

# Sun Life Assurance Company of Canada

107th Annual Report 1977





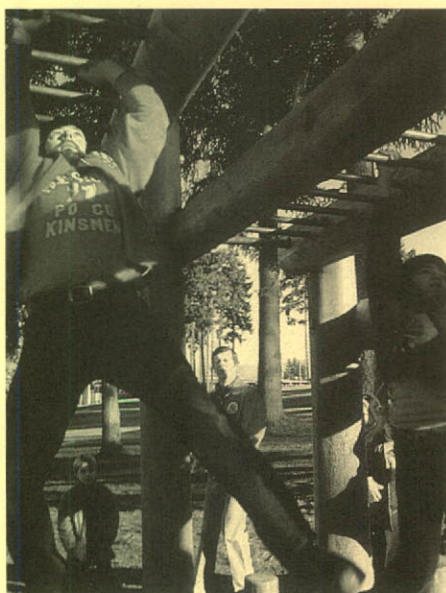


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## 1977 Highlights

	1976	1977
Total Payments to Policyholders and Beneficiaries	\$ 479,999,000	<b>\$ 501,082,000</b>
Dividends to Policyholders	\$ 98,798,000	<b>\$ 104,834,000</b>
Assets, December 31st	\$ 5,049,261,000	<b>\$ 5,542,158,000</b>
Earned Interest Rate (Net)	7.51%	<b>7.86%</b>
Total Income	\$ 1,140,384,000	<b>\$ 1,171,966,000</b>
Life Insurance:		
New Amounts	\$ 3,889,184,000	<b>\$ 4,519,080,000</b>
Amounts in Force	\$31,795,474,000	<b>\$35,910,582,000</b>
Premiums Received:		
Life Insurance	\$ 406,866,000	<b>\$ 416,002,000</b>
Health Insurance	\$ 63,156,000	<b>\$ 71,258,000</b>
Annuities	\$ 146,664,000	<b>\$ 151,930,000</b>



### *Cover story*

The opening in 1977 of Canada's first Participark represented another milestone in Sun Life's national campaign to help encourage people to take part in activities which promote physical fitness. This jogging path with stations and facilities for carrying out different exercises, was laid out and developed by the Kinsmen Club of Port Coquitlam, B.C.

There are currently more than 100 such fitness trails in various stages of planning and construction. The program is a joint effort of the Company, The Association of Kinsmen Clubs and Participation.

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**AUG 19 1993**

Annual Reports  
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## The Directors

**Alistair M. Campbell**, F.I.A., F.S.A.  
Chairman

**Thomas M. Galt**, F.S.A.  
President

**George F. S. Clarke**, F.S.A.  
Executive Vice-President

**Claude Bertrand**, C.C., M.D.  
Chief Emeritus, Department of Neurosurgery,  
Hôpital Notre-Dame, Montreal

**Frank M. Covert**, O.B.E., D.F.C., Q.C.  
Senior Partner,  
Stewart, MacKeen & Covert

**H. Roy Crabtree**, C.D.  
Chairman and President,  
Wabasso Limited

**Albert L. Fairley, Jr.**  
President,  
Hollinger Mines Limited

**Jock K. Finlayson**  
Vice-Chairman,  
The Royal Bank of Canada

**J. Peter Gordon**  
Chairman and Chief Executive Officer,  
The Steel Company of Canada, Limited

**Eric L. Hamilton**  
Chairman,  
Canadian Industries Limited

**G. Arnold Hart**, M.B.E., LL.D., D.C.L.,  
D.C.Sc.  
Director and Former Chairman of the Board  
and Chief Executive Officer,  
Bank of Montreal

**Louis Hébert**, O.C.  
Chairman of the Board,  
Banque Canadienne Nationale

**G. W. Humphrey**  
Chairman of the Board,  
The Hanna Mining Company

**Howard J. Lang**, P.Eng.  
Chairman of the Board,  
Canron Limited

**Herbert H. Lank**  
Chairman,  
Crédit Foncier Franco-Canadien

**The Rt. Hon. Lord Polwarth**, T.D., D.L.  
Director,  
Bank of Scotland

**Alfred Powis**  
Chairman and President,  
Noranda Mines Ltd.

**Ian D. Sinclair**, Q.C.  
Chairman and Chief Executive Officer,  
Canadian Pacific Limited

**J. Herbert Smith**, P.Eng., D.Sc.  
Director,  
Canadian Imperial Bank of Commerce

**John A. Tory**, Q.C.  
President,  
The Thomson Corporation Limited

**Marshall M. Williams**  
President,  
Calgary Power Ltd.



## President's Address



Mr. Chairman, Ladies and Gentlemen:  
I am pleased to present, on behalf of the Directors, the 107th Annual Report of the Company. The year was marked by substantial gains in earnings, new record sales of life insurance in the major countries where we operate, and a number of other important developments.

### **Sun Life Directors**

Two Directors retire from the Board at this Annual Meeting. Mr. Colin W. Webster has reached the Company's retirement age for Directors. The Hon. James Sinclair, P.C. asked several months ago that his name not be included in the slate of Directors to be submitted for election, since he is reducing his business activity.

Mr. Webster became a Director in 1961, and a member of the Executive Committee in 1965. Mr. Sinclair joined the Board in 1962. Both these men have been closely involved in the affairs of the Company, and have made outstanding contributions to its progress – Mr. Webster as a member of both the Board and the Executive Committee, and Mr. Sinclair through the particular interest he has taken in the Company's affairs in western Canada. Their wise counsel and balanced judgment will be greatly missed at our Board Meetings.

Later at this meeting two nominations will be placed before you to fill these vacancies. They will be Mr. George F. S. Clarke, F.S.A., and Mr. Marshall M. Williams. Mr.

Clarke is Executive Vice-President of our Company. Mr. Williams is President of Calgary Power Ltd. and a Director of a number of other Canadian companies. Widely experienced in the electrical utility industry, Mr. Williams' involvement in the energy field includes directorships in AEC Power Ltd. and PanCanadian Petroleum Ltd.

### **Sun Life People**

The 7,500 people who work for our Company worldwide achieved most satisfactory results in 1977. These men and women work in many diverse functions – sales, policyholder services, investment operations, general administration, product design, financial analysis and a variety of others. I am proud of their performance. To a very great extent the results of the Company depend upon their skills, dedication and ability to work efficiently together. The year was a difficult and challenging one for our people in many respects and called for unusual effort. That the results were so good is a tribute to them and I thank them personally and on behalf of the Directors.

### **New Business**

Our agents put 142,000 new Sun Life policies into force in 1977. Sales of life insurance amounted to a record of \$4.5 billion, with total new premiums of \$50 million per annum.

The volume of new life insurance worldwide was 16% higher than in 1976. During the year group life insurance sales were particularly strong owing to an aggressive sales effort for this business. They were up substantially in all our major markets and in Canada amounted to \$1.3 billion, an increase of 42%. Sales of individual life insurance were down slightly, the result of a 2% decrease in Canada and a small increase in other territories. In view of the substantial increase we had experienced in recent years in this business, 1977 sales of individual insurance were disappointing.

New annuities accounted for single and annual premiums of \$106 million, about the same as last year. Premiums for new health insurance policies were \$5.8 million, well ahead of last year, reflecting the successful marketing of our new group dental plan.



### **Business in Force**

The growth in our life insurance, health insurance and annuities in force was substantial. Life insurance in force increased by 13% to about \$36 billion of which \$16 billion was individual and \$20 billion was on group plans.

There were also increases in our health insurance and annuities in force. The growth in our annuity business in recent years has been excellent. Total premiums for annuities were more than four times what they were five years ago.

Altogether more than four million people, as policyholders and group certificate holders, are covered under the Company's insurance and annuity plans.

### **Assets**

I am pleased to report that our investment operations in 1977 were very satisfactory. At year end our assets amounted to over \$5.5 billion, an increase of 10% over the year. Of this large increase, an amount of \$52 million arose from a change in the rate of exchange at which we carry the British pound on our books from \$1.80 to \$2.00. This change was appropriate in view of the substantial increase in the exchange rate of sterling in relation to the Canadian dollar which occurred during 1977.

Our investment portfolio comprises diversified holdings of high quality. During the year we directed a large share of our funds available for investment to the bond portfolio because of the attractive interest rates available. In recent years we have also placed greater emphasis on the acquisition of real estate for investment and we continued to do so in 1977. One of the largest of our property investments is our new Sun Life Place in downtown Edmonton. This is a 25-storey office building containing approximately 273,000 square feet of rentable space. The Company will occupy space in the building for our Western Canadian Regional Service Centre, Edmonton District Group Office, Property Investment and

Property Management Offices and we plan to rent the balance to tenants. We expect the opening to take place this spring.

Our common stock and mortgage holdings were also increased during the year.

The net rate of return on life branch assets from interest, dividends and rents was 7.86% compared to 7.51% in 1976.

### **Income, Expenditures and Earnings**

The Company's income from all sources was \$1,172 million. Total premiums increased 3.6% to \$639 million. Investment income increased by 11% to \$364 million. Payments to policyholders and beneficiaries amounted to \$501 million, about one quarter of which was paid in death benefits and the balance to living policyholders. Dividends to participating policyholders amounted to \$105 million.

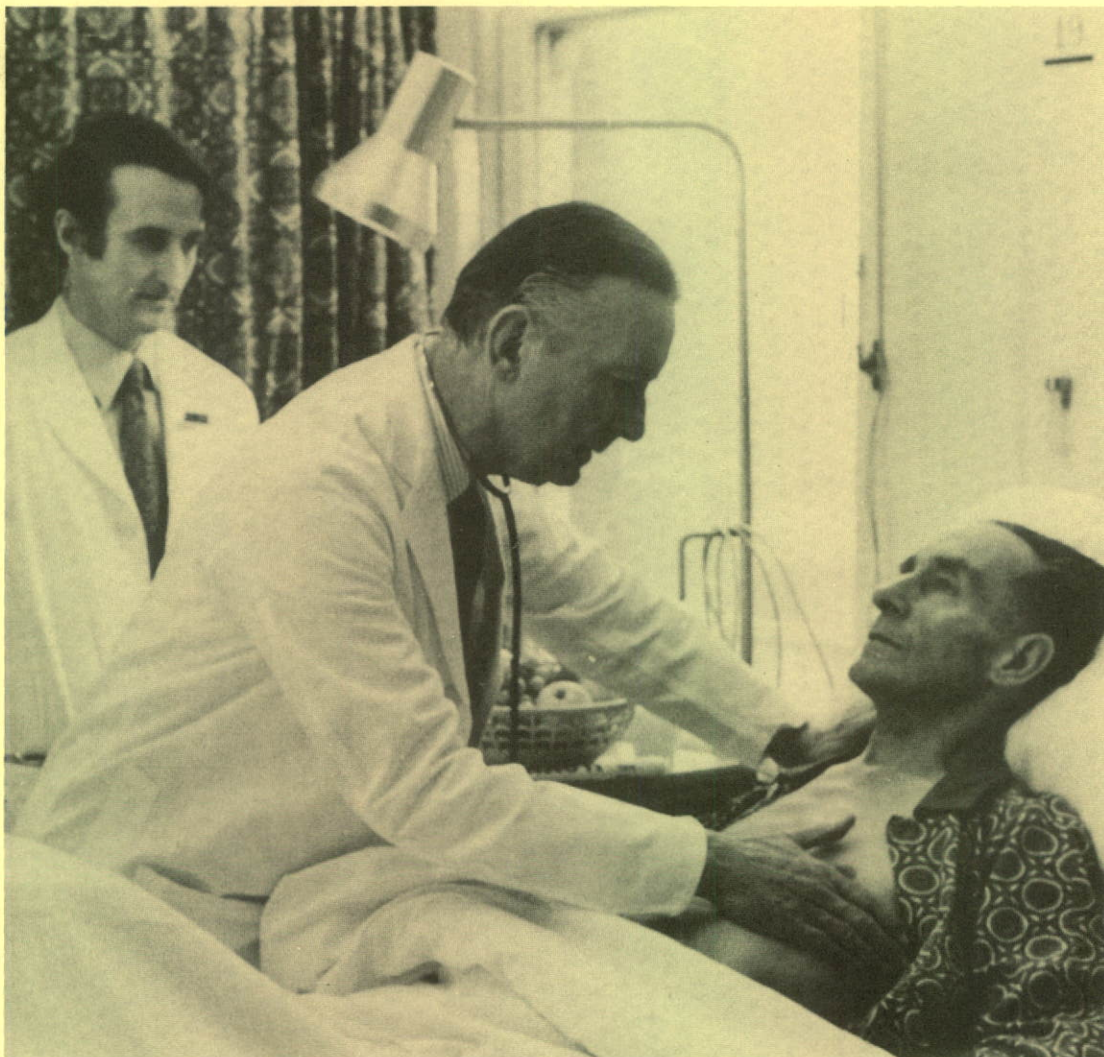
Earnings from insurance operations were the largest in our history, increasing 21% to \$158 million.

The improvement in earnings arose from a number of factors including increased yield on investments, our continued success in controlling expenses and improving productivity, and a favourable mortality experience. This latter was due to a variety of factors including the improving standards of health generally. In this regard it is interesting that cardiovascular deaths, which until recently had been steadily increasing, have begun to decline noticeably in most countries. It is likely that improved measures for the control of elevated blood pressure and changing attitudes towards smoking and physical fitness are among the reasons.

Effective April 1, 1978 a revised dividend scale resulting in higher dividends for most non-registered individual participating policies has been adopted for Canada to reflect changes in Canadian income tax. Interest rates on deposits will also be increased in Canada, the United States, Britain and the Philippines.

After the payment of dividends to policyholders, we added \$16 million to the reserve for fluctuation in security values and an amount of \$31 million was added to surplus.





*Helping Medical Research.* Dr. S. Oram, Consulting Medical Officer for the British Division, examines a patient in the Research Centre of King's College Hospital, London, England, where he is Senior Physician and Director of the Cardiology Department. The Company contributed substantially towards the development of the Centre. (Photo courtesy of Thames T.V., London, Eng.)

### **Health and Fitness**

A life insurance company, by the nature of its business, is vitally concerned with the physical health and well-being of people. A significant part of our contributions program is directed towards medical research. For example, during the year we completed a substantial donation to the Montreal

General Hospital Research Institute and have undertaken to give a further amount over a three year period, and in the United States we made a special contribution to the M.D. Anderson Hospital and Tumor Institute in Houston in support of cancer research.

Our public relations program in Canada relates to health and fitness. We produce a series of booklets and films on recreational activities which we make available on request free of charge. We will augment our program in 1978 by providing funds for the purchase of physiotherapy equipment for the Commonwealth Games to be held in August in Edmonton. The equipment will be installed in University Hospital as a permanent facility.





*To Help Others Carry On.* In 1977, Dr. Elizabeth Bagshaw, 96, received special maturity payments on two Sun Life policies. The renowned Hamilton, Ont. pioneer in Family Planning is using the proceeds to establish a bursary for Canadian female students of Health Sciences at McMaster University.

### **Economic Outlook**

The 1978 economic outlook for the major countries in which we operate is moderately hopeful despite persistent difficulties. Inflation remains a serious problem everywhere.

This year should bring better economic performance in Canada as a result of a continued moderate rise in consumer spending, some recovery in business fixed investment, and an improved merchandise trade balance, helped by the lower Canadian dollar. Nevertheless, growth will still be below the long term average, unemployment will remain high, and the rate of inflation will likely remain in the 7-8% range – an unacceptably high level.

Many Western democracies are currently faced with economic problems similar to ours in Canada – slow real growth, high inflation, balance of payments problems, large government deficits and high unemployment. I take some encouragement from the fact that our government has recently recognized the important need for restraint in spending and for a monetary policy geared to the goal, as often stated by the Governor of the Bank of Canada, of gradu-

ally, but steadily, reducing inflation.

Constant attention must be given to further containing the growth in government expenditures. Similarly the Bank of Canada must continue its stated policy of gradually reducing the rate of growth in the money supply. Only when the business community and individuals are convinced that government is dedicated to such policies can we hope for the revival in confidence which is an essential condition for a resumption of sound economic growth.

I am encouraged that the Royal Commission on Financial Management and Accountability is making progress. The interim report of this Commission on spending and management in the federal government was issued in November. Our Company will be preparing a Brief to submit to the Commission and we look forward to the final report and its recommendations for public policy. This will be a very important report.

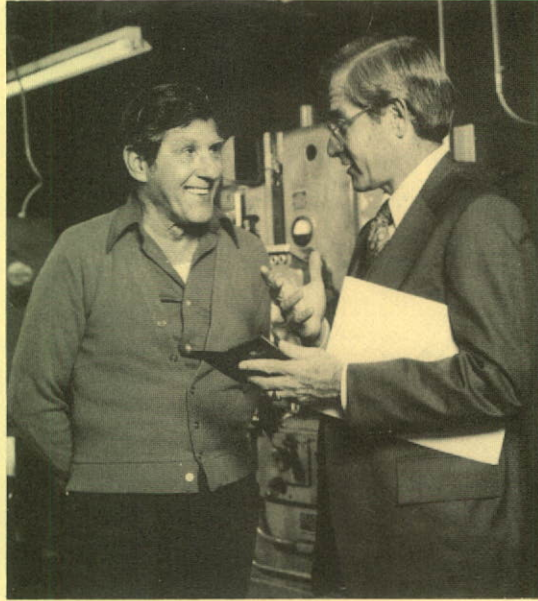
### **The Change of Head Office**

I would now like to say something about the proposed move of our Head Office to Toronto which I announced on January 6th, and to comment upon subsequent events.

The present Government of Quebec has the declared intention of working towards the independence of Quebec. This has led to some policyholders or prospective policyholders refusing to buy from any company with its Head Office in Quebec. In my address to the Annual Meeting a year ago I tried to allay these fears by pointing out that we are a federally chartered Canadian company and that it is our intention to continue into the future as a Canadian company. While I am sure this statement reassured many, we have still been losing considerable business because of the location of our Head Office.

While the Board of Directors does not believe that the announced policy of the present government to separate Quebec from Canada will succeed, it considers the change in Head Office location desirable to remove any uncertainty as to the Company's position and thereby to ensure the retention of worldwide confidence that our status as a Canadian company, federally incorporated, remains secure.





*Keeping In Touch.* Agent Larry Katz (top) clarifies a point for Emery S. Takacs, Secretary-Treasurer of Triangle Grinding Company, Houston, Texas. Again in the Southern United States, Morris Feinberg talks with Morris Rousso, Chairman of the Board of Shoes City, Inc., a 50-outlet chain of self-service shoe stores based in Montgomery, Alabama. Both agents are Charter Members of the Sun Life U.S. Hall of Fame, started in 1977 to extend recognition to agents who have made outstanding contributions to their company and their profession. Membership is restricted to consistent production leaders who build and maintain a growing and sizeable clientele. Not more than two agents will be inducted into the Hall each year.

Major difficulties have also been created for us by language legislation which has increasingly inhibited English speaking people from living in Quebec. The Company's ability to recruit and retain sufficient people with the necessary qualifications and fluency in the English language to transact its daily business is vital to its long term well-being.

When the white paper on language was published last Spring, I wrote to the Premier of Quebec, stating our concerns regarding the proposals for language of work and language of education. Following a reply from the Premier, we submitted a brief to the Parliamentary Committee conducting hearings on the Charter of the French Language. In August I again wrote to the Premier.



I do not believe we could have done more to put on record our strong concerns regarding the language legislation.

Because of the problems I have described your Board decided at its meeting on January 3rd to call a Special General Meeting on January 27th to consider moving the Head Office to Toronto. Toronto was chosen as it is both the financial and the insurance centre of Canada.

Subsequently, because of the importance of the decision to be taken, our Board of Directors decided to consult our policyholders on the specific issue of the move of our Head Office. We are soliciting new proxies from our member policyholders for use at a Special General Meeting to be held on April 25th, at which the proposed move of our Head Office will be considered.

The proxy form has been specifically designed so that policyholders may indicate whether they are "for" or "against" the proposed change of Head Office from Montreal to Toronto. To be enacted, the by-law amendment must be approved by at least two-thirds of the votes cast by proxy or by properly qualified policyholders in attendance at the Meeting.





*A Novel Inauguration.* The British Columbia Sugar Refining Company, a large group policyholder, in 1977 opened a full-fledged corporate museum. Instead of a traditional ribbon-cutting, the event was marked by the breaking of a sugar-loaf on a 150-year old loaf-breaker. Among those at the ceremony were B.C. Sugar Chairman Forest Rogers and the company's two longest-term employees, Arthur Scott and Bill Murdoch.

It is important to make a clear distinction between two aspects of what is proposed – the move of the Head Office and the movement of staff. The former is a legal procedure concerning the location of the Head Office; it is this which requires approval by our policyholders at the Special General Meeting.

That meeting will not be asked to consider the question of the location of staff as that is a matter for the Board of Directors and Management to decide from time to time. We have announced, however, that it is not our present intention to move any large number of our staff from Montreal to Toronto until something like two years from now.

It is also our determination to maintain a strong representation in the Province of Quebec both for the sale of new business and for the provision of service to our Quebec policyholders in French or English, as appropriate. The Board of Directors contemplates the continued efficient administration of our Quebec business from a Quebec headquarters in Montreal and from our branch offices throughout the Province.

As I am sure you are aware, our proposal to move our Head Office has proved to be controversial. A great deal has been written in the press both for and against it. We have received a great many letters, telegrams and telephone calls both for and against but substantially in favour. I am very grateful to those many people who have taken the trouble to write in support of our actions.

Some of the letters and media commentary have dealt with the supposed effect of our proposed move on national unity. I do not believe it will have any negative effect on national unity. On the contrary it may have a positive effect. I would like to stress, however, that our decision was in no



way a political one. As I said at a press conference after our January 27th Special General Meeting, "Our business involves stewardship of the savings of our hundreds of thousands of policyholders throughout Canada and in other countries. Our policyholders have placed us in a position of trust and that must be our fundamental responsibility. Our decisions regarding the location of our Head Office or our staff have to be taken for business reasons, based on our judgment of what is best for our policyholders."

On behalf of the Board of Directors who strongly recommend the change as being in the best interests of the policyholders and of the Company, I urge all policyholders to take advantage of the opportunity to make known their views on the proposed change by completing the proxy form when they receive it and returning it promptly.

I don't believe I can leave the subject of the proposed move of our Head Office without commenting on the question of investments in Quebec. We received adverse publicity as a result of the allegations levelled at us by the Quebec Minister of Finance at a press conference held immediately following our announcement on January 6th. At that time he said that we had taken more than \$400 million out of Quebec and distributed it among the other provinces. I denied this allegation in a press release the next day. Subsequently our Senior Vice-President and Chief Actuary released a detailed analysis again showing that the Minister of Finance's allegation was ill-founded. The government so far has made no comment on our analysis. I feel impelled to mention this subject today because we are told that some labour unions are still pressing companies to cancel their Sun Life group policies because of our supposed lack of Quebec investments.

At the end of 1977 our total investments in Quebec were just under \$700 million and had increased considerably during 1977. The only meaningful measure of the extent to which savings arising in Quebec have been invested in Quebec is the comparison between assets and liabilities to policyholders. Our assets and liabilities to our policyholders for life, health and annuities,

were almost exactly in balance in Quebec at the end of 1977.

In the case of certain pension fund policies which are held in segregated funds, there was a relatively small excess of liabilities over assets. This is inevitable for the same reasons that the Quebec Caisse de Dépôts, on a similar analysis, would be under-invested in Quebec. Any pension fund for a Quebec group in practice has to invest in some national companies and hence have part of its assets allocated as out-of-Quebec.

In view of the confusion which still exists in some people's minds on the subject, it is greatly to be hoped that the Quebec Government will come out at an early date with a clear correction of their previous allegations.

### **Conclusion**

In conclusion, ladies and gentlemen, I repeat that 1977 was a good year for your Company, with record new business and record earnings.

It had its full measure of problems and difficulties and I have no doubt that 1978 will be equally challenging. However, we face the new year with confidence. We have a well trained, professional sales force and office staff. Our products and services are highly competitive. Our financial strength has never been greater. We expect another good year in 1978.

Delivered at Montreal  
February 14, 1978



## Financial Statement for the year 1977

At the end of the year 1977

### We held Assets

Bonds		\$2,136,013,387
Stocks – Preferred		25,415,217
Stocks – Common		528,146,320
Mortgages		1,367,028,991
Real estate – Company buildings		22,333,052
Real estate – Held for investment		363,829,062
Loans to policyholders on their policies		307,241,504
Investment in subsidiary life insurance and other related companies		9,152,000
Outstanding premiums		23,348,277
Interest and rents due and accrued		75,068,651
Cash		19,952,552
Other assets		18,745,070
Variable accumulation and other segregated fund assets		645,884,307
		<u>\$5,542,158,390</u>

### To meet liabilities

Actuarial liabilities:		
Insurances – Life and Health	\$2,266,072,036	
Annuities	1,253,609,803	\$3,519,681,839
Policy proceeds and other amounts left at interest		361,718,760
Reserves on Company pension plans		32,751,890
Policy benefits in process of payment and provision for unreported claims		169,419,130
Provision for dividends payable to policyholders during the ensuing year		115,273,821
Taxes and expenses due and accrued		13,054,838
Miscellaneous liabilities		52,571,866
Variable accumulation and other segregated fund policy liabilities		645,884,307
Reserve for fluctuation in security values		176,300,000
Surplus		455,501,939
		<u>\$5,542,158,390</u>

### Note:

The securities are carried and shown in the financial statement at book values. The total book value of the bonds and stocks is less than the total of the market values prescribed by the insurance law of Canada.



# Sun Life Assurance Company of Canada

During the year 1977

**We received**

Premiums for insurances – Life	\$416,001,863	
– Health	71,258,153	\$ 487,260,016
Premiums for annuities		151,929,523
Policy proceeds and other amounts left at interest		60,833,731
Interest, dividends and rents		364,199,253
Net gain from the sale and redemption of securities after adjustment of asset values		4,461,442
Variable accumulation and other segregated fund deposits and other income (including appreciation in assets of \$172,335)		103,281,685
		<u>\$1,171,965,650</u>

**And distributed in**

Payments to policyholders and beneficiaries:		
Death benefits	\$119,618,730	
Disability benefits	3,509,515	
Matured endowments	27,764,675	
Annuity payments	54,812,200	
Dividends	104,833,601	
Surrender values	82,034,241	
Health insurance benefits	67,397,750	
Variable accumulation and other segregated fund payments	41,110,868	\$ 501,081,580
Payments of policy proceeds and other amounts previously left at interest		63,674,453
Additions to actuarial liabilities required for future payments to policyholders and beneficiaries		306,588,821
Variable accumulation and other segregated fund increase and expenses		62,170,817
Operating expenses including agency commissions		150,226,824
Government taxes		40,434,993
Addition to reserve for fluctuation in security values		16,300,000
Increase in surplus		31,488,162
		<u>\$1,171,965,650</u>

**Auditors' Report**

The Directors,  
Sun Life Assurance Company of Canada

We have examined the statement of assets and liabilities of Sun Life Assurance Company of Canada as at December 31, 1977 and the statement of income and expenditure for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary. The Company's securities were verified by certificates obtained from depositaries or by personal inspection. We have relied on the certificate of the Company's Actuary as to the actuarial liabilities under insurance and annuity contracts.

In our opinion, based on the books of the Company, the explanations we received, and all other information available to us, including the aforementioned certificate prepared by the Company's Actuary, the attached statements of assets and liabilities and income and expenditure present fairly the financial position of the Company as at December 31, 1977 and the results of its operations during the year then ended on a basis consistent with that of the preceding year.

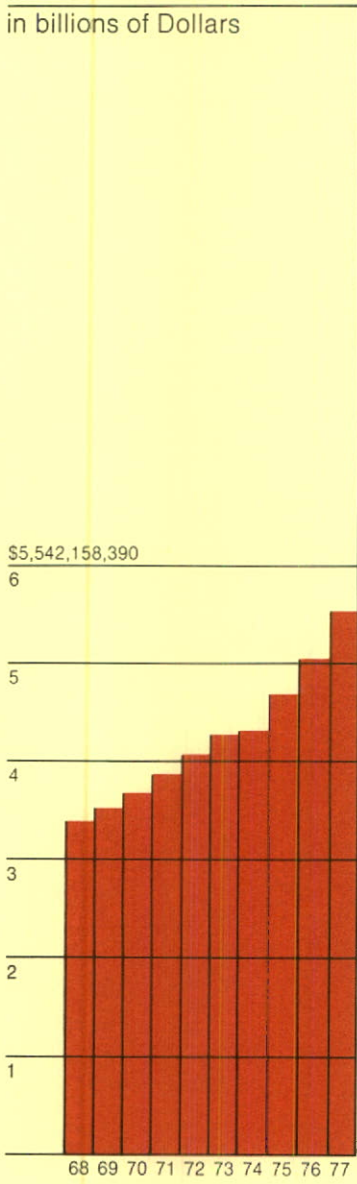
*(Signed)* Touche Ross & Co.  
Chartered Accountants.

Montreal, Que.  
January, 31, 1978

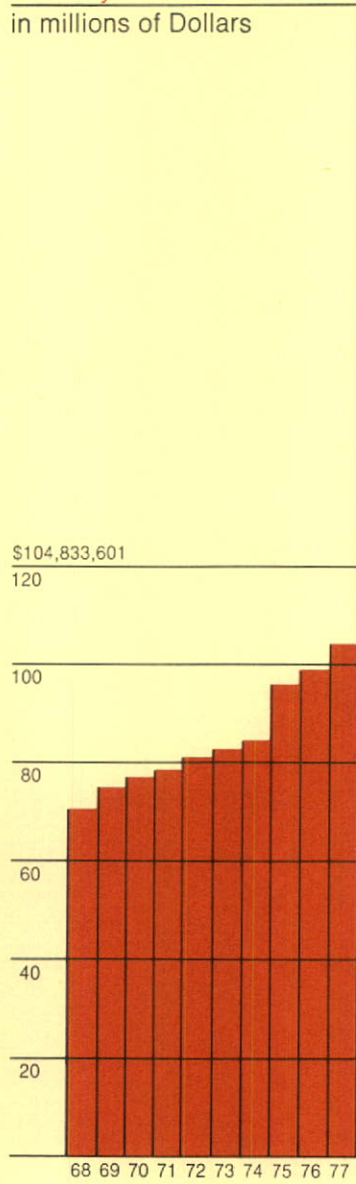


# Sun Life Growth

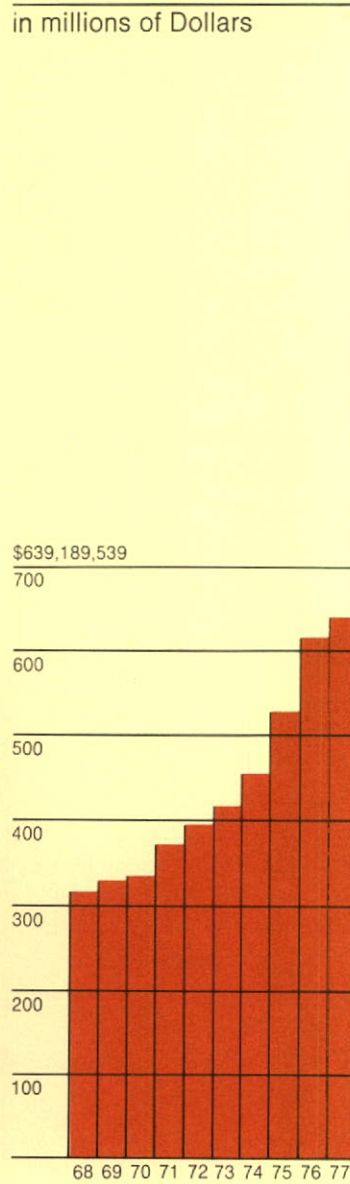
**Assets**  
in billions of Dollars



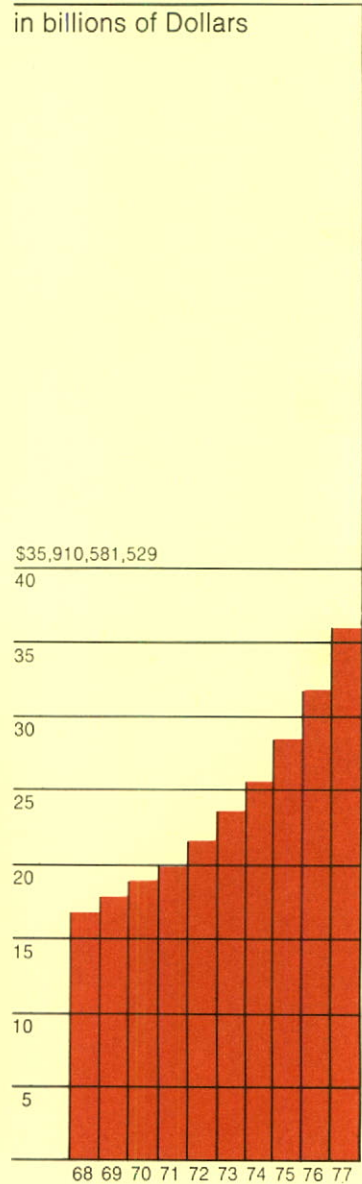
**Dividends to Policyholders**  
in millions of Dollars



**Premium Income**  
in millions of Dollars



**Life Insurance in Force**  
in billions of Dollars





## Sun Life Service Around the World

### Canada

Barrie  
Brandon  
Calgary  
Chicoutimi  
Cornwall  
Edmonton  
Granby  
Halifax  
Hamilton  
Kamloops  
Kingston  
Lethbridge  
London  
Moncton  
Montreal  
New Westminster  
Ottawa  
Prince George  
Quebec  
Regina  
Rimouski  
Saskatoon  
Sept Iles  
Sherbrooke  
St. Catharines  
St-Jerome  
St. John's, Nfld.  
Sudbury  
Thunder Bay  
Toronto  
Trail  
Trois-Rivieres  
Vancouver  
Victoria  
Waterloo  
Windsor  
Winnipeg

### United States

Arlington  
Atlanta  
Baltimore  
Boston  
Cherry Hill  
Chicago  
Cleveland  
Columbus  
Concord  
Dallas  
Denver  
Detroit  
Grand Rapids  
Hartford  
Honolulu  
Houston  
Indianapolis  
Jacksonville  
Jenkintown  
Kansas City  
Los Angeles  
Louisville  
Miami  
Minneapolis/St. Paul  
Newark  
New Haven  
New Orleans  
Orlando  
Peoria  
Philadelphia  
Phoenix  
Pittsburgh  
Portland, Me.  
Portland, Ore.  
Providence  
Sacramento  
San Diego  
San Francisco  
San Jose  
San Juan  
Santa Ana  
Seattle  
Spokane  
Springfield, Mass.  
St. Louis  
Tallahassee  
Tampa  
Washington, D.C.  
Wellesley Hills

### Great Britain and Ireland

Aberdeen  
Beckenham  
Belfast  
Birmingham  
Brighton  
Bristol  
Bromley  
Chester  
Colchester  
Croydon  
Dublin  
Edinburgh  
Glasgow  
Ipswich  
Leeds  
Leicester  
Liverpool  
London  
Maidstone  
Manchester  
Newcastle  
Northampton  
Plymouth  
Preston  
Reading  
Sheffield  
Southampton  
Valletta, Malta  
Wolverhampton

### Bermuda

### Hong Kong

### Philippines



## Sun Life Funds at Work

The Company invests its funds through a widely diverse range of investment outlets. The income generated from its investment holdings makes an important contribution to the Company's earnings, and thus benefits our policyholders. At the same time, our investments play a constructive role in the economies of the countries in which they are made. Below are three examples of Sun Life funds at work.

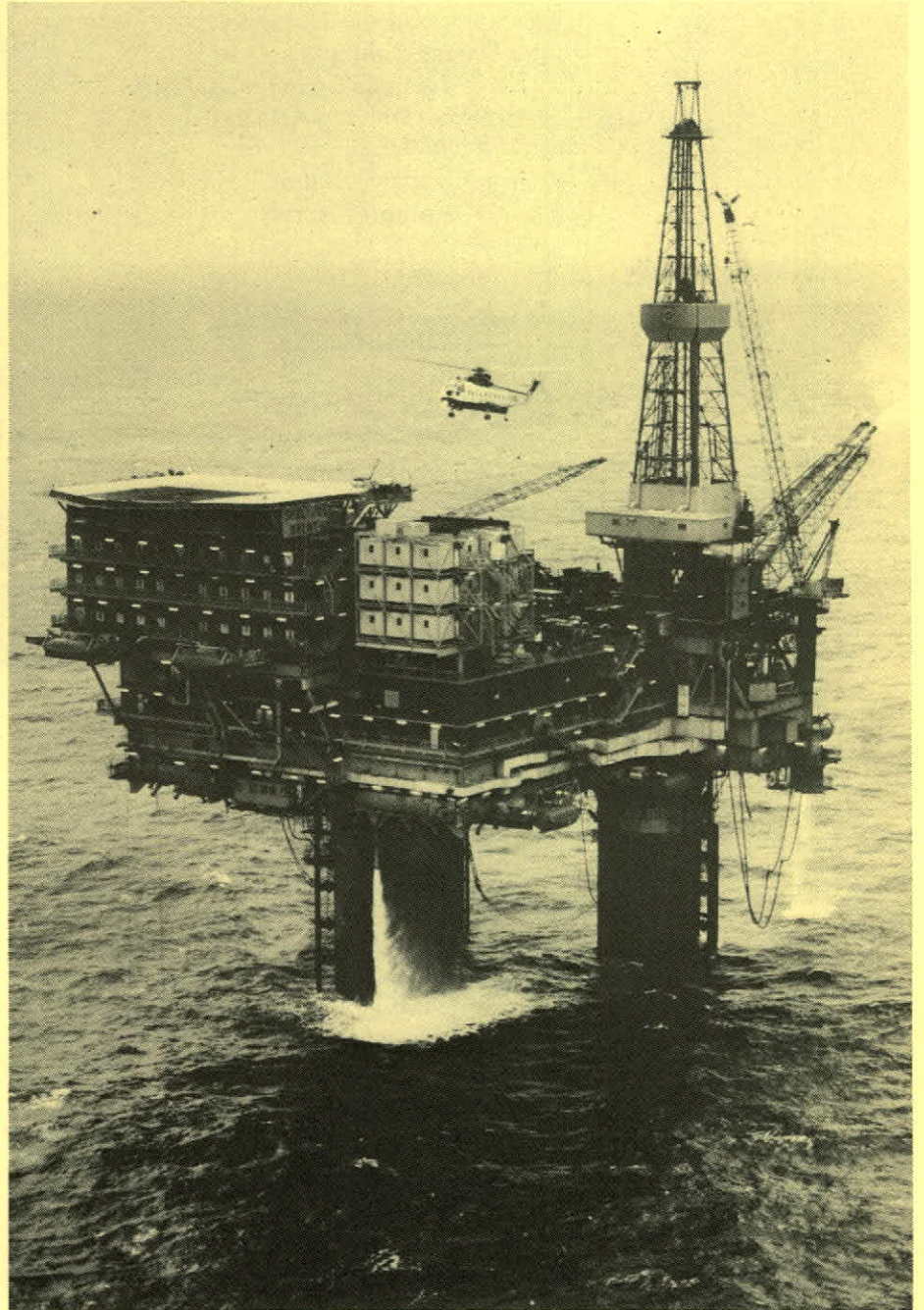


*A Vast Operation.* Owned by the Saskatchewan Wheat Pool, this "high-throughput" elevator can receive and ship grain simultaneously. The pool, with over 93,000 members, is a farmer-owned co-operative which is ranked as one of the world's largest primary grain-handling organizations. Sun Life was the lead lender in a consortium which provided \$30 million of long-term financing to assist in an elevator modernization program.





*In the 'Mile-High' City.* This Safeway Supermarket is located in the Goldsmith Shopping Center, Denver, Colorado. Sun Life provided important mortgage financing for the Center.



*Tapping the Ocean's Riches.* Sun Life is helping to finance the search for and development of off-shore sources of oil and gas. This photo is of Shell/Esso's Brent 'B' production platform in the North Sea.



## Executive Officers

**Thomas M. Galt**, F.S.A.  
President

**George F. S. Clarke**, F.S.A.  
Executive Vice-President

**J. Taylor Bradbury**, F.L.M.I.  
Senior Vice-President

**J. A. Brindle**  
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