



REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. A199908713

**CERTIFICATE OF FILING
OF
AMENDED BY-LAWS**

KNOW ALL MEN BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

copy annexed, adopted on June 27, 2007 by the Board of Directors pursuant to the authority duly delegated to it by the stockholders owning at least two-thirds (2/3) of the outstanding capital stock on March 08, 2002, certified by a majority of the Board of Directors and countersigned by the Secretary of the Corporation, was approved by the Commission on this date, pursuant to the provisions of Section 48 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and attached to the other papers pertaining to said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 17th April, Two Thousand Eight.




BENITO A. CATARAN
Director

Company Registration and Monitoring Department

COVER SHEET

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
(Company's Full Name)

15th Floor, Tower 2, The Enterprise Center, 6766 Ayala Avenue, Makati City
(Company's Address: No. Street City/Town/Province)

(632) 849-9999
(Company's Telephone Number)

(Form Type)

Amendment of By-Laws
(Amendment Designation if Applicable)

Investment Company
(Secondary License Type, if any)

Cashier

LCU 3-27-08
DTU

A199908713
SEC Reg. No.

Central Receiving Unit

File Number

Document I.D.

AMENDED BY - LAWS

OF

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

ARTICLE I

STOCKHOLDERS' MEETINGS

SECTION 1. Annual Meetings. - The annual meeting of the stockholders shall be held at the principal office of the corporation at 9 o'clock in the morning of the fourth Monday of May of each year, unless such day is a legal holiday, in which case it shall be held on the next business day following.¹

SECTION 2. Special Meetings. - Special meetings of the stockholders may be called by the President of the corporation, or by order of the majority of the board of directors whenever he or they shall deem it necessary; and it shall be the duty of the President or of the board to order and call such special meetings whenever the holders of record of not less than twenty (20%) per centum of the outstanding capital stock of the corporation with voting privileges shall in writing so request.

SECTION 3. Notices. - Notice of the time and place of the annual or special meetings of the stockholders shall be given either personally or by mail, addressed to each stockholder of record entitled or not entitled to vote at the meeting at the address left by such stockholder with the secretary of the corporation, or at least his last known post-office address, at least one week before the date set for such meeting. The notice of every special meeting shall state briefly the purpose of the meeting and no other business shall be acted upon at such meeting except by the consent of all the stockholders of the corporation entitled to vote present at such meeting. Notices of meetings need not be published in the newspapers except when necessary to comply with the special requirements of the Corporation Code.

SECTION 4. Quorum. - A quorum for any meeting of the stockholders shall consist of ten percent (10%) of the voting stock of the corporation, and a majority of such quorum shall decide any question at the meeting, save and except in those matters where the Corporation Code requires the affirmative vote of a greater proportion.

SECTION 5. Order of business. - The order of business at the annual meeting of the stockholders shall be as follows:

- (1) Presentation of Proof of the required notice of the meeting;
- (2) Proof of the presence of a quorum;

¹ As amended by majority of the Board of Directors on 24 April 2007 and by majority of the outstanding capital stock during annual stockholders' meeting on 11 May 2007.

- (3) Reading and disposition of any unapproved minutes;
- (4) Report of the Board of Directors;
- (5) Unfinished businesses;
- (6) New business;
- (7) Election of directors for the ensuing year.

SECTION 6. Voting. - At every stockholders' meeting, every stockholder entitled to vote shall be entitled to one vote for each share of stock registered in his name in the books of the corporation; provided, however, that in the case of the election of directors, every stockholder entitled to vote shall be entitled to cast his vote, at his option, in accordance with the provisions of the Corporation Code. Every stockholder entitled to vote may vote personally or by proxy. The instrument authorizing a proxy to act shall be exhibited to the secretary of the corporation, and shall be lodged with the said secretary if so requested.

In the election of members of the Board, the five nominees receiving the highest number of votes shall be declared elected.

ARTICLE II

DIRECTORS

SECTION 1. Board of Directors. - Unless otherwise provided in the Corporation Code, the corporate powers of the company are exercised, its business conducted and its properties controlled and held, by a Board of Directors consisting of five members elected from among the stockholders of the company, said members so elected to hold their office for one year and until their successors are elected annually by the stockholders during their annual meeting or adjournment thereof, or at any special meeting called for the purpose.

After their election, the members of the Board of Directors shall elect from among themselves a Chairman of the Board and a President. They shall also elect a Secretary who need not be a member of the Board.

A member of the Board may be removed from office in accordance with the provisions of the Corporation Code.

SECTION 2. Nomination Committee. - The members of the Board shall be elected from a list of nominees submitted by the Nomination Committee. The Nomination Committee shall have three (3) members. *(As amended on August 16, 2002)*

SECTION 3. Meetings. - The Board shall hold meetings when necessary, upon call by the Chairman of the Board or upon request of at least three of its members. Notice of the meeting shall be mailed to each director at his last known post office address, or delivered to him personally, or left at his office, or transmitted by fax or telephone not less than twenty-four hours previous to the hour of the meeting and in the case of members of

the Board residing abroad, notice of the meeting shall be given by fax or e-mail. The notice shall specify the date, hour, and place of the meeting.

SECTION 4. Quorum. - A majority of the members of the Board shall constitute a quorum at any meeting for the transaction of corporate business, and every decision of a majority of the quorum duly assembled as a board shall be valid as a corporate act, unless otherwise provided in these by-laws.²

SECTION 5. Compensation. - For each attendance at any meeting of the Board, a member of the Board is entitled to a fee of P20,000.00 or such amount as may be determined by the Board which shall take the industry practice into consideration.

SECTION 6. Vacancy. - In case any vacancy or vacancies occur on the Board during the period between two annual meetings of stockholders, due to the death, resignation or other cause, except removal or expiration of term, the remaining members of the Board, if still constituting a quorum, may fill said vacancy or vacancies by electing from among the stockholders, and the stockholder or stockholders so elected shall act as member or members of said Board until the election of a new Board of Directors.

ARTICLE III

EXECUTIVE OFFICERS

SECTION 1. Executive Officers. - The executive officers of the corporation shall be a President, who shall be a member of the Board of Directors, one or more Vice Presidents, a Treasurer, and a Secretary, all of whom shall be elected by the Board.

SECTION 2. Election; vacancy. - Officers shall be elected by each new board of directors at the first meeting after its election. Every officer, including the President, shall be subject to removal at any time by the Board of Directors. All officers shall hold office for one year and until their successors are duly elected and qualified; provided, that any officer elected to fill any vacancy shall hold office only for the unexpired term of the officer so removed.

SECTION 3. President. - The President is the Chief Operating Officer of the corporation. In addition to such duties as may be delegated to him by the Board of Directors, he shall have general supervision of the business affairs and property of the corporation, and over its several officers and employees. The President shall submit to the Board as soon as possible at each annual meeting, a complete report of the operations of the corporation for the preceding year, and the state of its affairs, and he shall, from time to time, report to the Board, all matters within his knowledge which the interests of the

² As amended by majority of the Board of Directors on 27 June 2007 and by the stockholders on 08 March 2002 by virtue of the delegation by 2/3 of the outstanding capital stock of the power to amend Article II of the By-Laws to the Board of Directors during said stockholders' meeting.

corporation may require to be brought to its notice. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 4. Vice Presidents. - Each Vice President, in addition to performing such duties as may be imposed upon him by the Board or the President, shall also fulfill the duties and exercise the powers of the President when the latter shall be incapacitated to do so on account of absence, inability, resignation, or otherwise.

The Board may fix the order in which the Vice Presidents shall discharge, in proper cases, the duties of the President.

SECTION 5. Secretary. - The Secretary has the duty to prepare and keep the minutes of all meetings of the stockholders and the Board. He shall also perform such other duties as the Board of Directors may from time to time direct. He shall keep in safe custody the seal of the corporation, and when authorized by the Board of Directors, he shall affix such seal to any instrument requiring the same. The corporate seal of the corporation so affixed shall always be attested by him. He shall have charge of the stock certificate book and such other books and papers of the corporation. He shall attend to the giving and serving of all notices required by the Corporation Code or by the by-laws.

SECTION 6. Treasurer. - The Treasurer shall have charge of the funds, securities, receipts, and disbursements of the corporation. He shall deposit or cause to be deposited all moneys and other valuable effects of the corporation in such banks or trust companies as the Board of Directors may designate. He shall render to the President or to the Board of Directors whenever required an account of the financial condition of the corporation, and of all transactions made by him as Treasurer. He shall keep correct books of account of all the business transaction of the corporation. All checks paid out or indorsed by the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

ARTICLE IV

COMMITTEES AND ADVISORY BOARD

SECTION 1. Committees. - The Board of Directors may, by resolution or resolutions, designate one or more committees which, to the extent provided in said resolution or resolutions or in these By-Laws, shall have and may exercise any of the powers of the Board of Directors in the management of the business and affairs of the Corporation. Such committee or committees shall have such names or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required. The Board of Directors shall have the power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee either with or without cause.

SECTION 2. Advisory Board. - There may be an Advisory Board of any number of individuals appointed by the Board of Directors who may meet at stated times or on notice to all by any one of their own number or by the President of the Corporation. The Advisory Board will have no power to require the Corporation to make any specific action. Its purpose is solely to consider matters of general policy and to make recommendations along such lines to the Board of Directors. Each member of the Advisory Board shall receive such remuneration as the Board of Directors of the Corporation shall, from time to time, fix by resolution.

ARTICLE V

LIABILITIES OF MEMBERS OF THE BOARD AND OFFICERS

SECTION 1. Liability. - No provision of these by-laws shall be construed to relieve any member of the Board or officer from the responsibilities arising from their fiduciary duties to the company, in accordance with law and these by-laws.

SECTION 2. Indemnity of Directors and Officers and Agents. - Subject to applicable provisions of the Investment Company Act and the regulations promulgated thereunder, each present and future director, officer and agent (and his heirs, executors and administrators) shall be indemnified by the Corporation against reasonable costs and expenses incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or agent of the Corporation, except in relation to any actions, suits or proceedings in which he has been adjudged liable because of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. In the absence of an adjudication which expressly imposes on the director, officer or agent liability to the Corporation or its stockholders for willful misfeasance, bad faith, gross negligence and reckless disregard of the duties involved in the conduct of his office, or in the event of a settlement, each director, officer and agent (and his heirs, executors and administrators) shall be indemnified by the Corporation against payments made, including reasonable costs and expenses, provided that such indemnity shall be conditioned upon the prior determination by a resolution of a majority of those members of the Board of Directors of the Corporation who are not involved in the action, suit or proceeding that the director or officer has no liability by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office, and provided further that if a majority of the members of the Board of Directors of the Corporation is involved in the action, suit or proceeding, such determination shall have been made by a written opinion of independent counsel. Amounts paid in settlement shall not exceed costs, fees, and expenses which would have been reasonably incurred in the action, suit or proceeding had the action, suit or proceeding been litigated to conclusion. Such a determination by the Board of Directors, or by independent counsel, and the payment of amount by the Corporation on the basis thereof shall not prevent a stockholder from challenging such indemnification by appropriate legal proceedings on the grounds that the person indemnified was liable to the Corporation or its security holders by reason of willful

misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. The foregoing rights of indemnification shall inure to the benefit of the heirs, executors and administrators of any such officer, director or agent, provided, however, that nothing herein nor any provision of the Articles of Incorporation or By-Laws of the Corporation shall be deemed to protect or indemnify any officer, director or agent of the Corporation against any liability to the Corporation or to security holders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

ARTICLE VI

CONTRACTS

SECTION 1. Management Contract. - (a) The Board of Directors, may, at any time and from time to time, contract for management services with such corporation or firm as the Board of Directors may deem desirable, in a manner not to contravene the applicable laws and regulations. The management of the Corporation's investment portfolios shall be contracted out to an asset management company subject to the investment policies as determined by the Board of Directors.

(b) Any management contract whereby, subject to the control of the Board of Directors of the Corporation, the investment portfolio of the Corporation shall be managed or supervised by the other party to such contract, shall provide, among other things, that such management contract shall be automatically terminated in the event it is assigned to such party. Nothing herein contained, however, shall be construed to prevent the other party to a management contract, with the knowledge and consent of the Board of Directors of this Corporation from contracting in turn for investment counseling with respect to any or all of the portfolio.

SECTION 2. Distribution Contract. - (a) The Board of Directors may, at any time and from time to time, contract with any or more than one corporation or firm, appointing it or them as the distributor(s) or underwriter(s) for the securities issued by the Corporation in a manner not to contravene the applicable laws and regulations. If deemed beneficial to the Corporation by the Board of Directors and subject to applicable laws and regulations, such distribution contract and the management contract referred to in Section 1 of this Article VI may be entered into with any one corporation or firm.

(b) Except where allowed by the applicable laws or regulations, the Corporation shall not issue or sell any of the shares of stock of the Corporation, before paying the taxes in connection with such issue or sale, less than the net asset value thereof determined and in effect at the time when the sale or contract of sale is made, except when any contract or arrangement is in effect between the Corporation and distributor which contemplates the sale of shares by the distributor to the public; the Corporation may, pursuant to such contract or arrangement, sell to the distributor the number of shares needed by the distributor to fill orders received by the distributor during the period when a given net

asset value is in effect, at a price less than said net asset value, provided that the sale by the Corporation to the distributors is effected within a reasonable time after the close of the period as the Board of Directors may approve.

No shares of its stock shall be sold by the Corporation during any period [other than the usual periods of not in excess of three (3) days in connection with the usual holidays] when the Philippine Stock Exchange is closed, except to a distributor under a contract or arrangement as aforesaid to cover sales made by the distributor prior to the closing, or except when the net asset value of the shares is determined pursuant to Article IX.

ARTICLE VII

CERTIFICATES OF STOCK

SECTION 1. Issuance. - Certificates of Stock will be issued only for fully paid shares of stock. The certificates shall be issued in numerical order, each signed by the President or the designated Vice President and countersigned by the Secretary. In case of inability or default of the Secretary, the Acting Secretary, if one has been appointed by the Board and duly authorized, may countersign the certificates. Each certificate of stock issued shall be sealed with the corporate seal of the company and the issuance thereof and the address of the stockholders recorded on each respective stub and in the corporate stock register.

SECTION 2. Transfer. - Transfer of shares of stock shall be made on the books of the company only upon such surrender of issued certificates duly endorsed by the stockholder before two subscribing witnesses.

In the transfer of shares, the books of the company shall show the names of the parties to the transaction, the date of the transfer, the number of the certificate and the number of shares transferred. No shares of stock against which the company holds an unpaid claim shall be transferable on the books of the company.

SECTION 3. Lost or Destroyed Certificates. - Lost or destroyed certificates may be replaced in accordance with the provisions of existing laws, particularly Section 73 of the Corporation Code. In case of loss or destruction of any certificate or certificates of stock, new certificate/s may be issued upon application thereof in writing filed with the company by the registered owner of the share or shares covered thereby, or his duly authorized representative, supported by a sworn statement detailing the circumstances surrounding such loss or destruction. The Corporation, through the Board of Directors, shall, from time to time, prescribe and fix the fees payable to the corporation for the issuance of such new certificate/s. The delivery of a bond indemnifying the corporation from any claim that may be made against it by reason of the issuance of such new certificate may also be required.

SECTION 4. Stock and Transfer Book. - The stock and transfer books of the company shall be kept in its head office and shall be open during business hours to the inspection of any stockholder.

SECTION 5. Bookkeeping Arrangements. - The Corporation may establish procedures whereby it will not issue certificates of stock except upon specific request of a stockholder and whereby the Custodian referred to in Article XI or the transfer agent of the Corporation shall, periodically or upon the occasion of any change in the holdings of any stockholder, issue to each stockholder or to the stockholders affected by such change a written statement of his holdings at the time such statement is issued. The Board of Directors may authorize the execution of any agreement, contract or other document necessary or desirable in order to carry out the intent of this provision of the By-Laws.

SECTION 6. Closing of Transfer Books. - The Board of Directors may, by resolution, direct that the stock and transfer books of the Corporation be closed for a period not exceeding sixty (60) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock, shall go into effect, as a record date for the determination of the stockholders entitled to notice, and to vote at, any such meeting, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any change, conversion or exchange of the capital stock, and in each such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of, or to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after such record date as aforesaid.

SECTION 7. Registered Stockholder. - The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote at stockholders' meetings and otherwise to exercise other rights or privileges of stockholders, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

SECTION 8. Scrips for Fractional Shares. - Whenever necessary or inevitable, the Board of Directors may arrange for the issuance of scrips representing fractional interests in shares of stock of the Corporation, which scrips may carry such rights to dividends and other rights (except voting rights) as the Board of Directors shall determine and as the applicable laws and regulations shall permit.

ARTICLE VIII INVESTMENT POLICY

SECTION 1. Investment Objectives. – The Corporation will be classified under the Investment Company Act as an open-end investment company. The investment objectives of the Corporation are set forth in the prospectus to be filed with the Philippine Securities and Exchange Commission. The Corporation reserves freedom of action with respect to such matters as are specifically reserved in such prospectus. Amendments thereto may be made pursuant to Section 12 and other applicable provisions of the Investment Company Act.

SECTION 2. Restrictions. – The Corporation shall not:

(a) Purchase any security on margin, except such short-term credits as are necessary for the clearance of transaction;

(b) Participate on a joint and several basis in any trading account in securities, except in connection with an underwriting in which the Corporation is a participant;

(c) Effect a short sale of any security, except in connection with an underwriting in which the Corporation is a participant;

(d) Generate funds for promoting the private business or industry of an employee, officer, director, organizer, incorporator or stockholder of the Corporation;

(e) Allow any employee, officer, director, organizer, incorporator or stockholder to buy real estate, personal property or any other property and sell the same to the Corporation at a price higher than the procurement cost, or sell any property of the Corporation, or any portion thereof, at a price below the market value thereof to any of the aforementioned persons.

The Corporation shall comply with such other restrictions prescribed under the Investment Company Act or any applicable regulations.

ARTICLE IX

DETERMINATION OF THE NET ASSET VALUE

SECTION 1. Net Asset Value. – The net asset value of each share of the capital stock of the Corporation, as of the close of business on any day, shall be the quotient obtained by dividing the value, as at such close, of the assets of the Corporation less the liabilities (such liabilities being exclusive of capital stock and surplus) by the total number of shares of capital stock outstanding at such close, all determined and computed as follows:

(a) The assets of the Corporation shall be deemed to include (i) all cash on hand, on deposit, or on call, (ii) all bills and notes and accounts receivable, (iii) all shares of stock and subscription rights and other securities owned or contracted for by the Corporation, other than its own capital stock, (iv) all stock and cash dividends and cash

distributions to be received by the Corporation and not yet received by it but declared to stockholders of record on a date on or before the date as of which the net asset value is being determined, (v) all interest accrued on any interest bearing securities owned by the Corporation, (vi) all real properties or interest therein, (vii) all other property of every kind and nature including prepaid expenses; the value of such assets to be determined as follows:

- (1) In determining the value of the assets of the Corporation for the purpose of obtaining the net asset value, each security listed on a stock exchange shall be valued on the basis of the closing sale thereon on such stock exchange on the business day on which such net asset value for redemption is to be calculated. If there be no sale on such day, then the security shall be valued at the mean between the bid and asked price on such day. If no such prices are quoted for such day, then the security shall be valued by such method as the Board of Directors or its duly appointed agents shall deem to reflect its fair market value. As used herein "business day" shall mean a day on which the Philippine Stock Exchange is open for trading in securities and each business day will end at the hour and minute when such exchange closes for trading securities for the day.
- (2) Securities not listed on a stock exchange but traded on the over-the-counter market shall be valued on the basis of the closing sale thereon on the business day on which such net asset value is to be calculated. If there be no sale on such day, then the security shall be valued at the bid price recorded on such over-the-counter market for such day. In the absence of a bid price, then the security shall be valued by such method as the Board of Directors or its duly appointed agents shall deem to reflect its fair market value.
- (3) All other assets of the Corporation, including real estate, prepaid and accrued items and dividends receivable shall be valued by such method as the Board of Directors shall deem to reflect their fair market value.

(b) The liabilities of the Corporation shall be deemed to include (i) all bills and notes and accounts payable, (ii) all administrative expenses payable and/or accrued (including management fee), (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid dividend declared upon the Corporation's stock and payable to stockholders of record on or before the day on which the value of the Corporation's stock is being determined, (iv) all reserves authorized or approved by the Board of Directors for taxes or contingencies, and (v) all other liabilities of the Corporation of whatsoever kind and nature except liabilities represented by outstanding capital stock and surplus of the Corporation.

(c) For the purposes thereof (i) capital stock subscribed for shall be deemed to be outstanding as of the time of acceptance of any subscription and the entry thereof on the

books of the Corporation and the net price thereof shall be deemed to be an asset of the Corporation; and (ii) capital stock surrendered for purchase by the Corporation pursuant to the provisions of the Articles of Incorporation or these By-Laws shall be deemed to be outstanding until the close of business on the business day as of which such value is being determined and thereupon and until paid, the price thereof shall be deemed to be a liability of the Corporation.

(d) The net asset value in effect at the time of any transaction in the shares of the Corporation shall be that which is next computed after receipt of a tender of such security for repurchase or redemption or of an order to purchase or sell such security, provided, however, that any request for redemption properly made on any business day shall be treated for all purposes herein referred to as a request for redemption on the next following business day when the Philippine Stock Exchange is open.

ARTICLE X

REDEMPTION OF SHARES

SECTION 1. Procedure for Redemption. - the Corporation agrees to purchase, and each holder of capital stock of the Corporation shall be entitled to require the Corporation to purchase (but not in the event and to the extent that the Corporation has no assets legally available for such purpose whether arising out of capital, paid-in surplus, or other surplus, net profits or otherwise), all or any part of the shares of capital stock standing in the name of such holder on the books of the Corporation, but only at the net asset value of such shares as of the effective date of redemption pursuant to Article IX Section 1 (d). Any such demand for purchase shall be accompanied by any certificate which has been issued representing such shares.

SECTION 2. Payment on Redemption. - Payment for the shares purchased, as aforesaid, shall be made by the Corporation within seven (7) days after the date on which demand is so made. The Board of Directors, may, however, in their discretion, if they deem it advisable for the best interests of the Corporation and the stockholders as a whole, subject to applicable rules and regulations of the Securities and Exchange Commission, suspend the right to require the repurchase of shares as aforesaid or defer payment for the shares for all or part of any period when (1) trading on the Philippine Stock Exchange is restricted, as determined by the Securities and Exchange Commission, or such Exchange is closed for other than customary week-end and holiday closing, (2) the Securities and Exchange Commission has by order permitted such suspension, or (3) an emergency exists making disposal of portfolio securities or valuation of net assets of the Fund not reasonably practicable. In the event that the right to require the repurchase of shares so presented is suspended pursuant to the preceding sentence, then with respect to shares demand for purchase of which is so made on the day on which the suspension is declared and prior to the day on which the period of suspension is terminated (i) the stockholder may withdraw his demand and require the return of any certificate presented by him or (ii) the determination of the net asset value with respect to any shares remaining on deposit

shall be made as of the close of business on the first business day on which (a) the Philippine Stock Exchange is open, or (b) a determination of the net asset value of the shares is made pursuant to Article IX which occurs on or after the date of termination of the period of such suspension, and (c) payment for said shares shall be made to the holder of record within seven (7) days after such termination date.

ARTICLE XI

CUSTODIAN AND AUDITORS

SECTION 1. Custodian. - All securities owned by the Corporation shall be held by a Custodian which shall be a commercial bank in good repute or any other entity with the qualifications prescribed under Section 16 (f) of the Investment Company Act. The Custodian shall be appointed from time to time by the Board of Directors, which shall fix its remuneration and the terms under which it shall act and hold in custody such securities. Upon the resignation or inability to serve of any such Custodian, the Corporation shall (a) use its best efforts to obtain a successor custodian, (b) require the securities of the Corporation held by the Custodian to be delivered to the successor custodian, and (c) in the event that no successor custodian can be found, submit to the stockholders of the Corporation, before permitting delivery of such securities to anyone other than a successor custodian, the question whether the Corporation shall function without a custodian; provided, however, that nothing herein contained shall prevent the termination at any time on not more than ninety (90) days notice of any agreement between the Corporation and any such Custodian by the Board of Directors of the Corporation or by the affirmative vote of the outstanding stock with voting powers of the Corporation. Upon its resignation or inability to serve, the Custodian may deliver any assets of the Corporation held by it to a qualified bank selected by it, such assets to be held subject to the terms of custody which governed such retiring custodian, pending action by the Corporation as set forth in this Section.

SECTION 2. Auxiliary Custodian. - In the event that the Board of Directors shall deem it necessary or desirable that any of the securities of the Corporation to be held outside of the Philippines to the extent permitted by applicable laws and regulations, or in cases where custody over the securities by the principal Custodian, may not be practicable, the Board of Directors may designate one or more auxiliary Custodians for such securities, subject to supervision by the principal Custodian.

SECTION 3. Auditors. - The auditors of the Corporation shall be designated in accordance with Section 29 of the Investment Company Act.

ARTICLE XII

CORPORATE SEAL

SECTION 1. Seal. - The corporate seal of the corporation, unless otherwise ordered by the Board of Directors, shall be circular in form and shall bear the words: "Sun Life of Canada Prosperity Funds."

ARTICLE XIII

FISCAL YEAR

SECTION 1. Fiscal Year. - The fiscal year of the corporation shall begin from January 1st and end on December 31st of every year.

ARTICLE XIV

AMENDMENTS OF THE BY-LAWS

SECTION 1. Amendments. - These by-laws may be amended, altered or repealed, in whole or in part, by the stockholders representing a majority of the outstanding capital stock of the corporation at their annual meeting or at a special meeting duly called for the purpose, and by majority vote of the members of the Board of Directors.

These by-laws may also be amended, altered, repealed, in whole or in part, by a vote of a majority of all the members of the Board, in accordance with law, at a regular meeting or at a special meeting duly called for the purpose, provided that notice of intention to amend the by-laws shall have been given at the next preceding meeting of the Board, or without any such notice, by a vote of at least 2/3 of all members of the Board. Any amendment, alteration or repeal decided by the Board shall become effective without need of confirmation by the stockholders, unless the Board provides otherwise, but the same shall be reported to the stockholders for their information at their next annual meeting or special meeting.

The foregoing by-laws were approved by all the undersigned incorporators of the Sun Life of Canada Prosperity Balanced Fund, Inc. at Makati City, Metro Manila, Philippines, on the 25th day of October, 1999.

(Sgd.) Caesar Altarejos

(Sgd.) Rizalina Mantaring

(Sgd.) Henry Joseph Herrera

(Sgd.) Esther C. Tan

(Sgd.) Raoul Littaua

(Sgd.) Rolando Robles