



Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

**ANNUAL REPORT
2001**



MESSAGE TO SHAREHOLDERS

Dear Shareholders:

In January, 2001, the stock market surged, fueled by renewed hope anchored on the change in political leadership that occurred during the month. As the euphoria over the new government ebbed, the stability of the country's political climate was rocked by several incidents that caused jitters in the stock market. This precipitated a steady decline in the Phisix which went down further after the September 11 bombing of the World Trade Center in New York, USA. Within a few weeks after this fateful event, the Phisix dived to the 900 level, the lowest during the past 10 years.

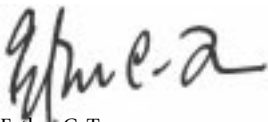
To preserve the assets of the Sun Life Prosperity Philippine Equity Fund investors, your investment managers employed defensive tactics by increasing the fixed-income content to benefit from improved yields of this asset. This notwithstanding, the Fund ended the year with the highest equity position among its peers. Hence, the fund continues to be in the best position to take advantage of growth opportunities as the stock market recovers.

In spite of the market downturn throughout the year 2001, I am pleased to inform you that the Sun Life Prosperity Philippine Equity Fund continued to outperform its benchmark, the Phisix, by a large margin.

You will also be pleased to know that all regulatory requirements were complied with by the Fund's investment managers. Fund expenses were kept to a minimum to maximize returns.

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 about your investment. In addition, you can now visit the Sun Life Prosperity Funds' website at sunlifefunds.com. The website contains useful information to help you in your investment strategies as well as tools that will enable you to determine your retirement and education fund goals. I trust that you will take advantage of these resources we developed specially for you.

On behalf of the Board of Directors of the Sun Life Prosperity Philippine Equity Fund, thank you for your continued patronage. We look forward to a more rewarding year for your investments as indications point toward market recovery in the year 2002.



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 Philippine Equity 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 Philippine Equity Fund, Inc.
10/F Tower II, The Enterprise Center
6766 Ayala Avenue, Makati City

Tel 632 891 0307

Fax 632 819 0872

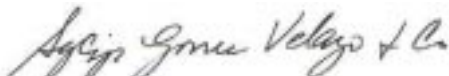
www.sgv.com.ph

We have audited the accompanying statements of assets and liabilities of Sun Life of Canada Prosperity Philippine Equity 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 17, 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 Philippine Equity 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 PHILIPPINE EQUITY FUND, INC.
(An Open-End Investment Company)

STATEMENTS OF ASSETS AND LIABILITIES

	December 31	
	2001	2000
ASSETS		
Cash	P 355,573	P 676,040
Investments in:		
Listed securities (Note 3)	85,134,490	64,470,529
Fixed-income securities	45,294,315	21,429,942
Accrued interest receivable	898,545	489,836
Organization Costs - net of accumulated amortization of P 176,106 in 2001 and P 75,289 in 2000	331,894	432,711
	P 132,014,817	P 87,499,058
LIABILITIES		
Accounts Payable and Accrued Expenses	P 133,008	P 68,122
Payable to Fund Manager (Note 4)	256,427	165,453
	389,435	233,575
NET ASSETS (Note 5)	P 131,625,382	P 87,265,483

See accompanying Notes to Financial Statements.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY 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

	2001	2000
	<i>(One Year)</i>	<i>(Eleven Months)*</i>
INVESTMENT INCOME		
Interest - net	P 4,382,819	P 2,296,529
Net realized gain on sale of investments in listed securities (Note 3)	1,376,464	815,207
Dividends	1,079,179	436,675
Others	-	4,816
	6,838,462	3,553,227
EXPENSES		
Management fee (Note 4)	2,563,706	1,320,515
Taxes and licenses	825,763	501,881
Custodian and transfer agent fees	357,816	63,162
Amortization of organization costs	100,817	75,289
Printing and supplies	71,854	151,441
Directors fees	35,000	20,000
Others	32,720	13,500
	3,987,676	2,145,788
INVESTMENT INCOME BEFORE INCOME TAX	2,850,786	1,407,439
PROVISION FOR INCOME TAX (Note 7)	872,418	459,584
NET INVESTMENT INCOME	P 1,978,368	P 947,855
CHANGES IN UNREALIZED DEPRECIATION OF INVESTMENTS		
End of period	20,864,481	4,736,098
Less beginning of period	4,736,098	-
UNREALIZED DEPRECIATION OF INVESTMENTS	P 16,128,383	P 4,736,098

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

See accompanying Notes to Financial Statements.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY 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

	2001	2000
	<i>(One Year)</i>	<i>(Eleven Months)*</i>
FROM OPERATIONS		
Net investment income	P 1,978,368	P 947,855
Unrealized depreciation of investments	(16,128,383)	(4,736,098)
Net decrease in net assets from operations	(14,150,015)	(3,788,243)
FROM CAPITAL STOCK TRANSACTIONS		
Proceeds from issuance of capital stock - 83,542,764 shares in 2001 and 98,248,891 shares in 2000	76,106,062	93,267,941
Payments made on redemption of capital stock - 18,844,879 shares in 2001 and 2,632,723 shares in 2000	(17,596,148)	(2,214,215)
Net increase in net assets from capital stock transactions	58,509,914	91,053,726
NET INCREASE IN NET ASSETS	44,359,899	87,265,483
NET ASSETS AT BEGINNING OF YEAR	87,265,483	-
NET ASSETS AT END OF PERIOD (Note 5)	P 131,625,382	P87,265,483

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

See accompanying Notes to Financial Statements.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY 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

	Years Ended December 31	
	2001	2000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net investment income	P 1,978,368	P 947,855
Adjustments to reconcile net investment income to net cash used in operating activities:		
Amortization of organization costs	100,817	75,289
Gain on sale of investments in listed securities	(1,376,464)	(815,207)
Changes in operating assets and liabilities:		
Net disposals (purchases) of:		
Listed securities	(30,707,914)	(66,234,840)
Fixed-income securities	(23,864,373)	(21,429,942)
Cost of listed securities sold	(4,707,966)	(2,156,580)
Increase in:		
Receivables	(408,709)	(489,836)
Organization costs	-	(508,000)
Increase in:		
Accounts payable and accrued expenses	64,886	68,122
Payable to fund manager	90,974	165,453
Net cash used in operating activities	(58,830,381)	(90,377,686)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	76,106,062	93,267,941
Payments made on redemption of capital stock	(17,596,148)	(2,214,215)
Net cash provided by financing activities	58,509,914	91,053,726
NET INCREASE (DECREASE) IN CASH	(320,467)	676,040
CASH AT BEGINNING OF PERIOD	676,040	-
CASH AT END OF PERIOD	P 355,573	P 676,040

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

See accompanying Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS

1. Organization and Status of Operations

Sun Life of Canada Prosperity Philippine Equity Fund, Inc. is a registered open-end investment company under the Investment Company Act (R.A. 2629) and the Revised Securities Act (B.P. 178). It is engaged in the sales of its shares of stock, the proceeds of which are invested mainly in listed equities of Philippine entities. The Company is designed to generate long-term capital appreciation through investment in high-quality equity securities diversified across sectors and issue sizes to provide moderate portfolio volatility. As an open-end investment company, its outstanding shares of stocks are redeemable anytime based on the net asset value per share at the time of redemption. The registered office address of the Company is located at the 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 two percent (2%) of the daily average net assets managed.

The Company 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.

Valuation of Securities

For purposes of obtaining net asset value, investments in listed securities are valued using the latest closing price at the end of the year for securities with trading transactions at the stock exchanges or in the absence thereof, the latest bid or asked price. Investments in commercial papers and government securities are carried at cost, adjusted for the amortization of premiums or accretion of discounts on the acquisition of the securities.

The difference between the aggregate cost of investments in listed securities at year-end and the carrying value as defined in the preceding paragraph, is presented as Unrealized Depreciation of investments shown in the Statements of Changes in Net Assets. The difference between the selling price and the cost of investments sold, which is computed based on the average cost of all the shares of each security held at the time of sale, is shown as Net Realized Gain on sale of investments in listed securities shown in the Statements of Operations.

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, if any, 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. Investments in Listed Securities

This account consists of investments in:

	Number of shares held	Cost	Market Value
<u>Common Stocks:</u>			
Ayala Corporation	1,797,000	P 12,470,114	P 8,445,900
Aboitiz Equity Ventures, Inc.	576,000	1,126,994	910,080
Ayala Land, Inc.	1,460,800	7,268,919	7,084,880
Benpres Holdings Corp.	401,000	2,548,200	240,600
Bank of the Phil. Islands	168,925	9,929,524	9,713,187
Cosmos Bottling Corp.	173,000	446,279	1,003,400
Filinvest Land, Inc.	554,000	1,214,192	919,640
First Phil. Holdings Corp.	141,200	3,174,482	3,600,600

Globe Telecom Inc.	5,974	3,828,083	4,062,320
Ionics Circuits, Inc.	144,500	1,544,055	910,350
Jollibee Foods Corp.	372,100	3,961,549	4,558,225
La Tondena Distillers, Inc.	64,300	1,773,480	1,511,050
Metropolitan Bank and Trust Company	8,088	1,821,627	1,658,040
Manila Electric Company "B"	170,500	9,724,563	5,029,750
Petron Corporation	898,000	1,937,022	1,293,120
San Miguel Corporation "B"	173,030	8,162,324	9,084,075
SM Prime Holdings, Inc.	1,335,000	6,777,113	8,410,500
PLDT Co.	24,090	17,367,543	10,057,575
Union Cement Corporation	669,000	609,614	642,240
Universal Robina Corporation	179,300	1,000,481	788,920

Warrants:

ABS-CBN, Phils. Depository Receipt	219,370	9,312,813	5,210,038
		P 105,998,971	P 85,134,490

As of January 14, 2002, the market value of the Company's investments in listed securities held as of December 31, 2001 amounted to P 88.1 Million.

Net realized gain on sale of investments in listed securities consists of:

	2001	2000
Proceeds from sales	P 6,084,430	P 2,971,787
Cost of listed securities sold	(4,707,966)	(2,156,580)
	P 1,376,464	P 815,207

4. Payable to Fund Manager

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

5. Net Assets

The Company's net assets consist of:

	2001	2000
Capital stock - P 1 par value		
Authorized - 200,000,000 shares		
Issued and outstanding - 160,314,053 shares		
in 2001 and 95,616,168 shares in 2000	P 160,314,053	P 95,616,168
Additional paid-in capital	(10,750,413)	(4,562,442)
Retained earnings (see Note 6)	2,926,223	947,855
Unrealized depreciation of investments	(20,864,481)	(4,736,098)
	P 131,625,382	P 87,265,483
NAV	P 0.8210	P 0.9127

6. Retained Earnings

This account consists of:

	2001		2000	
Retained earnings at beginning of period	P	947,855	P	-
Net investment income		1,978,368		947,855
	P	2,926,223	P	947,855

7. Income Taxes

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

	2001		2000	
NOLCO	P	1,956,075	P	686,652
Less valuation allowance		1,956,075		686,652
	P	-	P	-

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 686,652	December 31, 2003
2001	1,269,423	December 31, 2004
	P 1,956,075	

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:		
Valuation allowance on DIT	44.53	48.79
Income subjected to final tax	(18.37)	(19.64)
Tax-paid income	(15.45)	(18.57)
Dividend income	(12.11)	(9.93)
Effective income tax rate	30.60%	32.65%

BUSINESS DEVELOPMENT

The Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (Fund), a diversified, open-end investment company, was incorporated in the Philippines on January 17, 2002 and registered under the Investment Company Act (R.A. 2629) and the Revised Securities Act (B.P. 178). 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 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 will invest mainly in high-quality listed equities of Philippine entities. With the exception of obligations of the Philippine government and its instrumentalities, the Fund shall not invest more than ten percent (10%) of its assets in any single enterprise or company. Neither shall the total investment of the Fund exceed ten percent (10%) of the outstanding voting securities of any one (1) investee company.

Shares of the Fund's common stock are available through the Principal Distributor's registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund's Principal Distributor, Sun Life Asset Management Company, Inc. 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 ₱ 200,000,000 divided into 200,000,000 shares with a par value of ₱ 1.00. Out of the ₱ 200 Million authorized capital of the Fund, ₱ 160,314,053 worth of shares had been subscribed and paid as of December 31, 2001.

Twenty one mutual funds operate within the mutual fund industry with aggregate assets of ₱ 11.46 Billion, or 87.03% increase from last year's ₱ 6.13 Billion. For the year ended December 31, 2001, industry net sales have reached ₱ 5.05 Billion. The Fund has consistently posted positive net sales, and it's one of the two equity funds that registered positive net sales for the years 2000 and 2001.

Once passed, the Revised Investment Company Act that will replace the current R.A. 2629 "Investment Company Act of 1960" will be of possible benefit to the mutual fund industry. 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 shares of Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (Fund) are available through the Principal Distributor's registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund's Principal Distributor, Sun Life

Asset Management Company, Inc. 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	0.8888	1.0392
2nd Quarter	0.9248	0.9759
3rd Quarter	0.8186	0.9607
4th Quarter	0.7454	0.8223
Year 2000	Low	High
2nd Quarter (start of operations)	0.8403	1.0350
3rd Quarter	0.8566	0.9295
4th Quarter	0.7879	0.9127

2. Holders

The Fund has approximately 680 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 automatically be 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

After two (2) years of operation, Sun Life of Canada Prosperity Philippine Equity Fund, Inc. managed to generate growth of 109% from P 0.95 Million net income in 2000, to P 1.98 Million in 2001. The growth of its net income came from increase in gross investment income of 92.46% and relatively lower increase in operating expenses of 85.83%. When the

Phisix posted 21.8% decline in 2001, the Fund incurred unrealized depreciation on the value of its equity investments amounting to ₱ 16.13 Million. The combined effect of a net income of ₱ 1.98 Million and a decline in the value of its equity investments of ₱ 16.13 Million caused a 10.05% decline in NAVPS. Despite this, the Fund still managed to outperform its benchmark.

In terms of asset condition, the Fund's net assets grew from ₱ 87.27 Million to ₱ 131.63 Million, or 50.83% of remarkable growth. Contributors to this growth were net proceeds from issuance of shares, and dividend and interest income collections, however, the unrealized depreciation of equity investments capped the growth. Net cash flows from investment income and proceeds from issuance of shares were plowed back to the local equity and fixed-income markets.

It was a difficult year for the Philippine equity market, as the exodus of foreign investors pushed the Phisix down to a ten-year low of 979. Nonetheless, the fund managed to book gains during the early part of the year, and to accumulate stocks near the market's low. Thus, the fund outperformed the Phisix by a huge margin, posting a net return of -10% versus the benchmark's 21.8% decline for the full year. Relative to peers, the fund brought up the rear on the back of its overweight exposure in equity investments.

As market volatility increased and liquidity all but disappeared, the fund began accumulating cash towards the latter part of 2001 in anticipation of another difficult year in the equity market. The strategy is to take advantage of further volatility to buy equities at inexpensive levels. Heavier weighting in equity investments will allow the fund to benefit from the equity market's expected recovery in the near term.

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.

Jose R. Perez

Mr. Perez, 63 years old, Filipino, is a Director of the Fund. He founded the JP Consultancy & Management, Inc., a consulting company which specializes in financial structuring and packaging of loans. He began his career at the Bank of America as Assistant Manager, Credit Officer before he worked at PCI Bank where he was Senior Vice-President in 1976, and a Director from 1979 to January 9, 1997. Mr. Perez also became a Director of PCI Capital Corporation, President (1996-1997) and Director of Brokers, Inc., PCI Forex Brokers Corporation, PCIB Securities Corporation and the PCI Travel Corporation.

Mr. Perez obtained his Bachelor's degree from the Ateneo de Manila University in 1958. He also attended various seminars and conferences both local and abroad on banking, finance and related subjects.

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

Jose M. Faustino

Mr. Faustino, 62 years old, Filipino, is a Director of the Fund. Professor Jose M. Faustino is the Goodyear Professor of Business Management, and the Program Director of AIM's Marketing Strategy Course. He teaches and provides management consultancy in the fields of marketing management, strategic planning and strategy formulation, and organizational behavior in development. In 1991, he received the Agora Award for excellence in Marketing Education, bestowed by the Philippine Marketing Association. His twenty years of work experience as professional manager and entrepreneur were in the areas of marketing, operations, and general management.

At TIMEX, he was the Director of Far East Marketing and Sales responsible for ASEAN countries: Hong Kong, Taiwan, Japan, and Australia. For three years, he was the Pharmaceutical Division Manager of Pfizer (Phils.). Thereafter, he joined Pepsi Cola Bottling Co. of the Phils. As Vice-President for Marketing and was later appointed Vice-President/General Manager of the Quezon City Plant, then the largest bottling plant in the Far East.

In 1972, he was Marketing Consultant for S.C. Johnson & Sons, Inc. In the following years, he became Coca-Cola Export Corp.'s Regional Marketing Manager in which capacity he planned and implemented joint marketing strategies with bottlers in the Philippines, Hong Kong, Taiwan, Macau, and Guam. From 1975-1977, he was connected with American Optical (Phils.), a Warner-Lambert subsidiary, as General Manager. Later on, he ran the Philippine market organization of Levi Strauss Phils., Inc. as Domestic Market Director. In 1978, he was elected to the Levi Strauss Board of Directors. Professor Faustino has provided management consultancy for a number of ASEAN organizations, designed and conducted the marketing and organizational skills seminar for the Asia-Pacific region of McCann-Erickson for 12 years, and has conducted a series of seminars for the National Insurance Association of Malaysia since 1992.

Professor Faustino graduated from Harvard Business School with an MBA degree and from Amherst College with an MA degree in Economics. He earned his Bachelor of Arts, Cum Laude, from the Ateneo de Manila University. He also attended the AIM's Top Management Program.

Oscar M. Orbos

Atty. Orbos, 51 years old, Filipino, is a Director of the Fund. Atty. Orbos obtained his Bachelor of Laws and his degree in Economics from the University of the Philippines. He has also earned units in Masters of Laws also from the same university. He served as Congressman and as Governor of the Province of Pangasinan. He has also served the Philippine Government as the Secretary of the Department of Transportation and Communication and Executive Secretary. Atty. Orbos, likewise, has been a member of various law firms in his career.

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.

- Nothing Follows -

CORPORATE NAME

Sun Life Prosperity Philippine Equity Fund, Inc.

10th Floor, Tower II, The Enterprise Center
6766 Ayala Avenue
Makati City

Telephone No.: 849-9999 • Fax No.: 849-9744

INVESTMENT MANAGER, DISTRIBUTOR, AND
TRANSFER AGENT

Sun Life Asset Management Company, Inc.

10th Floor, Tower II, The Enterprise Center
6766 Ayala Avenue, Makati City

E-mail: phil_prosperity@sunlife.com

Telephone No.: 849-9900 • Fax No.: 849-9744

CUSTODIAN BANK

Citibank, N.A.

8741 Paseo de Roxas
Makati City, Philippines

Telephone No.: 894-7559 • Fax No.: 894-7505

LEGAL COUNSEL

Abello Concepcion Regala & Cruz Law Office
(ACCRA Law)

122 Gamboa Street, Legaspi Village, Makati City
Telephone No.: 817-0966 • Fax No.: 812-4897 / 816-0119

INDEPENDENT AUDITOR

SyCip Gorres Velayo & Company

SGV Building
6760 Ayala Avenue, Makati City

Telephone No.: 891-0307 • Fax No.: 819-0872