the salient paucity of loan demand, the Fund was able to book several quality private debt issues in meaningful amounts while optimizing its tax position. No major changes in investment strategy are seen in the short-to-medium term and the Fund is expected to rely heavily on long-term treasury notes.



**c. Directors and Executive Officers**

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

**Esther C. Tan**

Mrs. Tan, 56 years old, Filipino, is Chairperson and President of the Fund. She is also the Chairman of the Board of Sun Life Asset Management Company, Inc. as well as the President of Sun Life of Canada (Philippines), Inc. She was appointed in May 1995 as Vice-President for Philippine Operations and in 1997 as Vice-President and General Manager (Philippines) of Sun Life Assurance Company of Canada. Mrs. Tan joined Sun Life in 1981 as an Agent, and rose from the ranks with exemplary performance, including being instrumental in pushing the Company's performance to an enviable rank in the industry with premium income growing dramatically by 440%, from CDN\$ 35M in 1989 to CDN\$ 155M in 1996, as Sales Director (1990), Sales and Marketing Director (1991), and Vice-President, Marketing for the Asia-Pacific Region. As the Regional Vice-President for Marketing, she also contributed to the Company's operations in Hong Kong and Indonesia.

Mrs. Tan graduated from the University of the Philippines in 1969 with a degree in B.S. Nutrition. She earned MBA units from the Ateneo de Manila University, and completed the Advanced Management Program for International Executives at the Harvard Business School in 1998. She has also earned the following industry designations: Chartered Life Underwriter Diploma (1987); Chartered Financial Consultant Diploma (1990); Fellow, Life Management Institute Diploma (1993, with distinction) and Associate, Customer Service Diploma (1993, with honors). She is an Executive Board member of the Life Insurance Marketing and Research Association, Phils. (LIMRA Philippines), Member of the Philippine Life Insurance Association (PLIA), Insurance Institute for Asia and the Pacific (IIAP), Makati Business Club, Management Association of the Philippines and American Management Association (AMA), and Member and Past President of the Council of Life Underwriters Association of the Philippines (LUAP).

**Rolando A. Robles**

Mr. Robles, 43 years old, Filipino, is a Director of the Fund. He was the Director for Group Insurance of Sun Life Assurance Company of Canada. He has had eighteen years of progressively responsible positions in agency development, sales, and marketing management in the life insurance and pre-need industries. He was, at various times, Vice-President for Group Marketing Operations, Great Pacific Life Assurance Corporation; First Vice-President for Agencies, Philippine Life; First Vice-President, Megapolis Marketing Operations, Pacific Plans, Inc.; and Regional Manager, Northwest Luzon Sales Region, Great Pacific Life Assurance Corporation.

He obtained his B.S. Physics for Teachers under the NSDB Scholarship Program in 1979, graduating Cum Laude, from the Philippine Normal College and the De La Salle University. He has earned MBA units from the De La Salle University Graduate School for Business.

**Raoul Antonio E. Littaua**

Mr. Littaua, 38 years old, Filipino, is a Director of the Fund. He is also the Vice-President, Sales and Marketing, of Sun Life of Canada (Phils.), Inc. Except for a short stint as Regional Manager, National Capital Region at East Asiatic Co., Ltd in 1993, Mr. Littaua worked his way up

to his current position by holding the following positions at various times in Sun Life Assurance Company of Canada since 1991: Training Manager; Manager, Training, Benefits Administration and Special Projects; Senior Manager, Administration; Customer Service Officer; Director, Individual Insurance; Assistant Vice-President, Individual Insurance; and Assistant Vice-President, Sales and Marketing. Prior to his employment with Sun Life, he was Training Officer and concurrent Head of Institutional Sales at Prudentiallife, Inc. He also worked as Staff Development Assistant, Sales, Marketing and International Business Operations in San Miguel Corporation, Beer Division.

Other positions held by Mr. Littaua included the following: Consultant for Customer Service, Bank of the Philippine Islands; Board Director and Treasurer, Philippine Society for Training and Development; Convention Committee Member, Philippine Society for Training and Development; and Consultant for Personnel Management at the Alabang Country Club, Inc. Mr. Littaua holds a degree in AB Psychology from De La Salle University and has earned Masteral Units in Psychology from the same University.

#### Caesar P. Altarejos, Jr.

Mr. Altarejos, 51 years old, Filipino, is the Treasurer of the Fund. He is also the Director and Treasurer of Sun Life Asset Management Company, Inc. He is the Vice-President for Finance, Sun Life of Canada (Philippines), Inc. He has had over ten (10) years of experience in managerial capacity with both multinational and local companies in all phases of financial management. He began his career at the Bank of the Philippine Islands; worked as Senior Bank Examiner for the Central Bank of the Philippines; progressed to the position of Senior Representative at Freight Conference Services, Inc.; and successfully became Senior Manager for Accounting at Rocha Y Cia, Inc.; Financial Accounting Manager at Telefunken Semiconductors Philippines, Inc.; Controller of International Flavors and Fragrances Phils, Inc.; and Assistant Vice-President for Finance at Sun Life Assurance Company of Canada.

A Certified Public Accountant, Mr. Altarejos obtained his B.S.B.A. in Accounting at the University of the East in 1972, graduating Magna Cum Laude, landed in the Top 30 in the board exams, and went on to complete his Master in Business Administration at the De La Salle University.

He is currently a member of the Financial Executives Institute of the Philippines, Inc.; Tax Management Association of the Philippines; Philippine Institute of Certified Public Accountants; Marriage Encounter Foundation of the Philippines, Inc.; and the Brotherhood of Christian Businessmen & Professionals. He has also traveled extensively to the United States, Canada, Korea, Hong Kong, Thailand, China, and Indonesia

#### Aleli Angela G. Quirino

Atty. Quirino, 57 years old, Filipino, is a Director of the Fund. She is a partner of Abello Concepcion Regala & Cruz Law Offices (ACCRA Law). She heads the Intellectual Property Department, and is also a member of the Special Projects Department. Atty. Quirino began her career as an Associate and became a Senior Associate and Monitor of the Intellectual Property Group in less than three years. Two years later, she became a Partner. She is a member of the Integrated Bar of the Philippines, the Philippine Bar Association, Director and Treasurer of the

Intellectual Property Association of the Philippines, Director and Treasurer of the Intellectual Property Foundation, Director and Treasurer of the Ateneo Law Alumni Foundation, Inc., a member of the Asean Law Association, Member and Vice-Chair for Women Business Lawyers of the Inter-Pacific Bar Association, Trademark Committee Member and member of the Subcommittee on Publications of the Asian Patent Attorneys Association, Executive Committee Member of the Association Internationale pour la Protection de Propriete Industrielle, and Private Sector Representative of the Presidential Inter-Agency Committee on Intellectual Property Rights. Atty. Quirino is also Director and Corporate Secretary of Assumption College, Inc., Director and Legal Counsel of Assumption Alumnae Association, Inc., Trustee and Legal Counsel of the St. Martin de Porres Aid Association, Inc., and past National President and presently a member of the Board of Advisers of the Young Ladies Association of Charity.

Atty. Quirino obtained her A.B. B.S.E. at Assumption College, graduating Magna Cum Laude. Thereafter, she obtained her LL.B. at the Ateneo de Manila University where she graduated with honors.

**Feliciano L. Miranda, Jr.**

Mr. Miranda, 72 years old, is a Director of the Fund. He is currently the President and Chief Executive Officer of Philippine National Bank. He is also the Chairman & President of PNB Venture and Capital Corporation; Chairman of PNB Forex, Inc., Bulawan Mining Corporation, and PNB Remittance Centers, Inc; Vice-Chairman & President of PNB International Investments Corporation; Vice-Chairman of PNB Capital & Investment Corporation and The Mutual Fund Management Company of the Philippines; Director of Japan-PNB Leasing and Finance Corporation, PNB Holdings Corporation, PNB Remittance Center Ltd., PNB (Europe) Plc, Beneficial-PNB Life Insurance Company, Citra Metro Manila Tollways Corporation, and Amtrust Holdings, Inc; and a Member-Board of Trustees of The Livelihood Corporation.

Mr. Miranda is a Bachelor of Commerce graduate, Major in Accounting from Far Eastern University. He finished his postgraduate studies as a Central Bank scholar with an MA in Economics (Comparative Monetary Policies) from Georgetown University in Washington D.C., USA.

He started his career as technical helper at the Bureau of Mines. After becoming a CPA, he became an Accountant for Amalgamated Minerals, and later a Statistician in the Chamber of Mines. From 1953 to 1994, he worked in the Central Bank of the Philippines under the following designations: Assistant Economic Researcher for the Department of Economic Research; Bank Examiner; Managing Director of Commercial Banks, concurrent with being the Central Bank Comptroller in four commercial banks and investment houses; Deputy Governor, Bank Supervision and Examination; and Consultant to the Governor/Monetary Board. Before joining the PNB, he was Consultant to several commercial thrift banks and investment houses.

**Amor M. Datinguino**

Atty. Datinguino, 32 years old, Filipino, is the Secretary of the Fund. She is presently Assistant Counsel for Sun Life of Canada (Philippines), Inc.

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