

01 July 2024

SECURITIES AND EXCHANGE COMMISSION

8/F SEC Headquarters, 7907 Makati Avenue
Bel-Air, Makati City 1209

Attention: **Director Rachel Esther J. Gumbang-Remalante**
Corporate Governance and Finance Department

Re: **Annual Corporate Governance Report for 2023**

Ladies / Gentlemen:

In accordance with SEC Memorandum Circular No. 13, Series of 2021, we hereby submit the Annual Corporate Governance Report (ACGR) of PAMI Asia Balanced Fund Inc. for the year 2023.

The attached ACGR provides an accurate and comprehensive overview of our company's corporate governance practices throughout the year 2023, with all other required directors' and officers' signatures included as mandated.

Thank you.


ATTY. MA. ADELINA S. GATDULA
Corporate Secretary



SEC FORM-ACGR (FOR PC/RI)

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

1. For the fiscal year ended **December 31, 2023**
2. SEC Registration Number **CS200901828**
3. BIR Tax Identification Number **007-242-413**
4. Exact Name of the Issuer as specified in its charter **PAMI Asia Balanced Fund Inc.**
5. Province, Country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Address of Principal Office **17/F Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig 1634**
7. Postal Code **1634**
8. Issuer's telephone number, including area code **(632) 8580-0900**
9. Former name, former address, and former fiscal year, if changed since last report **N/A**
10. Industry Classification Code (For SEC's use only) _____

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION

COMPLIANT/ NON-COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

THE BOARD'S GOVERNANCE RESPONSIBILITIES

Principle 1. ESTABLISHING A COMPETENT BOARD

The company should be headed by a competent, working Board to foster the long-term success of the corporation, and to sustain its competitiveness and growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.

Recommendation 1.1

1	The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of directors.	
2	The Board has an appropriate mix of competence and expertise.	Compliant	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.	
3	Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	<p>As of December 31, 2023, the Directors are the following:</p> <ol style="list-style-type: none"> 1. Roberto F. De Ocampo 2. Reynaldo G. Geronimo 3. Ramon Paulo L. Tayag 4. Tomas S. Chuidian 5. Fernando J. Sison, III 6. Simon R. Paterno <p>For the detailed profile of the Directors, including academic qualifications, industry, knowledge, professional experience, expertise, and relevant trainings. Please refer to pages 13 to 15 of SEC Form 17-A filed on April 16, 2024 ("SEC Form 17-A"), and in the Company's website:</p> <ul style="list-style-type: none"> • https://www.pamifunds.com/ <p>The directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	

Recommendation 1.2

1	The Board is headed by a competent and qualified Chairperson.	Compliant	<p><i>Provide information or reference to a document containing information of the Chairperson, including his/her name, qualifications, and expertise.</i></p> <p>The chairperson during the 2023 term was Roberto F. De Ocampo.</p> <p>The Board is headed by a competent and qualified Chairperson. His qualification showing his competence is detailed in:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 13 https://pamifunds.com/board-of-directors 	
Recommendation 1.3				
1	The company provides a policy on training of directors.	Compliant	<p><i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p>For the orientation and continuing training program, please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12 	
2	The company has an orientation program for first-time directors.	Compliant	<p><i>Provide information or link/reference to a document containing information of the orientation program and trainings of directors for the covered year, including the number of hours attended and topics covered.</i></p> <p>For the orientation program, please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 5 	
3	The company has relevant annual continuing training for all directors.	Compliant	<p>For the annual continuing training for the directors, please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12 	
Recommendation 1.4				
1	The Board has a policy on board diversity.	Compliant	<p><i>Provide information or link/reference to a document containing the company's board diversity policy.</i></p> <p><i>Indicate gender, age, and competence composition of the board.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 4 to 5 	
Recommendation 1.5				
1	The Board is assisted by a Corporate Secretary.	Compliant		

2	The Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	<i>Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name, qualifications, duties and functions.</i>	
3	The Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>The Board is assisted by Atty. Ma. Adelina S. Gatdula, as Corporate Secretary, who is a separate individual from the Compliance Officer, and is not a member of the Board of Directors. Please refer to:</p> <ul style="list-style-type: none"> • Annex 1 – SEC 17-A, Page 15 • Annex 2 – MOCG, Page 23 to 24 • https://pamifunds.com/board-of-directors <p>The Corporate Secretary is not a member of the Board.</p>	
4	The Corporate Secretary attends annual training/s on corporate governance.	Compliant	<p><i>Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of training, number of hours and topics covered.</i></p> <p>In 2023, the Compliance Officer attended the 2023 Insurance Institute for Asia and the Pacific, Inc. Seminar on Corporate Governance.</p>	
Recommendation 1.6				
1	The Board is assisted by a Compliance Officer.	Compliant	<i>Provide information or link/reference to a document containing information of the Compliance Officer, including his/her name, position, qualifications, duties, and functions.</i>	Considering the size and limited scope of operations of the company, the Manager/Senior Manager officer rank of the Compliance Officer gives him adequate stature and authority.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	Non-compliant		
3	The Compliance Officer is not a member of the board.	Compliant	<p>The Compliance Officer of 2023 was Glenn Noel L. Llaneta. Please refer to Annex 1 – SEC 17-A, Page 15.</p> <p>Hany Mae V. Dureza assumed the function of the Compliance Officer for the Fund last March 2024.</p> <p>The Compliance Officer is not a member of the Board.</p>	
4	The Compliance Officer attends annual training/s on corporate governance.	Compliant	<i>Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of the training, number of hours and topics covered.</i>	

			In 2023, the Compliance Officer attended the 2023 Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit training.	
Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD				
The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company’s articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.				
Recommendation 2.1				
1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	Compliant	<i>Provide information or reference to a document containing information on how the directors performed their duties (this can include board resolutions and minutes of meetings).</i> This is one of the responsibilities, duties, and functions of the Board. Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Pages 4 and 10	
Recommendation 2.2				
1	The Board oversees the development and approval of the company’s business objectives and strategy.	Compliant	<i>Provide information or link/reference to a document containing information on how the directors performed this function (this can include board resolutions and minutes of meetings).</i>	
2	The Board oversees and monitors the implementation of the company’s business objectives and strategy.	Compliant	<i>Indicate frequency of development of business objectives and strategy.</i> This is one of the responsibilities, duties, and functions of the Board. Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Pages 10	
Recommendation 2.3				
1	The Board ensures and adopts an effective succession planning program for directors, key officers, and management.	Compliant	<i>Disclose and provide information or link/reference to a document containing the</i>	

2	The Board adopts a policy for the retirement of directors and key officers.	Compliant	<i>company's succession planning policies and programs and its implementation.</i> This is one of the responsibilities, duties, and functions of the Corporate Governance Committee. Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Pages 17 to 18 The Nomination Process is also detailed in the MOCG. <ul style="list-style-type: none">Annex 2 – MOCG, Pages 9 to 10 Included in the Shareholders' Rights and Protection in the MOCG are the details of the Voting Rights and the process of these shall be executed during Shareholders' Meetings. <ul style="list-style-type: none">Annex 2 – MOCG, Page 26
Recommendation 2.4			
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	Compliant	<i>Provide information or link/reference to a document containing the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i> Please refer to pages 16 of SEC Form 17- A for a detailed discussion on the Compensation of Directors and Officers. The recommendations are reflected in the MOCG. Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Page 13 to 14
2	The Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	
Recommendation 2.5			
1	The Board has a formal and transparent board nomination and election policy.	Compliant	<i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the candidates are shortlisted and how it encourages nominations from shareholders.</i> <i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i> <i>Provide information if there was an assessment</i>
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	Compliant	
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	Compliant	

5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	Compliant	<i>of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i>
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	Compliant	<p>For the Board nomination and election policy, please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Pages 9, 26, 27 and 28 <p>The above policy outlines the process for accepting nominations from shareholders and conducting a board review of the qualifications of nominees. Additionally, the policy includes an assessment of the effectiveness of relevant Board processes, with a focus on ensuring the quality of directors aligns with the company's strategic direction.</p>

Recommendation 2.6

1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<i>Provide information or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.</i>
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>The policy on Related Policy Transactions (RPT) can be found on:</p> <ul style="list-style-type: none"> Annex 2, MOCG, Page 18

Recommendation 2.7

1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	Compliant	<p><i>Provide information or reference to a document containing the Board's policy on approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p> <p>The Board's responsibility to approve the selection of the management is found in the following:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 11
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	Compliant	<p><i>Provide information or reference to a document containing the Board's policy on assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p>

			<p>The Board's responsibility to approve the selection of the management is found in the following:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 11 	
Recommendation 2.8				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.	Compliant	<p><i>Provide information or link/reference to a document containing the Board's performance evaluation framework for management and personnel.</i></p>	
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par with the standards set by the Board and Senior Management.	Compliant	<p>Attached is a copy of the Board Self-Assessment Form which is made available to the members of the Board and the relevant Board-level committees annually.</p> <ul style="list-style-type: none"> Annex 4 – Self-Assessment Form 	
Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	Compliant	<p><i>Provide information or link/reference to a document showing the Board's responsibility in ensuring that an appropriate internal control system is in place, and what comprises the internal control system.</i></p>	
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	Compliant	<p>The responsibility of the Board to ensure that internal control system is in place and include a mechanism for monitoring and managing conflicts of interest of the Board members, management, and shareholders is in the following:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12 	
3	The Board adopts an Internal Audit Charter.	Non-compliant	<p><i>Provide reference or link to the company's Internal Audit Charter.</i></p>	<p>While it is provided in the MOCG that the Audit Committee is responsible to ensure a reliable and strong Internal Audit Control system with the duly appointed/registered investment managers own internal corporate set up, due to the size and limited scope of internal audit function at the fund, adoption of the Internal Audit Charter is not applicable.</p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 15
Recommendation 2.10				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p><i>Provide information or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and</i></p>	

2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<i>how the board was guided by the framework.</i> <i>Provide proof of effectiveness of risk management strategies, if any.</i> The MOCG specifies that the Board is responsible for implementing an Enterprise Risk Management (ERM) framework that enables the identification of risk exposures at both the unit and enterprise level, as well as the evaluation of risk management strategies for their effectiveness. Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Page 19
Recommendation 2.11			
1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	<i>Provide link to the company's website where the Board Charter is disclosed and/or other proof that it is publicly available.</i>
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	Compliant	The responsibilities, duties, and functions of the Directors are set out in the MOCG. Please refer to: Annex 2 – MOCG, Page 10 or to the Fund's website: https://pamifunds.com/
3	The Board Charter is publicly available.	Compliant	
Principle 3. ESTABLISHING BOARD COMMITTEES			
The board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.			
Recommendation 3.1			
1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<i>Provide information or link/reference to a document containing information of all board committees established by the company.</i> Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Page 14
Recommendation 3.2			
1	The Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<i>Provide information or link/reference to a document containing information of the Audit Committee, including its functions.</i> <i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i>

			<p>The responsibilities, duties, and functions of the Audit Committee are set out in the following:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 15 	
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	Compliant	<p><i>Provide information or link/reference to a document containing information of the members of the Audit Committee, including their qualifications and type of directorship.</i></p> <p>Members of the Audit Committee as of December 31, 2023:</p> <p>Chairman:</p> <ul style="list-style-type: none"> Fernando J. Sison III <p>Members:</p> <ul style="list-style-type: none"> Simon R. Paterno Roberto de Ocampo 	
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p><i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Pages 12 to 14 	
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	Compliant	<p><i>Provide information or link/reference to a document containing information of the Chairperson of the Audit Committee.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Pages 12 to 13 	
Recommendation 3.3				
1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Non-compliant	<p><i>Provide information or reference to a document containing information of the Corporate Governance Committee, including its functions.</i></p> <p><i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i></p>	While this is provided in the MOCG (Page 16), the establishment of a separate Corporate Governance Committee (CGC) is not necessary considering the size and limited scope function of the company and the regulatory guidance on governance such as the establishment of an IOE. All corporate governance matters are presented and discussed in the Fund's Board meetings.
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	Non-compliant	<p><i>Provide information or link/reference to a document containing information of the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p>	

Recommendation 3.4				
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-compliant	<i>Provide information or link/reference to a document containing information of the Board Risk Oversight Committee (BROC), including its functions</i>	While this is provided in the MOCG (Page 16), the establishment of a separate Board Risk Oversight Committee is not necessary, considering the size and limited scope function of the company and the regulatory guidance on governance such as the establishment of an IOE. Furthermore, most of the duties of the Fund are delegated to the Fund Manager which has its own Risk Management Committee.
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	Non-compliant	<i>Provide information or link/reference to a document containing information of the members of the BROC, including their qualifications and type of directorship.</i>	
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-compliant	<i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i>	

Recommendation 3.5				
1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<i>Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i>	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Compliant	<p>The duties and responsibilities of the Committees, as applicable, are set forth in the MOCG. Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Pages 14 to 19 	

Principle 4. FOSTERING COMMITMENT

To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1				
1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<i>Provide information or link/reference to a document containing the process and procedure for tele/videoconferencing board and/or committee meetings.</i>	

2	The Directors review meeting materials for all Board and Committee meetings.	Compliant	<p><i>Provide information or link/reference to a document containing the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>The process and procedure of Board, Committee and shareholder meetings are set out in the MOCG. Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Pages 13 and 28 <p>For 2023, Board meetings were held in February, August, and October 2023 while the Audit Committee met once to approve the audited Financial Statement. The meetings were conducted physically and online, and all directors attended the aforementioned meetings.</p>	
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 13 	
Recommendation 4.2				
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	Compliant	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in listed companies, registered issuers and public companies.</i></p> <p>Non-executive directors are compliant with the maximum concurrent directorships in public companies and/or registered issuers. Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 11 	
Recommendation 4.3				
1	The Directors notify the company's board before accepting a directorship in another company.	Compliant	<p><i>Provide copy of/reference to the written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 12 	

Principle 5. REINFORCING BOARD INDEPENDENCE

The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.

Recommendation 5.1

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	Compliant	<i>Identify or provide link/reference to a document identifying the directors, the type of their directorships and their qualifications.</i> The Board is composed of five (5) non-executive directors. <ol style="list-style-type: none">1. Roberto F. De Ocampo2. Ramon Paulo L. Tayag3. Tomas S. Chuidian4. Fernando J. Sison, III5. Simon R. Paterno Please refer to: <ul style="list-style-type: none">• Annex 1 – SEC 17-A, Page 11	
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Recommendation 5.2

1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	Compliant	<i>Provide information or link/reference to a document containing the number of independent directors in the board.</i> The Board has two (2) independent directors. <ul style="list-style-type: none">• Simon R. Paterno• Fernando J. Sison III Please refer to <ul style="list-style-type: none">• Annex 1 – SEC 17-A, Page 17	
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Recommendation 5.3

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	<i>Provide information or link/reference to a document containing the qualifications of independent directors.</i> Please refer to: <ul style="list-style-type: none">• Annex 1 – SEC 17-A, Page 13• https://pamifunds.com/board-of-directors	
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Recommendation 5.4

1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	Compliant	<i>Provide information or link/reference to a document containing the company's policy on term limits for its independent director.</i> The company prohibits independent directors from being reappointed to the same position after the term limit of nine (9) years, ensuring	
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			that there is a rotation of directors and fresh perspectives are brought in. Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 7 	
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	Compliant	<p><i>Provide reference to the meritorious justification and proof of shareholders'/members' approval during the annual regular meeting.</i></p> <p>There has been no instance that the Company retained an Independent Director after nine (9) years.</p>	
Recommendation 5.5				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	Compliant	<p><i>Identify the company's Chairperson of the Board and Chief Executive Officer (or its equivalent).</i></p> <p>The Chairperson of the Board in 2023 is Mr. Roberto F. De Ocampo and the President is Reynaldo G. Geronimo. Please refer to: <ul style="list-style-type: none"> Annex 1 – SEC 17-A, page 12 </p>	
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	Compliant	<p><i>Provide information or link/reference to a document containing the roles and responsibilities of the Chairperson of the Board and Chief Executive Officer (or its equivalent). Identify the relationship of the Chairperson and CEO.</i></p> <p>The duties and responsibilities of the chairperson and Chief Executive Officer/President are on: <ul style="list-style-type: none"> Annex 2 – MOCG, page 5 </p>	
Recommendation 5.6				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	Compliant	<p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairperson is an independent director.</i></p> <p>Fernando J. Sison, III is the Lead Independent Director.</p>	
Recommendation 5.7				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the	Compliant	<i>Provide proof of full disclosure and abstention, if any, of the interested director/trustee.</i>	

	deliberations for the same, and recuse from voting on the approval of transaction.		The Directors are required to abstain from transactions in which he has adverse interest. Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Page 12	
Recommendation 5.8				
1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present.	Compliant	<i>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</i>	
2	The meetings are chaired by the lead independent director, if applicable.	Compliant	Please refer to Page 20 of Annex 1 - SEC Form 17-A for exhibits and schedules of PAMI Asia Balanced Fund Inc.	
Principle 6. ASSESSING BOARD PERFORMANCE				
The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body and assess whether it possesses the right mix of backgrounds and competencies.				
Recommendation 6.1				
1	The Board conducts an annual self-assessment of its performance as a whole.	Compliant	<i>Provide proof of self-assessments conducted by the whole board, the individual members, the Chairperson and the Committees.</i>	
2	The Chairperson conducts an annual self-assessment of his performance.	Compliant		
3	The individual members conduct a self-assessment of their performance.	Compliant		
4	Each committee conducts a self-assessment of its performance.	Compliant		
Please see attached copy of the Self-assessment form. <ul style="list-style-type: none">Annex 4 – Self-Assessment Form				
Recommendation 6.2				
1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	Compliant	<i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders/members.</i>	
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant	Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Page 11	
Principle 7. STRENGTHENING BOARD ETHICS				
The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				
Recommendation 7.1				

1	The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.	Compliant	<p><i>Provide information or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p><i>Provide information or discuss how the company disseminated the Code to the members of the Board.</i></p>	
2	The Code is properly disseminated to the members of Board.	Compliant	<p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p>	
3	The Code is disclosed and made available to the public through the company website.	Compliant	<p>PAMI has a fiduciary responsibility to treat clients fairly. This duty requires a code of conduct, consistent with other statutory and regulatory obligations, that seeks to be prudent and, in the client's, best interest.</p> <p>Please refer to page 10 of Annex 3 - Prospectus_PAMI Asia Balanced Fund, Inc and fund website: https://pamifunds.com/</p>	

Recommendation 7.2

1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> <p>PAMI has a fiduciary responsibility to treat clients fairly. This duty requires a code of conduct, consistent with other statutory and regulatory obligations, that seeks to be prudent and, in the client's, best interest.</p> <p>Please refer to page 10 of Annex 3 - Prospectus_PAMI Asia Balanced Fund, Inc and fund website: https://pamifunds.com/</p>	
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DISCLOSURE AND TRANSPARENCY

Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.

Recommendation 8.1

1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p><i>Provide information or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders/members and other stockholders.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 25 	
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Recommendation 8.2

1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	Compliant	<p><i>Provide information or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's shares.</i></p>	
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	Compliant	<p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 25 	

Recommendation 8.3

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<p><i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i></p> <p>The copy of the Manual on Corporate Governance is attached in this document.</p>	
2	The company's MCG is submitted to the SEC.	Compliant	<p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG <p>Please refer to:</p> <ul style="list-style-type: none"> https://pamifunds.com/ 	
3	The company's MCG is posted on the company website.	Compliant		

Recommendation 8.4

1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	Compliant	<p><i>Provide link to the company's website where the Annual Corporate Governance Report is posted.</i></p>	
2	The company's ACGR is submitted to the SEC.	Compliant	<p>Please refer to:</p> <ul style="list-style-type: none"> https://pamifunds.com/ 	
3	The company's ACGR is posted on the company website.	Compliant		

Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	Compliant	<i>Provide information or link/reference to a document containing the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i> Please refer to: <ul style="list-style-type: none">Annex 1 – SEC 17-A, Page 20Annex 2 – MOCG, Page 22	
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.	Compliant	<i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i> Please refer to: <ul style="list-style-type: none">Annex 1 – SEC 17-A, Page 20Annex 2 – MOCG, Page 16	
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	Compliant	<i>Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.</i> Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Page 22	
Recommendation 9.2				
1	The Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	<i>Provide link/reference to the company's Audit Committee Charter.</i> The duties and responsibilities of the Committees, as applicable, are set forth in the MOCG. Please refer to: <ul style="list-style-type: none">Annex 2 – MOCG, Pages 15 to 16	
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
Recommendation 9.3				
1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	Compliant	<i>Disclose the nature of non-audit services performed by the external auditor, if any.</i> The Company did not engage the external auditor for other services. Please refer to:	

			<ul style="list-style-type: none"> Annex 1, SEC 17-A, Page 20 	
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	<i>Provide link or reference to guidelines or policies on non-audit services.</i> Please refer to: <ul style="list-style-type: none"> Annex 2, MOCG, Page 20 	

The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.

Recommendation 10.1

1	The Board has a clear and focused strategy on the disclosure of non-financial information.	Compliant	<i>Disclose or provide link to the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i>	Most of the duties of the Fund are delegated and conducted mainly by the Fund Manager who has adequate knowledge and practice of Environment, Social, and Governance ("ESG"). For the Environment, Social, and Governance ("ESG") of the Fund Manager (BPI Wealth), please refer to: https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report . Moving forward, the Company is committed to assessing the relevance/applicability of a framework for the management of EESG issues and to provide transparent disclosure in our future reports and communications.
d	The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.	Non-compliant	<i>Provide link or reference to the company's disclosure of strategic and operational objectives, with emphasis on EESG matters.</i>	

Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders, and other interested users.

Recommendation 11.1

1	The company has a website to ensure a comprehensive, cost-efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	<i>Provide link to the company's website.</i> Please refer to: <ul style="list-style-type: none"> https://pamifunds.com/ 	
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INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS

Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management system.

Recommendation 12.1

1	The company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system.</i></p> <p>The business of the Company is conducted mainly by the Fund Manager who has adequate internal control systems. For the internal control systems of the Fund Manager (BPI Wealth), please refer to:</p> <p>https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report.</p> <p>Furthermore, most of the duties of the Fund are delegated to the Fund Manager who have adequate risk management processes, policies, and procedures; appropriate risk measurement system, prudent risk limits, monitoring and management information system; and comprehensive and effective internal control system and, audit and compliance program.</p>	
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <i>1. Company's risk management procedures and processes.</i> <i>2. Key risks the company is currently facing.</i> <i>3. How the company manages the key risks.</i> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p> <p>The business of the Company is conducted mainly by the Fund Manager who has an adequate Enterprise Risk Management Framework. For the Enterprise Risk Management Framework of the Fund Manager (BPI Wealth), please refer to:</p> <p>https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report.</p> <p>Furthermore, most of the duties of the Fund are delegated to the Fund Manager who have adequate risk management processes, policies, and procedures; appropriate risk</p>	

			measurement system, prudent risk limits, monitoring and management information system; and comprehensive and effective internal control system and, audit and compliance program.	
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Recommendation 12.2

1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm hired.</i></p> <p>The Company has engaged an external auditor which has issued an unqualified audit opinion for 2023. Please refer to:</p> <ul style="list-style-type: none"> Annex 1 – SEC 17-A, Page 30 	
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CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS

Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS

The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	Compliant	<p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders'/members' rights are disclosed.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Pages 26 to 28 	
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Recommendation 13.2

1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	Compliant	<p><i>Indicate the number of days before the annual or special stockholders'/members' meeting when the notice and agenda were sent out.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</i></p> <p>The Annual Stockholders Meeting was held physically at BPI Ayala Triangle Gardens Tower 2 and conducted virtually via Zoom on October 12, 2023 (Thursday) at 11:00 a.m. to 12:00 n.n. The notice and agenda for the Annual Stockholders Meeting are indicated in the Notice to the stockholders, SEC Form 20-IS.</p>	
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			Please refer to: • Annex 2 – MOCG, Page 29	
Recommendation 13.3				
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	Compliant	<i>Provide information or reference to a document containing all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i>	
2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	Compliant	<i>Provide link to minutes of meeting in the company website.</i> <i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i> <i>Indicate also if the voting on resolutions was by poll.</i> <i>Include whether there was opportunity to ask question and the answers given, if any.</i> The minutes of the Annual Stockholders Meeting (ASM) are made available on the website after the ASM and are removed before the following ASM. Stockholders voted in person or through proxy through designed forms submitted through mail, email/electronic means or faxpro. The preliminary results of the voting tickets were validated on October 11, 2023 and were presented during the Annual Stockholders Meeting. The results were reflected in the minutes of the meeting.	
Recommendation 13.4				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i> <i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i> Please refer to: • Annex 2 – MOCG, Page 28	

Recommendation 13.5

1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	Compliant	<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <p>1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address</p> <p>For inquiries, investors may contact the principal distributor at bpi_investment@bpi.com.ph</p>	
2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	Compliant	<p><i>Indicate if the IRO or CRO or its equivalent was present during the ASM.</i></p> <p>Senior officers of the fund manager and principal distributor attended the Annual Stockholder Meeting for this Fund on October 12, 2023.</p>	

DUTIES TO STAKEHOLDERS**Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS**

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p><i>Identify the company's stakeholders and provide information or reference to a document containing the company's policies and programs for its stakeholders.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 29 	
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Recommendation 14.2

1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	Compliant	<p><i>Identify policies and programs for the protection, fair treatment and enforcement of the rights of the company's stakeholders.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> Annex 2 – MOCG, Page 29 	
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Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.

Recommendation 15.1

1	The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p><i>Provide information or link/reference to company policies, programs and procedures that encourage employee participation.</i></p> <p>The business of the Company is conducted mainly by the Fund Manager who has sound and effective corporate governance. For the corporate governance of the Fund Manager (BPI Wealth), please refer to:</p> <p>https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</p> <p>Furthermore, The Board of Directors and Management have adopted a framework of policies, rules, systems, and processes for the Company that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, regulators, government and the community in which it operates</p>	
Recommendation 15.2				
1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	Compliant	<i>Identify or provide link/reference to the company's policies, programs and practices against corruption.</i>	
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p><i>Identify how the board disseminated the policy and program to the employees across the organization.</i></p> <p>The business of the Company is conducted mainly by the Fund Manager who has Code of Business Conduct and Ethics. For the Code of Business Conduct and Ethics of the Fund Manager (BPI Wealth), please refer to:</p> <p>https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</p> <p>Furthermore, the Code of Business Conduct and Ethics ("the Code") of the Fund Manager aims to provide as guide to employees of the Company in meeting ethical duties and responsibilities in compliance with the implemented rules and regulations of the industry. The codes serve as guidance so that the right decisions are made in the performance of their respective roles and responsibilities across various functions in the Company.</p>	
Recommendation 15.3				
1	The Board establishes a suitable framework for whistleblowing that allows employees to freely	Compliant		

	communicate their concerns about illegal or unethical practices, without fear of retaliation.		<i>Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.</i>	
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<i>Indicate if the framework includes procedures to protect the employees from retaliation.</i>	
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<i>Provide contact details to report any illegal or unethical behavior.</i> <i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i> The business of the Company is conducted mainly by the Fund Manager who has adequate Whistleblower Policy. For the Whistleblower Policy of the Fund Manager (BPI Wealth), please refer to: https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report Furthermore, the Whistleblower Policy of the Fund Manager addresses the commitment of BPI Wealth to integrity and ethical behavior by helping to foster and maintain an environment where whistleblowers can act appropriately, without fear of retaliation.	

Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The company should be socially responsible in all its dealings with the communities in which it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

1	The company recognizes and places importance on the interdependence between business and society and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<i>Provide information or reference to a document containing the company's community involvement and environment-related programs.</i> Please refer to: <ul style="list-style-type: none"> Annex 2 – MOCG, Page 4 	
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CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above **PAMI Asia Balanced Fund Inc. Integrated Annual Corporate Governance Report** covering 2023 are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of MAKATI CITY on the JUL 09 2024 day of _____ 20____.


Roberto F. De Ocampo
Chairman of the Board


Reynaldo G. Geronimo
President & CEO


Fernando J. Sison III
Independent Director


Simon R. Paterno
Independent Director



Atty. Ma. Adelina S. Gatdula
Corporate Secretary


Hany Mae V. Dureza
Compliance Officer

SUBSCRIBED AND SWORN to before me this JUL 09 2024 day of _____ 20____, by the following who are also personally known to me (or whom I have identified through competent evidence of identity) and who exhibited their respective identification document as follows:

Name	Competent Evidence of Identity	Date/Place Issued
Roberto F. De Ocampo	TIN 120 - 115 - 828	
Reynaldo G. Geronimo	TIN 123 - 102 - 923	
Fernando J. Sison III	TIN 135 - 565 - 275	
Simon R. Paterno	TIN 203 - 010 - 472	
Atty. Ma. Adelina S. Gatdula	TIN 107 - 043 - 114	
Hany Mae V. Dureza	Passport P9201603B	DFA NCR East

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Page No. 58
Book No. 14
Series of 2024


ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115 (2023-2024)
Roll of Attorney No. 77376
MCLE Compliance Unit No. 0001393-
Jan. 3, 2023 until Apr. 12, 2028
PTR NO. 10073945/ Jan. 2, 2024/ Makati City
IBP No. 330740/ Jan. 2, 2024/ Pasig City
1107 Bataan St., Guadalupe Nuevo, Makati City

COVER SHEET

C S 2 0 0 9 0 1 8 2 8

SEC REGISTRATION Number

P A M I A S I A B A L A N C E D F U N D , I N C .

(Company's Full Name)

1 7 / F N E T L I M A B U I L D I N G ,
5 T H A V E . , C O R . 2 6 T H S T . ,
B O N I F A C I O G L O B A L C I T Y , T A G U I G

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

Bhona Jane G. Nacar

(Contact Person)

(632) 8580-3575

(Company Telephone Number)

1 2

Month

3 1

Day

Fiscal Year

17-A

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, if Applicable

C G F D

Dept. Requiring this Doc.

(Amended Articles Number/Section)

(Total Amount of Borrowings)

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED**

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **CS200901828**
3. BIR Tax Identification No. **007-242-413**
4. Exact name of registrant as specified in its charter **PAMI Asia Balanced Fund Inc.**

Metro Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code (SEC use only)

17/F, Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig 1634

7. Address of principal office

8. Registrant's telephone number, including area code **(632) 8580-0900**

N/A

9. Former name, former address, and former fiscal year, if changed since last report:

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of each class

Number of Shares of Common Stock
Outstanding as of December 2023

Common stock

6,105,116

11. Are any or all of these securities listed on a Stock Exchange?

Yes () No (x)

FINANCIAL INFORMATION

12. Check whether the registrant:

has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes (x) No ()

has been subject to such filing requirements for the past ninety (90) days.

Yes (x) No ()

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the

average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form: Please refer to the audited financial statements.

**APPLICABLE ONLY TO REGISTRANTS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of the SEC Form 17-A into which the document is incorporated:

- a. Any annual report to security holders;
- b. Any information statement filed pursuant to SRC Rule 20;
- c. Any prospectus filed pursuant to SRC Rule 8.1

a. Annual Report:

- 1. 2023 Annual Report (incorporated)
- 2. 2023 Audited Financial Statements (attached)

PART I - BUSINESS AND GENERAL INFORMATION

ITEM NO.1 BUSINESS

PAMI Asia Balanced Fund Inc. ("PABFI" or "the Fund") is a stock corporation incorporated on February 10, 2009. The Fund's sole product is its own shares. Philam Asset Management Inc. ("PAMI" or "Fund Manager" or "Fund Distributor") is the investment adviser and distributor of the Fund until January 28, 2020.

Effective January 29, 2020, PAMI assigned all its rights, interests, and obligations as fund manager, advisor, distributor, and transfer agent of the Fund to BPI Investment Management, Inc (BIMI), a wholly-owned subsidiary of Bank of the Philippine Islands (BPI). Henceforth, the management, distribution and transfer agency functions are performed by BIMI over the Fund. Services, contracts and agreements are in force with BIMI.

Effective April 1, 2023, BPI Investment Management, Inc. (BIMI), wholly-owned subsidiary of Bank of the Philippine Islands (BPI) assigned all its right, interests, and obligations as fund manager, advisor of the Fund to BPI Wealth - A Trust Corporation (BPI Wealth), a wholly-owned subsidiary of Bank of the Philippine Islands (BPI). Henceforth, the management functions are performed by BPI Wealth over the Fund. Services, contracts and agreements are in force with BPI Wealth.

The Fund has appointed BPI Investment Management, Inc. (BIMI) as principal distributor with the authority to appoint sub-distributors on behalf of the fund. Under the terms of the agreement, BIMI and/or its sub-distributors perform daily functions related to the marketing and the growth of the level of assets of the Fund.

BPI Asset Management and Trust Corporation (the “Company” or “BPI AMTC”) is a wholly-owned subsidiary of Bank of the Philippine Island (BPI), a domestic commercial bank with an expanded banking license in the Philippines. It was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 6, 2016 primarily to carry and engage in the business of trust, other fiduciary business and investment management business which may legally be had or done by trust corporations organized under and in accordance with Republic Act No. 8791 (The General Banking Law of 2000) and its implementing regulations as it exists or may be amended and to do all other things incident thereto and necessary and proper in connection with said purposes within such territory, as may be determined by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP). The corresponding Certificate of Authority to Operate was issued by the BSP to the Company on December 29, 2016.

In February 2023, the Company announced the change in its trade name from BPI Asset Management and Trust Corporation to BPI Wealth - A Trust Corporation, or simply BPI Wealth.

PABFI is an open-end investment company whose shares are offered to the public at Net Asset Value (“NAV”) per share. The minimum investment for the Fund is US\$200 and the subsequent minimum additional purchase is US\$50. PABFI has a moderate risk profile as it invests in equity securities of established companies listed in the stock exchanges and fixed income securities of the Asia Pacific ex-Japan region.

As of December 2023, the size of the local mutual fund industry stood at PhP 232.95 Billion in Net Assets. The principal method of competition within the mutual fund industry is the size of AUM, return on investment and service. PABFI belongs in the foreign currency-denominated balanced fund segment with three (3) other competitors.

The major competitor of PABFI is the Sun Life Prosperity Dollar Advantage Fund, Inc. (the “Sun Life Fund”). Sold by distribution agents, the Sun Life Fund has over PhP1.49 Billion in Net Assets as of December 31, 2023. The other competitor is Cocolife Dollar Fund Builder, Inc. and Sun Life Prosperity Dollar Wellspring Fund, Inc.

PABFI will be offered to the public primarily by BPI Wealth affiliated agents who are SEC Certified Investment Solicitors as well as institutional third-party distributors.

As investment manager of PABFI, BPI Wealth – A Trust Corporation is tasked to formulate and implement the investment strategy of the Fund, and to provide and render management, technical, and administrative services to the Fund.

The management fee to be charged by the Fund Manager is a maximum of 2.05% per year, which will be accrued based on the daily NAV of the Fund. The Fund’s entry fee varies depending on the shareholder’s investment amount. A sales load of not more than 3.00% will also be charged.

The Custodial Agreement establishes the relationship among PABFI, BPI Wealth and Citibank, N.A., with Citibank, N.A. as the custodian bank. The Custodial Agreement covers the custodian bank’s duties on receipt of securities, identification and segregation of assets, registration of assets, reports and records to be accomplished by the custodian bank and custody of PABFI investments.

As Transfer Agent of PABFI, BIMI shall provide transfer agency services including the maintenance of the official stock and transfer book of the Fund, the issuance of shareholders’ Transaction Advice/Notice or Certificate of Stock, and payment of dividends, if any.

On March 16, 2020, the Philippine government declared the entire Luzon Island under an enhanced community quarantine (ECQ) due to the increasing number of corona virus disease (COVID-19) cases in the country. The ECQ mandated the close of non-essential business establishments and strict home quarantine resulting to a slowdown of economy. Measures are in place to support business continuity and manage financial risk to a minimum.

PABFI is fully compliant with the Investment Company Act (Republic Act No.2629) (the “Investment Company Act”) and ICA Rule 35-1 (The Investment Company Rule):

- 1) It is organized as a stock corporation;
- 2) It has minimum and subscribed paid-in capital of at least Php50,000,000;
- 3) All the members of its Board of Directors are Filipino citizens;
- 4) All the shares of its capital stock are common and voting shares; and
- 5) Its Articles of Incorporation provide for a waiver of pre-emptive rights to shareholders.

PABFI likewise complies with the Securities Regulation Code (Republic Act 8799, as amended) and its Amended Implementing Rules and Regulations. PABFI ensures that its investment policies are compliant with all these laws and regulations and its own By-laws.

Employees

PABFI employs no personnel as it functions solely through its Fund Manager.

Government Regulations and Risks

As an investment company, PABFI is governed by the rules and regulations of the Securities and Exchange Commission (the “SEC”), particularly the Investment Company Act, ICA Rule 35-1, the Corporation Code of the Philippines and the Securities Regulation Code. PABFI observes and complies with all government laws, rules and regulations that exist. PABFI is not aware of any probable government regulations that may materially affect its business.

The Fund, however, is exposed to financial risk through its financial assets and financial liabilities. PABFI’s NAVPS will experience volatility due to changes in interest rates. Such changes in market value may occur as a result of various factors, including material changes in the Fund, general economic conditions and interest rate and foreign exchange policy changes. Investment companies, unlike bank deposits, are not covered by the Philippine Deposit Insurance Corporation (PDIC).

The Fund is exposed to financial risk through its financial assets. The most important components are:

- Credit Risk - Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.
- Liquidity risk - Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.
- Market risk - Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk) and market interest rates (fair value interest rate risk), whether such change in fair value is caused by factors specific to the individual instrument, or its issuer, or factors affecting all instruments traded in the market.

These risks arise from open positions in interest rate which are exposed to general and specific market movements. The Fund will manage risks by constant monitoring of interest rates, economic indicators and developments in the socio-political scene. The Fund Manager will manage the risks through active fund management and portfolio diversification. Diversification will be done across asset classes and maturity profiles. The Fund Manager’s sensitivity to risks is demonstrated by its exhaustive due diligence and systematic portfolio controls which are reviewed periodically to assess risks and opportunities.

ITEM NO. 2 PROPERTIES

PABFI does not own any real or personal properties (such as real estate, plant and equipment, mines, patent, etc.). Neither does the Fund lease any property nor does it intend to acquire any real or personal properties within the next 12 months.

ITEM NO. 3 LEGAL PROCEEDINGS

There are no pending litigation or arbitration proceedings where PABFI is a party. There is no litigation nor claims of material importance known to the Board of Directors (the "Board") of PABFI to be pending or threatened against the Fund during the past five (5) years up to the date of this SEC Form 17-A.

ITEM NO.4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable

PART II - OPERATIONAL AND FINANCIAL INFORMATION

ITEM NO.5 MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

PABFI is not listed in the Philippine Stock Exchange. The shares are being sold by SEC Certified Investment Solicitors (CISols) thru the fund's authorized distributors.

NAVPS per quarter for the year 2023:

QUARTER	DATE	NAVPS	
1st	03-Jan-23	\$ 0.8960	LOW
	30-Jan-23	\$ 0.9871	HIGH
2nd	1-Jun-23	\$ 0.8893	LOW
	17-Apr-23	\$ 0.9371	HIGH
3rd	30-Sep-23	\$ 0.8520	LOW
	1-Aug-23	\$ 0.9353	HIGH
4th	30-Oct-23	\$ 0.8308	LOW
	29-Dec-23	\$ 0.9147	HIGH

NAVPS per quarter for the year 2022:

QUARTER	DATE	NAVPS	
1st	16-Mar-22	\$ 0.9606	LOW
	01-Dec-22	\$ 1.0809	HIGH
2nd	30-Jun-22	\$0.9314	LOW
	01-Apr-22	\$1.0203	HIGH
3rd	29-Sep-22	\$0.8143	LOW
	15-Aug-22	\$ 0.9314	HIGH
4th	01-Dec-22	\$ 0.8786	LOW
	01-Oct-22	\$ 0.8151	HIGH

NAVPS per quarter for the year 2021:

QUARTER	DATE	NAVPS	
1st	25-Mar-21	\$1.1132	LOW
	25-Jan-21	\$1.2356	HIGH
2nd	14-May-21	\$1.123	LOW

	01-Jun-21	\$1.1553	HIGH
3rd	29-Sept-21	\$1.0633	LOW
	01-Jul-21	\$1.1334	HIGH
4th	6-Dec-21	\$1.0332	LOW
	10-Oct-21	\$1.0909	HIGH

Dividends

PABFI has not declared any cash dividends for the last three (3) years. The Board of PABFI may decide to declare dividends, whether in the form of cash, property or stock, from the unrestricted retained earnings of the Fund at a time and percentage as the Board may deem proper and in accordance with the pertinent laws.

Under the Investment Company Act, the Fund shall not pay any dividend, or make any distribution in the nature of a dividend payment, wholly or partly from any source other than: (i) from the Fund's accumulated undistributed net income, determined in accordance with good accounting practices and including profits or losses realized upon the sale of securities or properties; or (ii) from the Fund's earned surplus so determined for the current or preceding fiscal year, unless such payment is accompanied by a written statement which adequately discloses the source or sources of such payment. The SEC may prescribe the form of such statement by rules or regulations or by order in the public interest and for the protection of investors. The Fund shall also not advertise such dividends in terms of centavos or pesos per share without also stating the percentage they bear to the par value per share.

Holders

As of December 31, 2023, there were a total of 241 holders of redeemable common stock (one class of shares only)

No.	Name of Client	# of Shares	# of Ownership
1	BPI-PHILAM LIFE ASSURANCE CORPORATION	1,191,523	19.52%
2	RESINS INC	1,185,417	19.42%
3	CASTRO, CHARMAINE ONG	335,154	5.49%
4	PANAY ELECTRIC COMPANY INC	282,010	4.62%
5	BACANI, ALBERTO PATERNO FENIX	230,000	3.77%
6	CREUS, CELSA T	167,639	2.75%
7	TAN, LOZANO A	95,114	1.56%
8	DY, SANTIAGO C	93,013	1.52%
9	RCBC SAVINGS BANK TRUST SERVICES DIVISION TA#515-62-08662-9	69,006	1.13%
10	CREATIVE AFFAIRS TEAM, INC	63,660	1.04%
11	SEE, STEPHEN S	62,450	1.02%
12	RCBC SAVINGS BANK TRUST SERVICES DIVISION 515-62-08731-5	50,441	0.83%
13	DE OCAMPO, ROBERTO FABROS	49,563	0.81%
14	DIOKNO, CIELITO	47,738	0.78%
15	LUA, ANGELLI SUZANNE L	47,582	0.78%
16	ALDEGUER, JULIE	41,311	0.68%
17	FABICO, JEANETTE	38,312	0.63%
18	TAN, JENNY Y	37,267	0.61%
19	RCBC SAVINGS BANK TRUST SERVICES DIVISION TA# 515-62-02743-6	34,667	0.57%

20	ZALAMEA, ENRIQUE MAURICIO	28,839	0.47%
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As of December 31, 2022, there were a total of 268 holders of redeemable common stock (one class of shares only)

NO	Name of Client	# of Shares	# of Ownership
1	BPI-PHILAM LIFE ASSURANCE CORPORATION	1,257,935	19.21%
2	RESINS INC	1,185,417	18.10%
3	CASTRO, CHARMAINE ONG	335,154	5.12%
4	PANAY ELECTRIC COMPANY INC	282,010	4.31%
5	BACANI, ALBERTO PATERNO FENIX	230,000	3.51%
6	CREUS, CELSA T	167,639	2.56%
7	TAN, LOZANO A	95,114	1.45%
8	DY, SANTIAGO C	93,013	1.42%
9	RCBC SAVINGS BANK TRUST SERVICES DIVISION TA#515-62-08662-9	69,006	1.05%
10	CREATIVE AFFAIRS TEAM, INC	63,660	0.97%
11	SEE, STEPHEN S	62,450	0.95%
12	RCBC SAVINGS BANK TRUST SERVICES DIVISION 515-62-08731-5	50,441	0.77%
13	DE OCAMPO, ROBERTO FABROS	49,563	0.76%
14	DIOKNO, CIELITO	47,738	0.73%
15	LUA, ANGELLI SUZANNE L	47,582	0.73%
16	SONTILLANO, SANTINO U	46,194	0.71%
17	ALDEGUER, JULIE	41,311	0.63%
18	FABICO, JEANETTE	38,312	0.59%
19	TAN, JENNY Y	37,267	0.57%
20	RCBC SAVINGS BANK TRUST SERVICES DIVISION TA# 515-62-02743-6	34,667	0.53%

Institutional and retail investors

The table below shows the Fund's total number of institutional and retail investors and the percentage of their investments as of 31 December 2023.

PAMI Asia Balanced Fund	Retail	Institutional
Number of investors	228	13
Percentage of investments	37.58%	62.42%

Geographic concentration of investments

The geographic concentration of investments as of 31 December 2023 is as follows: Luzon (75.63%), Visayas (15.13%), and Mindanao (9.24%).

Level of compliance with FATCA regulations

FATCA Review as of 31 December 2023

PABF	No. of Transaction	More than USD50 Thousand	Less than USD50 Thousand
US CITIZEN	0	0	0
US INDICIA	1	0	1

Investment company return information

Stated below is the Fund's annualized performance (%) for five (5) years.

1 YR	2 YRS	3 YRS	4 YRS	5 YRS
2.13	-7.50	-7.34	-2.99	-0.28

Recent Sales of Unregistered or Exempt Securities Including Recent Issuances of Securities Constituting an Exempt Transaction

Not applicable.

ITEM NO.6 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Distribution

The Fund is being distributed by BIMI through SEC Certified Investment Solicitors (CISols) as well as institutional third-party distributors.

Use of Proceeds

The proceeds from the sale of PABFI shares will be used to build up its investments in Asia Pacific ex-Japan equities and fixed income securities with portfolio mix of 50% Asian equities, and 50% Asian fixed income and money market instruments, with a range of +/- 20% for each asset class. This mix allows for participation in the equity markets, which yields higher returns, and will enhance the "growth" potential of the portfolio whilst the allocation to bonds will ensure that the portfolio is adequately buffered against volatility and risk of capital loss. Countries in the Asia Pacific ex-Japan region include Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand. All proceeds from the sale of securities will be held by a custodian bank.

Determination of Offering Price

The offering price is determined at NAVPS computed for the current banking day, if payment is made within the daily cut-off time. Otherwise, the NAVPS on the following banking day will be used for payments made after the daily cut-off time. The daily cut-off time shall be 12:00 noon of a banking day. A banking day is defined as a day when commercial banks in Metro Manila are not required or authorized to close by law.

AS OF DECEMBER 31, 2023

The US economy grew by 2.5% in 2023, better than the 1.9% logged in 2022. GDP growth was driven by strong consumer and government spending, improving inflation trend, and continued robust labor market for the year. Coming from the high inflationary environment in 2023, major central banks were expected to maintain their restrictive monetary policies to bring inflation back to its target level. The US Federal Reserve hiked rates 4 times until July 2023, for a total of 100 basis points for the year, before keeping it steady until the rest of 2023. Yields moved higher for most of the year as central banks focus on managing sticky inflation, before moving lower towards the year-end driven by peak interest rate expectations amid declining inflation trend and softening economic data.

The shift in sentiment and supportive data releases towards the end of 2023 drove rate cut expectations, with peak market pricing in a total of 150 basis point cuts in 2024. Investor optimism in rate cut expectations drove yields to move lower and boosted risk assets, including global equity markets. Year-to-date, S&P500 returned 26.26%. The Dow Jones Industrial Average and the NASDAQ Composite also rose by 16.18% and 44.70%, respectively. On a regional basis, emerging markets and Asia Pacific ex-Japan also returned positive but lagged developed markets amid weakness from Chinese equities, with the MSCI Emerging Markets and AC Asia Pacific ex-Japan returning 10.20% and 7.93% for the year.

Similarly, global fixed income markets also rallied in the same period. Yields moved lower supporting the rally across all sectors of the fixed income market. The US Treasury curve shifted downwards, and riskier fixed income assets outperformed comparable government bonds as spreads narrowed across sectors. With some EM central banks moving towards monetary policy pivot, emerging market debt had a strong performance and had a YTD return of 9.09%.

Moving forward, the fund will remain selective and explore value and quality equity names within developed and emerging markets, amid the recent rally that may have driven disparity in valuations and earnings potential. For fixed income, the rapid decline in yields have impacted valuations but the asset class shall still serve as a good diversifier, and the fund will remain active in developed market duration and focus on quality in credit and emerging markets.

TOP FIVE KEY PERFORMANCE INDICATORS

1. ***Performance vis-à-vis the Benchmark*** – As of December 2023, the Fund posted a full year return of 2.13%, net of fees and taxes, lagging its benchmark by 352 basis points.
2. ***Market Share in the Industry*** – There are four major players in the local US Dollar balanced fund industry. These are namely, PAMI Asia Balanced Fund, Cocolife Dollar Fund Builder and Sunlife Prosperity with two funds under this category. PAMI Asia Balanced Fund maintained its second place in terms of market share by the end of 2023 at 14.6%.
3. ***NAV Growth vis-à-vis Industry Growth*** - The US Dollar-denominated balanced mutual fund industry declined in net asset value by 2.74% for the year 2023. The NAV of the fund decreased by 5.6%, below the industry average. The decline was mainly due to redemptions from the fund. The entire industry stood at USD 38.33 Million.
4. ***Portfolio Quality*** – As of December 2023, the fund's portfolio was invested in 50.40% in equities, 46.70% in fixed income instruments and 2.90% in short-term investments, cash and deposits.
5. ***Performance vis-à-vis Competition*** – PAMI Asia Balanced Fund ranked last out of the four funds in the same category based on its full year return in 2023.

AS OF DECEMBER 31, 2022

The U.S. economy grew by 2.1% in 2022, down from the 5.9% logged in 2021. GDP growth eased as spending was hampered by the Federal Reserve's fastest monetary policy tightening cycle since the 1980s. Coming from the low-rate environment in 2021, US inflation soared in 2022, peaking at 9.1% YoY in the month of June. Price pressures were exacerbated by Russia's invasion of Ukraine, which compounded existing supply chain bottlenecks. Consequently, the Fed hiked rates seven times beginning March 2022, for a total of 425 basis points for the year. For the period, the 10-year U.S. Treasury yield rose by about 236 basis points, closing at 3.87% as of December 31, 2022. Meanwhile, the 2-year U.S. Treasury yield rose by about 369 basis points to close at 4.43%.

In the Eurozone, economic activity also eased as the region grew 3.5% in 2022, slower than the 5.4% seen in 2021. In line with other major economies, the Eurozone's inflation jumped by 8.4% on average in 2022, after peaking at 10.6% YoY in October. Consequently, the European Central Bank raised

benchmark rates by 200 basis points for the year. In 2022, the yield on the 10-year Bund rose by about 275 basis points to close at 2.57%.

Similarly, economic activity in Asia ex-Japan slowed in 2022 as the region grew only by 3.9%, down from 5.9% in 2021. Inflation in the region diverged from developed economies as it posted only at 3.1% YoY in 2022, as demand remained under pressure due to China's stringent pandemic measures for most part of the year. Asian markets returned positively in the last months of 2022, boosted by a weaker dollar and a positive market sentiment as China relaxed its COVID measures and moved towards economic reopening.

Within fixed income, the fund will continue to maintain its long position on Indonesia, China, and Philippine bonds while it moves to neutral with its duration positioning. Within equities, the fund will rotate the stock portfolio with a main focus on earnings sustainability.

TOP FIVE KEY PERFORMANCE INDICATORS

1. ***Performance vis-à-vis the Benchmark*** – As of December 2022, the Fund posted a full year return of -16.21%, net of fees and taxes, lagging behind its benchmark by 329 basis points.
2. ***Market Share in the Industry*** – There are four major players in the local US Dollar balanced fund industry. These are namely, PAMI Asia Balanced Fund, Cocolife Dollar Fund Builder and Sunlife Prosperity with two funds under this category. PAMI Asia Balanced Fund maintained its second place in terms of market share by the end of 2022 at 14.8%.
3. ***NAV Growth vis-à-vis Industry Growth*** - The Fund's average daily NAV for 2021 was at 6.28 Million. The US Dollar-denominated balanced mutual fund industry declined in net asset value of 25.62% for the year 2022. The NAV of the fund decreased by 20.19%, below the industry average. The decline was due to a combination of the decrease in market value and redemptions from the fund. The entire industry stood at USD 39.74 Million.
4. ***Portfolio Quality*** – As of December 2022, the fund's portfolio was invested in 50.67% in equities, 44.08% in fixed income instruments and 5.25% in short-term investments, cash and deposits.
5. ***Performance vis-à-vis Competition*** – PAMI Asia Balanced Fund ranked second out of the four funds in the same category based on its full year ROI in 2022.

ITEM NO.7 FINANCIAL STATEMENTS

Copies of the following audited financial statements are attached:

- a. Statement of Financial Position as of December 31, 2023 and 2022
- b. Statement of Total Comprehensive Income for the years ended December 31, 2023 and 2022
- c. Statement of Changes in Equity for the years ended December 31, 2023 and 2022
- d. Statement of Cash Flows for the years ended December 31, 2023 and 2022

ITEM NO.8 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III - CONTROL AND COMPENSATION INFORMATION

ITEM NO.9 DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

The Board of Directors and Executive Officers of PABFI are as follows:

Name	Age	Citizenship	Position	Term	Years of Service
Roberto F. De Ocampo	78	Filipino	Chairman of the Board	2023-2024	24
Reynaldo G. Geronimo	79	Filipino	President and Director	2023-2024	12
Ramon Paulo L. Tayag	43	Filipino	Director	2023-2024	<1
Tomas S. Chuidian	57	Filipino	Director	2023-2024	<1
Fernando J. Sison III	71	Filipino	Director	2023-2024	4
Simon R. Paterno	65	Filipino	Director	2023-2024	1
Ma. Adelina S. Gatdula	60	Filipino	Corporate Secretary	2023-2024	7
Ma. Floriliz L. Pedernal	53	Filipino	Treasurer	2023-2024	3

ROBERTO F. DE OCAMPO

Chairman of the Board

Dr. Roberto F. De Ocampo is a cum laude graduate of Bachelor of Arts in Economics at the Ateneo de Manila University. He has a Master in Business Administration from the University of Michigan and a post-graduate diploma from the London School of Economics. He has also been conferred three Doctorates (Honoris Causas). Mr. De Ocampo is President and Director of the following PAMI-managed funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc. (each since 2005) and PAMI Global Bond Fund, Inc. (since 2008), PAMI Asia Balanced Fund Inc., PAMI Equity Index Fund, Inc., PAMI Global Equity Fund, Inc. (each since 2009), PAMI Horizon Fund, Inc. (since 2011), and PAMI Income Payout Fund, Inc. (since 2015). Dr. de Ocampo was previously the President of the Asian Institute of Management. From 1992 to 1998, he served as the Secretary of Finance under the Ramos administration and was widely recognized as the principal architect of the resurgence of the Philippine economy. He was the first Filipino and the first ASEAN finance minister to be recognized and was cited as the “Finance Minister of the Year” in 1996 by Euromoney. He was conferred the Legion of Honor in 1998, the highest honor conferred on Filipino civilians by the Philippine government and was conferred the Ordre National de la Legion d’ Honneur by the Republic of France with the rank of Chevalier.

REYNALDO G. GERONIMO

President

Atty. Geronimo is a cum laude graduate of Bachelor of Arts (A.B.) at the Ateneo de Manila University. He graduated Second Honors from Ateneo Law School in 1968. He also has a Master of Laws with specialization in Trusts and Estates from the University of Pennsylvania. He is currently a partner in the Romulo Mabanta Buenaventura Sayoc & de los Angeles Law Firm and a co-Chairman of the Banking Group. Atty. Geronimo is known as the Trust Guru, with a regular column in the Manila Standard Today. He is also a bar reviewer in Taxation at the UP Law Center, the UP College of Law, the Law School of UST’s Civil Law Faculty, the College of Law of Liceo de Cagayan and the Ateneo Law School. Atty. Geronimo is a director of the following PAMI-managed funds since 2010: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc. and PAMI Global Bond Fund, Inc., PAMI Asia Balanced Fund, Inc., PAMI Equity Index Fund, Inc., PAMI Global Equity Fund, Inc., PAMI Horizon Fund, Inc. (since 2011) and PAMI Income Payout Fund, Inc. (since 2015).

TOMAS S. CHUIDIAN

Director

Mr. Chuidian is the President of BPI Investment Management Inc. (BIMI) and concurrently functions as Director of BPI International Finance, Ltd., a wholly owned subsidiary of BPI based in Hong Kong, since 2015. He also headed the Bank’s Private Banking unit for almost 10 years before being assigned to BIMI. Prior to joining BPI, Mr. Chuidian served as Executive Director for Global Wealth Management at Merrill Lynch in Hong Kong. He has over 25 years of banking experience, having held positions at ABN AMRO Bank N.V., DBS Bank and PNB as an investment management professional across all asset classes, advising high net-worth families, middle-market companies, and

non-profit endowment funds. Before entering the world of finance, Mr. Chuidian managed specialized biotechnology products at Digene Diagnostics, a start-up company founded in the United States. Mr. Chuidian holds a Master's Degree in International Management from the University of Maryland and a Bachelor of Science Degree in Chemistry and Biology from College of the Ozarks in Missouri. Tim was born in the Philippines and prior to pursuing his college and graduate studies in the United States, was one of the first graduates from La Salle Zobel.

RAMON PAULO L. TAYAG

Director

Mr. Tayag is the current Head of Agency Distribution for BIMl. He graduated from Ateneo De Manila with a degree in BS Legal Management and earned his Master's Degree in Business Administration from Ateneo as well. He has a total of 20 years experience in retail banking and investment sales. The first 6 years were in the retail lending industry via leasing and credit cards. He joined Citibank in 2008 as a Citigold Relationship Officer and specialized in investment sales. He first joined BPI Asset Management and Trust Group in 2013 until 2018 handling various area divisions of the Bank. He returned in 2020 after his exposure to agency management from Sun Life Asset Management Company Inc.

SIMON R. PATERNO

Director

Mr. Simon R. Paterno, Filipino, born in 1959, 65 years old, served as Head of the Financial Products and Services Group of the Bank of the Philippine Islands. He was responsible for managing the product businesses of the Bank, including Investment Banking, Corporate Loans, Transaction Banking, Retail Lending, Cards and Payments, Asset Management and Trust, Electronic Channels, and Deposits. He also supervised subsidiaries and affiliates in insurance, leasing, and merchant acquiring. He was a member of the Management Committee of BPI. Mr. Paterno is the former President and CEO of the Development Bank of the Philippines, serving from 2002-2004. He worked for 18 years at the New York, Hong Kong, and Manila offices of J.P. Morgan, serving finally as Managing Director in charge of sovereign clients during the Asian Financial Crisis of 1997-98, and as Country Manager for the Philippines until 2002. He also worked for 8 years at Credit Suisse as Managing Director and Country Manager for the Philippines. Mr. Paterno obtained his MBA from Stanford University in 1984. He was awarded his A.B., cum laude, Honors Program in Economics from Ateneo de Manila University in 1980. In 2005, he was elected President of the Management Association of the Philippines. He serves on the boards of the Foundation for Economic Freedom and Ateneo Scholarship Foundation. He was named a TOYM awardee for Investment Banking in 1999.

FERNANDO J. SISON III

Director

Mr. Sison is the Treasurer of ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., and Philippine Stock Index Fund, Corp. He is also a Director and the Treasurer of ALFM Global Multi-Asset Income Fund, Inc. and an Independent Director of ALFM Retail Corporate Fixed Income Fund, Inc. and ALFM Fixed Income Feeder Fund, Inc. (Formerly: ALFM Principal Preservation Fund, Inc.). Since September 9, 2020, Mr. Sison has been a Director of Philam Fund, Inc., Philam Managed Income Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., PAMI Global Bond Fund, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc. He used to be the President of BPI Investment Management, Inc. from May 2004 up to June 2012. He previously served as Vice President and head of many of BPI's divisions, including AMTG Retail Trust Division, AMTG Portfolio Management Division, SDG Retail Funds Distribution, and Private Banking Unit. He was assigned to BPI International Finance Ltd. (HK) as Head of Investment Management Division and to BPI Capital Corporation – Corporate Finance Group as Vice President and Head of Syndications and Underwriting. He completed the corporate finance module of JP Morgan in New York and underwent on-the-job training in corporate finance with JP Morgan in Hong Kong. He previously served as President of the Investment Company Association of the Philippines

(ICAP) for 3 terms up to 2006 and as Chairman of the Board of the Philippine Investment Funds Association (PIFA), formerly ICAP, for 5 terms up to 2012-2013. He currently serves as a member of the Board of Senior Advisers of PIFA. He served as Industry Governor of the Market Governance Board of the Philippine Dealing and Exchange Corp. in 2008 and 2011 and as Alternate Governor for 5 terms. He is a SEC-licensed Certified Investment Solicitor from 2001 to 2012. He is currently the Investments Administrator and the Director, University Business Affairs Office, of the Ateneo de Manila University. He is a member of the Board of Trustees and Executive Committee, and the Chairman, Investment Committee of the CEAP Retirement Fund, Inc. Mr. Sison graduated from the Ateneo de Manila University in 1974 with the degree A.B. General Studies (Honorable Mention). He obtained his M.B.A. degree in 1976 from the University of the Philippines (Diliman).

MA. FLORILIZ L. PEDERNAL

Treasurer

Ms. Pedernal is the Operations Accounting Head of BPI Wealth since April 2023 and BPI Investment Management Inc. from 2017 to March 2023. She started as an accounting staff in BPI Unibank Central Accounting Department in 1991 before joining the BPI Officership Training Program in December 2004. She assumed the position of Operations Accounting Officer of then BPI Asset Management and Trust Group from July 1, 2005 to December 2016 before joining BIMi in 2017. She completed her Accounting Degree from Miriam College Foundation Inc. in 1991 and passed the CPA Board in October in the same year.

*Appointed as Treasurer in November 2020.

MA. ADELINA S. GATDULA

Corporate Secretary

Atty. Gatdula has been a Partner in Picazo Buyco Tan Fider & Santos Law Office since July 1995. She joined the said law office in September 1989. Prior thereto, she worked as a Confidential Attorney of Justice Irene R. Cortes in the Supreme Court. Atty. Gatdula obtained her Bachelor of Laws from the University of the Philippines in 1987, and Bachelor of Arts in Economics (cum laude) also from the same university in November 1982. She represents private companies engaged in real estate development and services, outsource business processing, software development, finance, investment, insurance and insurance brokerage and consultancy, manufacturing and trading, and radio broadcasting, in a wide array of corporate and financial matters, and various condominium corporations and non-government religious and charitable organizations.

*Appointed as Corporate Secretary on October 14, 2015.

GLENN NOEL L. LLANETA

Compliance, AML and Data Protection Officer

Mr. Llaneta has a combined 19 years and running banking experience spanning stints in Accounting, Trust Services, Customer Due Diligence (CDD) specializing in Know Your Customer (KYC) and Customer Transaction Monitoring gained from Local and International banks. He joined BIMi last July 1, 2023 as a Compliance Officer, as such he would be responsible that the company has internal controls to adequately manage risk as well as ensures the entity as well as the Mutual Funds are in compliance with the regulatory requirements. He possesses International Advanced Certificate in Anti-Money Laundering accorded by International Compliance Association (ICA) and a Certified Know Your Customer Associate (CKYCA) afforded by Certified Anti-Money Laundering Specialist (CAMS). He also successfully passed AMLF/CTF Fundamentals Course administered by Anti-Money Laundering Council (AMLC).

Incorporators

The incorporators of the Fund are the following:

- 1) Mr. Jose L. Cuisia, Jr.
- 2) Ms. Karen Liza M. Roa
- 3) Mr. Reynaldo C. Centeno
- 4) Mr. Omar T. Cruz
- 5) Mr. Francisco M. Ortigas III
- 6) Mr. Victor A. Lim

Significant Employee

There is no significant employee who is expected by the Fund to make a significant contribution to the business.

Family Relationships

None of the Fund's directors and executive officers is related to each other up to the fourth civil degree either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

To the best of the Fund's knowledge, there has been no occurrence during the past five (5) years up to the date of this SEC Form 17-A of any of the following events that are material to the evaluation of the ability or integrity of any director, any nominee for election as director, executive officer or controlling person of the Fund:

1. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;
2. Any conviction by final judgment, including the nature of offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM NO.10 EXECUTIVE COMPENSATION

Executive Compensation

The aggregate compensation paid or accrued during the previous fiscal year and the preceding two fiscal years to the PABFI Board is as follows:

Year	In USD	In PHP
2023	1,829	101,250
2022	4,050	202,500
2021	3,000	150,000
2020	1,888	90,664
2019	1,802	91,545
2018	1,740	91,460

Estimated per diem of PABFI directors, excluding bonus, for year 2024 is Php 121,236.

Compensation of Directors

The Fund does not employ any executive and therefore does not pay any executive compensation. For every board meeting attended by each director, he or she will receive a per diem of Php7,500.

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

None of the executive officers have employment contracts, compensatory plans or similar arrangements with the Fund.

There are no arrangements that exist which could result in a change in control of the Fund.

ITEM NO.11 SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AS OF DECEMBER 31, 2023

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Building, Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City, (Chairman)	49,564 (record)	Filipino	0.8118%
Common	Reynaldo G. Geronimo No. 5 Zinia Street, Valle Verde 2, Pasig City (President/Director)	1 (record)	Filipino	0.0000%
Common	Ramon Paulo L. Tayag Blk 6 Lot 16 Salvador Place Brazilia Heights Susana Heights Muntinlupa (Director)	1 (record)	Filipino	0.0000%
Common	Tomas S. Chuidian 39 Tamarind Rd Forbes Park Makati City (Director)	1 (record)	Filipino	0.0000%
Common	Simon R. Paterno 58 McKinley Road, Forbes Park, Makati City, (Director)	1 (record)	Filipino	0.0000%
Common	Fernando J. Sison III 3 Jocson St., Xavierville 1, Loyola Heights, Quezon City, (Director)	1 (record)	Filipino	0.0000%
Common	Ma. Floriliz L. Pedernal 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City (Treasurer)	0	Filipino	0.0000%
Common	Ma. Adelina S. Gatdula Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City (Corporate Secretary)	0	Filipino	0.0000%
Common	Glenn Noel L. Llaneta 7F, BPI Buendia Center, Sen. Gil Puyat Avenue, Makati City 1209 (Compliance and Risk Officer)	0	Filipino	0.0000%

**SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AS OF
DECEMBER 31, 2022**

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Building, Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City (Chairman)	49,564 (record)	Filipino	0.7569%
Common	Reynaldo G. Geronimo No. 5 Zinia Street, Valle Verde 2, Pasig City, (President/Director)	1 (record)	Filipino	0.0000%
Common	Angel Marie Pacis 101 Cordova Las Villas de Valle Verde, Kaimito St. Valle Verde2, Ugong Psig City, (Director)	1 (record)	Filipino	0.0000%
Common	Lee Longa 3 Carbine Loop Alabang 400 Village Muntinlupa City, (Director)	1 (record)	Filipino	0.0000%
Common	Elenita D.G. Villamar 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City, (Director)	1 (record)	Filipino	0.0000%
Common	Simon R. Paterno 58 McKinley Road, Forbes Park, Makati City, (Independent Director)	1 (record)	Filipino	0.0000%
Common	Fernando J. Sison III 3 Jocson St., Xavierville 1, Loyola Heights, Quezon City, (Independent Director)	0	Filipino	0.0000%
Common	Ma. Floriliz L. Pedernal 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City, (Treasurer)	0	Filipino	0.0000%
Common	Ma. Adelina S. Gatdula Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, (Corporate Secretary)	0	Filipino	0.0000%
Common	Meriza R. De Guzman, 22 F. BPI Buendia Center Building Sen. Gil Puyat Avenue, Makati City 2100, (Compliance and Risk Officer)	0	Filipino	0.0000%

**SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AS OF
DECEMBER 31, 2021**

(1) Title of Class	(2) Name and Address of Record Owner and Relationship with the issuer	(3) Name of Beneficial Owner and relationship with Record Owner	(4) Citizenship	(5) No. of Shares	(6) Percentage of Class Held
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Common	BPI-PHILAMLIFE ASSURANCE CORPORATION 15/F, 6811 Ayala Avenue, Ayala Life-FGU Center, Makati City, (Stockholder)	BPI-PHILAMLIFE ASSURANCE CORPORATION ¹	Filipino	1,669,409	21.93%
Common	CITICORP FINANCIAL SERVICES & INSURANCE BROKERAGE PHILS INC. 11/F Citibank Square, 1 Eastwood Avenue, Eastwood City, Bagumbayan, Libis, Quezon City, (Distributor)	CITICORP FINANCIAL SERVICES & INSURANCE BROKERAGE PHILS INC ²	Filipino	1,230,487	16.16%
Common	RESINS, INC. E. Rodriguez Jr. Ave., Bagong Ilog, Pasig, Metro Manila, (Stockholder)	RESINS, INC. ³	Filipino	1,185,417	15.57%

SECURITY OWNERSHIP OF MANAGEMENT AS OF DECEMBER 31, 2021

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Building, Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City (Chairman)	49,564 (R)	Filipino	0.6510%
Common	Elenita G. Villamar 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City, (Director & Treasurer)	1 (R)	Filipino	0.0000%
Common	Angel Marie Pacis 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City, (Director)	1 (R)	Filipino	0.0000%
Common	Reynaldo G. Geronimo No. 5 Zinia Street, Valle Verde 2, Pasig City, (President & Director)	1 (R)	Filipino	0.0000%
Common	Fernando J. Sison III 3 Jocson St., Xavierville 1, Loyola Heights, Quezon City (Independent Director)	1 (R)	Filipino	0.0000%
Common	Meliton B. Salazar, Jr. No. 28 Hunt Street, Filinvest East, Quezon City, (Independent Director)	1 (R)	Filipino	0.0000%
Common	Ma. Floriliz L. Pedernal 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City, (Treasurer)	0	Filipino	0.0000%
Common	Ma. Adelina S. Gatdula	0	Filipino	0.0000%

	Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, (Corporate Secretary)			
Common	Rose Ann V. Gonzales Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City (Assistant Corporate Secretary)	0	Filipino	0.0000%
Common	Karl Kelvin D. Arcilla 19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City (Compliance Officer and Data Protection Officer)	0	Filipino	0.0000%
TOTAL		52,299 (R)	Filipino	0.6143%

Voting Trust

The Fund knows of no persons holding more than 5.0% of its shares under a voting trust or similar agreement which may result in a change in control of the Fund.

EXTERNAL AUDIT FEES

The external auditor's fee is included as part of "Professional fees" in the Statements of Comprehensive Income in the attached audited financial statements. Except for the year-end audit, there were no other services performed by or availed from the external auditors for the year ended December 31, 2023 and 2022.

Below is the summary of the audit fees accrued/paid for the years ended December 31, 2020 to 2023:

Year	Total
2023	Php221,207.71
2022	Php103,782.56
2021	Php86,485.00
2020	Php188,738.00

Audit Committee's approval policies & procedures for the External Auditor:

1. Recommend to the Board of Directors the selection of the external auditor, who is accountable to the Board and to the Audit Committee as representatives of the shareholders, considering independence effectiveness, approval of fees and other compensation to be paid to the external auditor. On an annual basis, the Committee should review and discuss with the auditor all significant relationships the auditor have with PABFI to determine the auditor's independence.
2. Review the performance of the external auditor and approve any proposed discharge of the external auditor when circumstances warrant.
3. Periodically consult with the external auditor of PABFI about internal controls, the fullness and accuracy of the organization's financial statements.
4. The Committee will actively engage the external auditor in a dialogue regarding independence.
5. Adhere to the following procedures for the approval of services by the external auditor:
 - a. The Audit Committee will annually approve the scope of, and fees payable for, the year-end audit to be performed by PABFI's external auditor for the next calendar year.
 - b. PABFI may not engage the external auditor for any services unless they are approved by the Audit Committee in advance of the engagement.
 - c. If PABFI wishes to engage the external auditor for any services, PABFI will define and present to the Audit Committee specific projects and categories of service and fee estimates, for which the advance approval of the Audit Committee is required. The Audit Committee

will review these requests and determine whether to pre-approve the engagement of the external auditor for the specific projects and categories of service.

- d. PABFI will report to the Audit Committee regarding the actual spending for these projects and services, compared to the approved amounts on a quarterly basis. The Audit Committee chairperson will report to the Committee at each regularly scheduled meeting the nature and amount of any non-audit services that he has approved.

ITEM NO. 12 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the last two (2) years, there were no transactions with, either proposed or as a series of similar transactions, that involved the Fund in which a director, executive officer or stockholder who owned ten percent (10%) or more of the total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

PART IV - CORPORATE GOVERNANCE

ITEM NO.13 CORPORATE GOVERNANCE

The evaluation system adopted by PABFI to determine the level of compliance of the Board and of top-level management with its Manual of Corporate Governance is based primarily on the SEC Corporate Governance Self-Rating Form (CG-SRF).

PABFI has undertaken the following measures to fully comply with the adopted leading practices on good corporate governance:

- Consider changes, improvements or additions to current corporate disclosure procedures
- Implement processes for identifying items where timely corporate disclosure is necessary

PABFI had no material deviations from its Manual of Corporate Governance since it filed its last CG-SRF with the SEC.

Apart from the foregoing changes or improvements being considered for corporate disclosures, there are no plans to improve the current corporate governance of PABFI.

PART V - EXHIBITS AND SCHEDULES

ITEM NO.14 EXHIBITS AND REPORTS ON SEC FORM 17-C

The following items were reported on SEC Form 17-C for 2023:

Items Reported	Date Filed
Item taken up and approved during the Special Board of Directors Meeting held on February 07, 2023	February 10, 2023
Item taken up and approved during the Special Board of Directors Meeting held on August 04, 2023	August 09, 2023
Item taken up and approved during the Special Meeting of the Board of Directors Meeting held on August 14, 2023	August 16, 2023
Item taken up and approved during the Annual Stockholders Meeting held on October 12, 2023	October 16, 2023

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of QUEZON CITY 15 APR 2024 2024.

PAMI ASIA BALANCED FUND INC.
Issuer

For: **PABFI (Issuer)**


ROBERTO F. DE OCAMPO
Chairman of the Board


REYNALDO G. GERONIMO
Director and President


MA. FLORILIZ L. PEDERNAL
Treasurer


MA. ADELINA S. GATDULA
Corporate Secretary

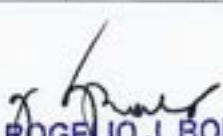

CHRISTMAS G. SEVILLA
For BPI Wealth – A Trust Corporation
as Fund Manager

15 APR 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20__ affiant(s) exhibiting to me their respective competent evidence of identification, as follows:

NAMES	TAX IDENTIFICATION NO.
ROBERTO F. DE OCAMPO	120-115-828
REYNALDO G. GERONIMO	123-102-933
MA. FLORILIZ L. PEDERNAL	149-792-248
MA. ADELINA S. GATDULA	107-043-114
CHRISTMAS G. SEVILLA	111-622-818

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Book No. X
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ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 D 01/03/2024 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PAMI Asia Balanced Fund, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended 31 December 2022 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statement including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statement of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholder, has expressed its opinion on the fairness of presentation upon completion of such audit.



Roberto F. De Ocampo
Chairman of the Board



Reynaldo G. Geronimo
President



Ma. Floriliz L. Federnal
Treasurer

15 APR 2024

Sign this ____ day of ____ 20 ____

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES

QUEZON CITY SOUTHERN LUZON MANILA

BEFORE ME, a Notary Public for and in the above jurisdiction, personally appeared:

Name

Roberto F. De Ocampo
Reynaldo G. Geronimo
Ma. Floriliz L. Pederal

Tax Identification No.

120-115-828
123-102-933
149-792-248

Known to me the same persons who executed the foregoing CERTIFICATE, consisting of 2 pages including this page wherefore this Acknowledgement is written and they acknowledge to me that the same is their voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and place first above written.

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Book No. X
Series of 20 24


ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY

Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 D 01/03/2024 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.


REPUBLIC OF THE PHILIPPINES)
QUEZON CITY)S.S.

TREASURER'S CERTIFICATION

I, Ma. Floriliz L. Pedernal of legal age, Filipino and with office address at 7F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City, after being sworn in accordance with law, hereby certify under oath that:


1. I am the Treasurer of PAMI Asia Balanced Fund, Inc. (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines under SEC Certificate of Registration No. CS2009-01828 with principal office address at 17/F, Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig 1634.
2. The accounts and figures provided in the electronic copy of the Special Form for Financial Statements are based on the contents of the Audited Annual Financial Statements of the Corporation submitted to SEC.
3. I am executing this certification to attest to the truth of the foregoing and in compliance with the reportorial requirements of the SEC.

WITNESS MY HAND on this 11 APR 2024 day of 20 in Makati City.


MA. FLORILIZ L. PEDERNAL
Treasurer

SUBSCRIBE AND SWORN to before me on this 11 APR 2024 day of 20 at QUEZON CITY. Affiant exhibited to me his Tax Identification No.149-792-248.

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Page No. 99.
Book No. IX.
Series of 20 24.


ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 D 01/03/2024 / Roll No. 33832 / TIN # 129-871-309-000
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY)S.S.


TREASURER'S CERTIFICATION

I, Ma. Floriliz L. Pedernal of legal age, Filipino and with office address at 7F BPI Buendia Center Sen. Gil j. Puyat Ave., Makati City, after being sworn in accordance with law, hereby certify that:

1. I am Treasurer of PAMI Asia Balanced Fund, Inc. (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines under SEC Certificate of Registration No. CS2009-01828 with principal office address 17/F, Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig 1634.
2. The Financial Statement ("F/S") CD submitted contains the exact data stated in the hard copies of the F/S of the Corporation.
3. I am executing this certification to attest to the truth of the foregoing and in compliance with the reportorial requirements of the SEC.

11 APR 2024


WITNESS MY HAND on this ____ day of _____ 20__ in Makati City.


MA. FLORILIZ L. PEDERNAL
Treasurer

11 APR 2024

SUBSCRIBE AND SWORN to before me on this ____ day of _____
at QUEZON CITY. Affiant exhibited to me his Tax Identification No. 149-792-248.

Doc. No. 14:
Page No. 64:
Book No. X:
Series of 20 24


ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 D 0103/2024 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 783 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

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eafs@bir.gov.ph <eafs@bir.gov.ph>

Mon 4/15/2024 10:04 PM

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Cc:AMTC-PAMI ASIA BALANCED FUND INC 01 <amtcm-pamiasiabanced01@bpi.com.ph>

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Transaction Code: **AFS-0-PNS3MY320M13V11YPZXM3Z3Z04YMMZQ43**

Submission Date/Time: **Apr 15, 2024 10:03 PM**

Company TIN: **007-242-413**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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COVER SHEET
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AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

P	A	M	I		A	S	I	A		B	A	L	A	N	C	E	D		F	U	N	D	,		I	N	C	.	

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

1	7	F		P	H	I	L	A	M		L	I	F	E		H	E	A	D		O	F	F	I	C	E			
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C	I	T	Y	,		T	A	G	U	I	G		1	6	3	4													

Form Type

A	F	S	
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Department requiring the report

	N	A	
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Secondary License Type, if Applicable

	N	A	
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COMPANY INFORMATION

Company's Email Address

BPI_Wealth_Operation@bpi.com.ph

Company's Telephone Number/s

8580-0900

Mobile Number

N/A

No. of Stockholders

241

Annual Meeting (Month/Day)

9/13

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Andrae V. Manalo

Email Address

avmanalo@bpi.com.ph

Telephone Number/s

8580-0900

Mobile Number

N/A

CONTACT PERSON's ADDRESS

7/F BPI Buendia Center, Sen. Gil J. Puyat Avenue, Makati City 1209

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Independent Auditor's Report

To the Board of Directors and Shareholders of
PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)
17F Philam Life Head Office, Net Lima Building
5th Avenue corner 26th St. Bonifacio Global City
Taguig 1634, Philippines

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PAMI Asia Balanced Fund, Inc. (the "Fund") as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Fund comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of total comprehensive income for each of the three years in the period ended December 31, 2023;
- the statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
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Independent Auditor's Report
To the Board of Directors and Shareholders of
PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)
Page 2

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditor's Report
To the Board of Directors and Shareholders of
PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)
Page 3

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.




Independent Auditor's Report
To the Board of Directors and Shareholders of
PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)
Page 4

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 16 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.


Dexter DJ M. Toledaña
Partner

CPA Cert. No. 121827

P.T.R. No. 0032961; issued on January 12, 2024 at Makati City

T.I.N. 255-979-765

BIR A.N. 08-000745-241-2023, issued on January 30, 2023; effective until January 29, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 8, 2024



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)
17F Philam Life Head Office, Net Lima Building
5th Avenue corner 26th St., Bonifacio Global City
Taguig 1634, Philippines

We have audited the financial statements of PAMI Asia Balanced Fund, Inc. (the "Fund") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 8, 2024. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration, as additional component required by Part I, Section 5 of Rule 68 of the SRC, and Schedules A, B, C, D, E, F and G, as required by Part II, Section 7 of Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

A handwritten signature in black ink, reading "Dexter DJ V. Toledaña".

Dexter DJ V. Toledaña
Partner

CPA Cert. No. 121827

P.T.R. No. 0032961; issued on January 12, 2024 at Makati City

T.I.N. 255-979-765

BIR A.N. 08-000745-241-2023, issued on January 30, 2023; effective until January 29, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 8, 2024

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Statements of Financial Position
December 31, 2023 and 2022

		2023		2022	
	Notes	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Assets					
Assets					
Cash in banks	2	117,106	6,484,159	374,138	20,860,064
Financial assets at fair value through profit or loss	3	5,865,416	324,768,084	5,912,077	329,627,853
Other financial assets at amortized cost	4	49,532	2,742,587	13,233	737,806
Total assets		6,032,054	333,994,830	6,299,448	351,225,723
Liabilities and equity					
Liabilities					
Accounts payable and accrued expenses	5	577,242	31,961,890	556,619	31,034,292
Due to fund manager	10	42,636	2,360,755	11,918	664,488
Deferred tax liabilities, net	9	62,057	3,436,096	209,547	11,683,293
Total liabilities		681,935	37,758,741	778,084	43,382,073
Equity	6				
Share capital		61,051	2,052,530	65,482	2,298,924
Share premium		7,017,594	373,294,983	7,413,923	395,333,650
Deficit		(1,728,526)	(84,233,594)	(1,958,041)	(96,996,235)
Translation adjustment		-	5,122,170	-	7,207,311
Total equity		5,350,119	296,236,089	5,521,364	307,843,650
Total liabilities and equity		6,032,054	333,994,830	6,299,448	351,225,723

(The notes on pages 1 to 30 are integral part of these financial statements)

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2023

		2023		2022		2021	
	Notes	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Income							
Income (losses) from financial assets at fair value through profit or loss, net	3	167,014	9,287,147	(1,076,581)	(60,089,369)	(415,079)	(20,856,807)
Dividend	3	102,479	5,698,550	114,876	6,411,804	112,413	5,648,505
Interest from cash in banks	7	8	445	19	1,060	44	2,211
Others		-	-	149	8,316	39	1,961
		269,501	14,986,142	(961,537)	(53,668,189)	(302,583)	(15,204,130)
Expenses							
Management fees	10	114,180	6,349,207	129,074	7,204,265	190,065	9,550,348
Fees and other charges	8	40,065	2,227,894	37,780	2,108,691	64,117	3,221,738
Taxes and licenses		1,179	65,561	-	-	17,191	863,810
Others		13,331	741,297	2,928	163,425	20,182	1,014,101
		168,755	9,383,959	169,782	9,476,381	291,555	14,649,997
Income (loss) before income tax		100,746	5,602,183	(1,131,319)	(63,144,570)	(594,138)	(29,854,127)
Income tax benefit (expense)	9	128,769	7,160,458	(14,120)	(788,108)	(77,119)	(3,875,060)
Net income (loss) for the year		229,515	12,762,641	(1,145,439)	(63,932,678)	(671,257)	(33,729,187)
Other comprehensive (loss) income							
Item that will be subsequently reclassified to profit or loss							
Translation adjustment		-	(2,085,141)	-	34,985,061	-	24,031,322
Total comprehensive income (loss) for the year		229,515	10,677,500	(1,145,439)	(28,947,617)	(671,257)	(9,697,865)

(The notes on pages 1 to 30 are integral part of these financial statements)

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2023

	Note	Share capital		Share premium		Retained earnings		Translation adjustment	Total	
		In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In Philippine Peso	In US Dollar	In Philippine Peso
Balance at January 1, 2021		80,874	3,091,542	9,204,084	487,155,627	(141,345)	665,630	(51,809,072)	9,143,613	439,103,727
Comprehensive loss										
Net loss for the year		-	-	-	-	(671,257)	(33,729,187)	-	(671,257)	(33,729,187)
Other comprehensive income		-	-	-	-	-	-	24,031,322	-	24,031,322
Total comprehensive loss for the year		-	-	-	-	(671,257)	(33,729,187)	24,031,322	(671,257)	(9,697,865)
Transactions with shareholders										
Issuance of shares	6	12,079	606,943	1,175,085	59,045,436	-	-	-	1,187,164	59,652,379
Redemption of shares	6	(23,984)	(1,205,143)	(2,625,632)	(131,932,232)	-	-	-	(2,649,616)	(133,137,375)
Total transactions with shareholders		(11,905)	(598,200)	(1,450,547)	(72,886,796)	-	-	-	(1,462,452)	(73,484,996)
Balance at December 31, 2021		68,969	2,493,342	7,753,537	414,268,831	(812,602)	(33,063,557)	(27,777,750)	7,009,904	355,920,866
Comprehensive loss										
Net loss for the year		-	-	-	-	(1,145,439)	(63,932,678)	-	(1,145,439)	(63,932,678)
Other comprehensive income		-	-	-	-	-	-	34,985,061	-	34,985,061
Total comprehensive loss for the year		-	-	-	-	(1,145,439)	(63,932,678)	34,985,061	(1,145,439)	(28,947,617)
Transactions with shareholders										
Issuance of shares	6	112	6,258	11,563	644,679	-	-	-	11,675	650,937
Redemption of shares	6	(3,599)	(200,676)	(351,177)	(19,579,860)	-	-	-	(354,776)	(19,780,536)
Total transactions with shareholders		(3,487)	(194,418)	(339,614)	(18,935,181)	-	-	-	(343,101)	(19,129,599)
Balance at December 31, 2022		65,482	2,298,924	7,413,923	395,333,650	(1,958,041)	(96,996,235)	7,207,311	5,521,364	307,843,650

Forward

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2023

	Note	Share capital		Share premium		Deficit		Translation adjustment	Total	
		In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In Philippine Peso	In US Dollar	In Philippine Peso
Balance at January 1, 2023		65,482	2,298,924	7,413,923	395,333,650	(1,958,041)	(96,996,235)	7,207,311	5,521,364	307,843,650
Comprehensive income										
Net income for the year		-	-	-	-	229,515	12,762,641	-	229,515	12,762,641
Other comprehensive loss		-	-	-	-	-	-	(2,085,141)	-	(2,085,141)
Total comprehensive income for the year		-	-	-	-	229,515	12,762,641	(2,085,141)	229,515	10,677,500
Transactions with shareholders										
Issuance of shares	6	6	334	592	32,919	-	-	-	598	33,253
Redemption of shares	6	(4,437)	(246,728)	(396,921)	(22,071,586)	-	-	-	(401,358)	(22,318,314)
Total transactions with shareholders		(4,431)	(246,394)	(396,329)	(22,038,667)	-	-	-	(400,760)	(22,285,061)
Balance at December 31, 2023		61,051	2,052,530	7,017,594	373,294,983	(1,728,526)	(84,233,594)	5,122,170	5,350,119	296,236,089

(The notes on pages 1 to 30 are integral part of these financial statements)

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Statements of Cash Flows
For each of the three years in the period ended December 31, 2023

		2023		2022		2021	
	Notes	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Cash flows from operating activities							
Net cash from operating activities	12	15,751	875,867	415,442	23,187,897	1,132,060	56,883,549
Income taxes paid		127,977	7,143,036	(5,092)	(284,233)	-	-
Net cash from operating activities		143,728	8,018,903	410,350	22,903,664	1,132,060	56,883,549
Cash flows from financing activities							
Proceeds from issuance of shares	6	598	33,253	11,675	650,937	1,187,164	59,652,379
Payments for shares redeemed	6	(401,358)	(22,318,314)	(354,776)	(19,780,536)	(2,649,616)	(133,137,375)
Net cash used in financing activities		(400,760)	(22,285,061)	(343,101)	(19,129,599)	(1,462,452)	(73,484,996)
Net (decrease) increase in cash in banks		(257,032)	(14,266,158)	67,249	3,774,065	(330,392)	(16,601,447)
Cash in banks							
January 1		374,138	20,860,064	306,889	15,581,982	637,281	30,604,146
Effect of exchange rate changes on cash in banks		-	(109,747)	-	1,504,017	-	1,579,283
December 31	2	117,106	6,484,159	374,138	20,860,064	306,889	15,581,982

(The notes on pages 1 to 30 are integral part of these financial statements)

PAMI Asia Balanced Fund, Inc.

(An Open-End Mutual Fund Company)

Notes to the Financial Statements

As at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023

1 General information

PAMI Asia Balanced Fund, Inc. (the “Fund”) is an open-end mutual fund company engaged in the sale of its shares of stock, the proceeds of which are invested in equity and fixed income securities denominated in United States Dollar (USD), Hong Kong Dollar (HKD), Singapore Dollar (SGD), Philippine Peso (PHP), Thailand Baht (THB), South Korea Won (KRW), Australia Dollar (AUD), Taiwan Dollar (TWD), Malaysia Ringgit (MYR), Indonesia Rupiah (IDR) and Chinese Yuan (CNY). The Fund was registered with the Securities and Exchange Commission (SEC) on February 10, 2009, in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68), and the Foreign Investments Act of 1991 (Republic Act No. 7042, as amended). The Fund is regulated by the Investment Company Act of 1960 (Republic Act No. 2629) and the Revised Securities Act or Batas Pambansa Blg. 178.

The Fund aims to achieve capital growth and generate steady income by tapping into the growth potential of Asian financial markets. As an open-end dollar mutual fund company, its outstanding shares of stock are redeemable anytime based on the net asset value (NAV) per share at the time of redemption.

The Fund is registered as an issuer of securities with the SEC under Section 12 of the Securities Regulation Code (SRC). The Fund’s track record of securities registration is shown in Note 6. In compliance with the SRC, the Fund is required to file registration statements for each instance of increase in authorized shares. The last registration statement filed by the Fund for an increase in authorized were approved by the SEC (Note 6).

The Fund’s registered office address, which is also its principal place of business, is located at the 17F Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th St., Bonifacio Global City, Taguig 1634, Philippines.

Fund management

The Fund has no employees. The principal management and administration functions of the Fund are outsourced from BPI Wealth, A Trust Corporation (BPI Wealth) (the “Fund Manager”) (Note 10).

Effective January 29, 2020, Philam Asset Management, Inc. (PAMI), a wholly-owned subsidiary of AIA Philippines Life and General Insurance Company Inc. (formerly “The Philippine American Life and General Insurance (Philam Life) Company”) assigned all its rights, interests, and obligations as fund manager, advisor, distributor, and transfer agent of the Fund to BPI Investment Management, Inc. (BIMI), a wholly-owned subsidiary of Bank of the Philippine Islands (BPI). Henceforth, the management, distribution and transfer agency functions are performed by BIMI over the Fund. Services, contracts and agreements are in force with BIMI at effective date.

Effective April 1, 2023, BIMI transferred all its rights, interest and obligations as fund manager and fund advisor to BPI Wealth, A Trust Corporation (BPI Wealth) (the “Fund Manager”) (Note 10). On effective date, the management function over the Fund is performed by BPI Wealth. Meanwhile, the distribution and transfer agency functions of the Fund were retained by BIMI.

Approval and authorization for issuance of the financial statements

The accompanying financial statements have been approved and authorized for issue on April 8, 2024 by the Board of Directors (BOD).

2 Cash in banks

The account at December 31 consists of:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Cash in banks	117,106	6,484,159	374,138	20,860,064

Cash in banks earn interest at prevailing bank deposit rates.

Interest earned from cash in banks is disclosed in Note 7.

Cash in banks as at December 31, 2023 and 2022 are readily available for fund operations and classified as current.

3 Financial assets at fair value through profit or loss

The account at December 31 consists of:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Non-derivative instruments				
Listed equity securities	3,038,821	168,259,519	3,157,120	176,025,282
Government securities	2,785,823	154,251,020	2,716,060	151,433,925
Corporate debt securities	39,254	2,173,494	38,897	2,168,646
Total non-derivative instruments	5,863,898	324,684,033	5,912,077	329,627,853
Derivatives	1,518	84,051	-	-
	5,865,416	324,768,084	5,912,077	329,627,853

Financial assets at FVTPL are considered held for trading and classified as current assets.

Movements in financial assets at fair value through profit or loss (FVTPL) are summarized as follows:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
At January 1	5,912,077	329,627,853	7,514,395	381,535,892
Additions	988,081	54,944,220	1,413,695	78,820,565
Disposals	(1,096,727)	(60,985,698)	(1,877,150)	(104,660,498)
Fair value gains (losses), net	61,921	3,443,241	(1,180,338)	(65,880,566)
Translation adjustment	-	(2,265,091)	-	37,493,796
Other movements	64	3,559	41,475	2,318,664
	5,865,416	324,768,084	5,912,077	329,627,853

Proceeds from disposals of financial assets at FVTPL made for the year ended December 31, 2023 amount to US\$909,338 (P50,565,548) [2022 - US\$ P1,790,479 (P99,822,956)] Realized loss on sale of financial assets at FVTPL in 2023 amounts to US\$187,389 (P10,420,140) [2022 - US\$86,671 (P4,837,542)] and is presented in the statement of total comprehensive income.

Other movements pertain to matured corporate and government securities and collection of accrued interest income.

The composition of income (loss) from financial assets at FVTPL, net for the year ended December 31 are as follows:

	2023		2022		2021	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Interest income on financial assets at FVTPL	106,175	5,904,072	106,022	5,917,618	132,752	6,670,496
Other changes on financial assets at FVTPL						
Net realized fair value losses	(187,389)	(10,420,140)	(86,671)	(4,837,542)	525,395	26,399,943
Net unrealized fair value gains (losses)	249,311	13,863,437	(1,093,667)	(61,043,024)	(1,065,577)	(53,542,901)
Net foreign exchange losses	(1,083)	(60,222)	(2,265)	(126,421)	(7,649)	(384,345)
	167,014	9,287,147	(1,076,581)	(60,089,369)	(415,079)	(20,856,807)

3.1 Breakdown of Financial assets at fair value through profit or loss

Details of listed equities held at FVTPL at December 31 are as follows:

2023	Number of shares held	Cost	Fair value	
		In US Dollar	In US Dollar	In Philippine Peso
Taiwan Semiconductor Manufac	14,000	136,365	270,504	14,977,806
Samsung Electronics Co Ltd	3,377	118,855	205,835	11,397,084
Tencent Holdings Ltd	3,600	106,807	135,360	7,494,883
BHP Group Ltd	2,870	72,668	98,720	5,466,126
Sk Hynix Inc	675	51,710	74,162	4,106,350
National Australia Bank Ltd	3,248	57,276	68,040	3,767,375
Aia Group Ltd Usd1.00	7,600	75,310	66,233	3,667,321
Mediatek Inc	2,000	42,052	66,143	3,662,338
Csl Ltd	317	38,479	62,004	3,433,161
DBS Group Holdings Ltd	2,300	30,903	58,254	3,225,524
PDD Holdings Inc	394	40,660	57,646	3,191,859
Alibaba Group Holding Ltd	5,600	91,864	54,218	3,002,051
Bluescope Steel Ltd	3,356	48,928	53,585	2,967,001
Macquarie Group Limited	365	29,941	45,734	2,532,292
Kia Corp	569	22,743	44,181	2,446,302
Woolworths Group Ltd	1,571	35,047	39,877	2,207,989
Hyundai Motor Co	232	28,479	36,658	2,029,753
Ctbc Financial Holding Co Lt	39,000	29,067	36,025	1,994,704
Naver Corp	199	33,408	34,611	1,916,411
Wesfarmers Limited	888	21,379	34,562	1,913,698
China Construction Bank-H	58,000	46,525	34,539	1,912,424
Westpac Banking Corporation	2,171	41,752	33,924	1,878,372
Hyundai Mobis	182	32,238	33,492	1,854,452
Woodside Energy Group Ltd	1,541	32,471	32,660	1,808,384
Bank Rakyat Indonesia Perser	87,600	22,189	32,573	1,803,567
Commonwealth Bank Of Austral	391	21,115	29,828	1,651,576
Baidu Inc-Class A	2,000	37,005	29,737	1,646,538
Meituan-Class B	2,640	43,429	27,690	1,533,195
Singapore Airlines Ltd	5,400	22,255	26,855	1,486,961
Aristocrat Leisure Ltd	901	16,842	25,096	1,389,566
Goodman Group Npv	1,448	11,322	24,997	1,384,084
Clp Holdings Ltd	3,000	23,667	24,761	1,371,017
E Sun Financial Holdings Co	29,297	15,117	24,628	1,363,652
China Mengniu Dairy Co	9,000	39,426	24,204	1,340,175
Techtronic Industries Co	2,000	29,686	23,833	1,319,633
Jd.Com Inc - Cl A	1,611	39,261	23,210	1,285,138
Rio Tinto Ltd Npv	248	20,714	22,957	1,271,129
Bank Mandiri Tbk Pt	58,100	13,757	22,830	1,264,097
China Oilfield Services-H	22,000	18,626	22,483	1,244,884
Suncorp Group Ltd	2,319	21,228	21,916	1,213,489
China Resources Land Ltd	6,000	25,078	21,515	1,191,286
Sino Biopharmaceutical	48,000	23,167	21,331	1,181,097
CSPC Pharmaceutical Group Ltd	22,720	29,915	21,124	1,169,636
forward				

continuation

	Number of shares held	Cost	Fair value	
		In US Dollar	In US Dollar	In Philippine Peso
2023				
Origin Energy Ltd	3,435	24,020	19,853	1,099,261
Postal Savings Bank Of Chi-H	41,000	32,645	19,585	1,084,421
China Southern Airlines Co-H	46,000	30,091	19,499	1,079,660
Xiaomi Corp-Class B	9,400	19,761	18,779	1,039,793
Uol Group Limited	3,900	19,294	18,567	1,028,055
Bank Of China Ltd-H	48,000	17,345	18,318	1,014,268
Shinhan Financial Group Ltd	587	19,768	18,300	1,013,271
Netease Inc	1,000	20,561	18,006	996,992
Cathay Financial Holding Co	12,000	20,187	17,888	990,459
Cp All Pcl-Foreign	10,900	20,434	17,883	990,237
Fortescue Ltd	902	11,598	17,861	988,964
Hong Kong Exchanges & Clear	500	14,632	17,161	950,205
Uni-President Enterprises Co	7,000	16,179	16,992	940,847
Li Auto Inc-Class A	900	17,595	16,955	938,798
Anz Group Holdings Ltd	953	17,859	16,855	933,261
Crrc Corp Ltd - H	36,000	32,953	15,860	878,168
Petrochina Co Ltd-H	24,000	12,780	15,860	878,168
Ping An Insurance Group Co-H	3,500	41,319	15,845	877,338
China Merchants Bank - H	4,500	17,387	15,675	867,925
Transurban Group	1,652	15,303	15,454	855,688
Kasikornbank Pcl (Alien Mkt)	3,900	15,946	15,425	854,082
Nongfu Spring Co Ltd-H	2,600	14,961	15,034	832,433
Ind & Comm Bk Of China-H	30,000	19,822	14,676	812,610
Malayan Banking Berhad	7,500	14,551	14,510	803,419
Kunlun Energy Company Ltd	16,000	14,147	14,425	798,712
Samsung Electronics-Pfd Nv	296	9,770	14,319	792,843
Picc Property & Casualty -H	12,000	13,891	14,261	789,632
New Oriental Education & Tec	2,000	15,092	14,151	783,541
Byd Co Ltd-H	500	15,422	13,729	760,175
Inari Amertron Bhd Myr0.1	20,000	12,751	13,101	725,402
Celltrion Inc Krw500	76	18,721	11,891	658,405
Malaysia Airports Hldgs Bhd	7,400	11,581	11,853	656,301
Galaxy Entertainment Group L	2,000	14,317	11,206	620,476
Lenovo Group Ltd	8,000	9,780	11,188	619,480
Airports Of Thailand Pcl-For	6,200	9,645	10,853	600,931
Sun Hung Kai Properties	1,000	14,808	10,815	598,827
Kb Financial Group Inc	254	10,849	10,670	590,798
Trip.Com Group Ltd	300	10,661	10,665	590,521
Cochlear Limited	52	9,595	10,597	586,756
Gamuda Bhd	10,400	6,847	10,389	575,239
Delta Electronics Inc	1,000	5,955	10,215	565,605
Citic Securities	5,000	11,300	10,207	565,162
Zhuzhou Crc Times Electric	3,400	17,972	9,710	537,643
Anta Sports Products Ltd	1,000	7,529	9,701	537,144
China National Building Ma-H	22,000	30,016	9,410	521,032
Yum China Holdings Inc	220	13,320	9,335	516,879
China Steel Corp	10,000	8,178	8,797	487,090
China Resources Beer (Holdings) Co Ltd	2,000	13,318	8,760	485,041
Vicinity Centers Vcx	5,853	11,312	8,147	451,099
Ptt Pcl/Foreign	7,700	9,728	8,065	446,559
Ptt Global Chemical Pcl-For Thb10(Alien	7,100	11,726	8,009	443,458
China Overseas Land & Invest	4,500	14,155	7,930	439,084
Angang Steel Co Ltd-H	40,000	20,916	7,889	436,814
Formosa Plastics Corp	3,000	11,598	7,742	428,675
Evergreen Marine	1,600	19,422	7,481	414,223
Henderson Land Development	2,400	13,185	7,392	409,295
Yadea Group Holdings Ltd	4,000	7,341	7,028	389,140
Sands China Ltd	2,400	8,743	7,023	388,864
Boc Hong Kong Holdings Ltd	2,500	11,336	6,787	375,796
Wharf Real Estate Investment 1997	2,000	11,076	6,762	374,412
Sime Darby Berhad	12,900	5,674	6,597	365,276
Great Wall Motor Company-H	5,000	9,653	6,493	359,517
Endeavour Group Ltd/Australi	1,706	6,739	6,065	335,819
Taiwan Cement	5,214	5,118	5,921	327,846
Haitong Securities	10,400	12,591	5,554	307,525
Innovent Biologics Inc	1,000	9,825	5,475	303,151
China Tower Corp Ltd-H	52,000	13,025	5,461	302,376

forward

continuation

	Number of shares held	Cost	Fair value	
		In US Dollar	In US Dollar	In Philippine Peso
2023				
Sunny Optical Tech	600	7,000	5,444	301,434
Public Bank Bhd	5,800	7,020	5,415	299,829
China Longyuan Power Group-H	7,000	15,311	5,307	293,849
Tal Education Group- Adr	416	29,115	5,254	290,914
China Pacific Insurance Gr-H	2,600	10,372	5,248	290,582
Hong Kong & China Gas	6,618	10,205	5,068	280,615
Ck Asset Holdings Ltd	1,000	5,778	5,020	277,957
Ayala Land Inc	7,600	6,563	4,728	261,789
Enn Energy Holdings Ltd	600	7,835	4,418	244,625
Sk Square Co Ltd	106	7,087	4,329	239,697
Axiata Group Berhad	8,300	8,164	4,299	238,036
Jardine Matheson Hldgs Ord	100	6,650	4,121	228,180
Longfor Group Holdings Ltd	2,500	7,832	4,002	221,591
Wuxi Biologics Cayman Inc	1,000	4,911	3,791	209,908
Alibaba Health Information T	6,000	16,668	3,258	180,395
Budweiser Brewing Co Apac Lt	1,400	4,007	2,621	145,125
China Conch Venture Holdings	3,000	12,041	2,490	137,871
Guangdong Investment Ltd	2,000	3,577	1,455	80,563
China Conch Environment Prot	3,000	1,408	599	33,167
Lx Holdings Co Ltd	93	2,328	509	28,125
Total		2,918,217	3,038,821	168,259,519

	Number of shares held	Cost	Fair value	
		In US Dollar	In US Dollar	In Philippine Peso
2022				
Taiwan Semiconductor M Ord	12,000	89,136	175,109	9,763,188
Samsung Electronics Co Ltd	3,377	118,855	147,686	8,234,233
Tencent Holdings Ltd	3,400	100,714	145,498	8,112,219
National Australia Bank Ltd	5,348	94,308	109,020	6,078,410
Alibaba Group Holding Ltd	9,200	162,297	101,666	5,668,410
Bhp Group Ltd	2,870	72,668	88,809	4,951,559
Aia Group Ltd Usd1.00	7,600	75,310	84,521	4,712,459
Jd.Com Inc - CI A	2,461	93,649	69,432	3,871,179
Csl Ltd	317	38,479	61,861	3,449,048
Dbs Group Holdings Ltd	2,300	30,903	58,169	3,243,202
Delta Electronics Inc	6,000	35,731	55,929	3,118,343
Meituan-Class B	2,300	38,371	51,482	2,870,351
Sk Hynix Inc	852	65,269	50,534	2,817,525
Macquarie Group Limited	391	32,074	44,271	2,468,305
Netease Inc	2,900	59,628	42,544	2,372,017
China Resources Beer (Holdings) Co L	6,000	39,954	41,935	2,338,085
Bluescope Steel Ltd	3,593	52,383	41,032	2,287,752
China Mengniu Dairy Co	9,000	39,937	40,820	2,275,936
Mediatek Inc	2,000	43,038	40,670	2,267,556
Petrochina Co Ltd-H	88,000	46,861	40,251	2,244,219
Hong Kong Exchanges & Clear	900	26,338	38,883	2,167,926
Woolworths Group Ltd	1,706	38,059	38,826	2,164,764
Woodside Pete Ltd Com	1,541	32,471	37,036	2,064,933
Byd Co Ltd-H	1,500	46,266	37,015	2,063,772
China Construction Bank-H	58,000	46,525	36,339	2,026,055
Li Ning Co Ltd	4,000	27,235	34,722	1,935,903
Westpac Banking Corporation	2,171	41,752	34,377	1,916,710
Shinhan Financial Group Ltd	1,232	41,490	34,294	1,912,144
Techtronic Industries Co	3,000	44,529	33,479	1,866,610
Telekom Indonesia Persero Tbk	136,900	35,066	32,979	1,838,756
Baidu Inc - Spon Adr	285	46,753	32,598	1,817,518
Cttc Financial Holding Co Lt	39,000	29,067	28,043	1,563,525
China Merchants Bank - H	5,000	19,319	27,963	1,559,077
Bank Rakyat Indonesia Perser	87,600	22,189	27,799	1,549,959
Bank Mandiri Tbk Pt	43,600	19,110	27,799	1,549,910
Wesfarmers Limited	888	21,379	27,647	1,541,451

forward

continuation

		Cost	Fair value	
		In US Dollar	In US Dollar	In Philippine Peso
2022	Number of shares held			
China Resources Land Ltd	6,000	25,078	27,483	1,532,292
Commonwealth Bank Of Austral	391	21,115	27,205	1,516,819
China Oilfield Services-H	22,000	18,626	26,750	1,491,431
Postal Savings Bank Of Chi-H	41,000	32,645	25,476	1,420,496
Cspc Pharmaceutical Group Ltd	22,720	29,915	23,870	1,330,872
Hyundai Motor Co	194	23,322	23,167	1,291,652
Ping An Insurance Group Co-H	3,500	41,319	23,162	1,291,376
Singapore Airlines Ltd	5,400	22,255	22,265	1,241,393
E Sun Financial Holdings Co	28,228	15,117	22,088	1,231,525
Cp All Pcl-Foreign	10,900	20,434	21,479	1,197,581
Kia Corp	447	15,527	20,963	1,168,770
Metropolitan Bank & Trust Php20	21,470	30,365	20,804	1,159,922
Sun Hung Kai Properties	1,500	22,212	20,524	1,144,397
Geely Automobile Holdings Ltd	14,000	32,127	20,449	1,140,111
Hana Financial Holdings	603	22,196	20,052	1,118,022
Uol Group Limited	3,900	19,294	19,541	1,089,492
Samsung Sdi Co Ltd	40	8,455	18,695	1,042,352
Aristocrat Leisure Ltd	901	16,842	18,648	1,039,726
Ck Asset Holdings Ltd	3,000	17,335	18,469	1,029,743
Budweiser Brewing Co Apac Lt	5,800	16,601	18,244	1,017,171
China Southern Airlines Co-H	28,000	16,927	18,224	1,016,099
China National Building Ma-H	22,000	30,016	18,068	1,007,384
Origin Energy Ltd	3,435	24,020	17,983	1,002,660
Irpc Pcl - Foreign Thb1(Alien Mkt)	195,600	27,495	17,056	950,937
Zhuzhou Crrc Times Electric	3,400	17,972	16,880	950,447
Hyundai Mobis	105	18,985	16,649	941,163
Kasikornbank Pcl (Alien Mkt)	3,900	15,946	16,609	928,262
Lg Chem Ltd	35	8,351	16,607	926,045
Cathay Financial Holding Co	12,000	20,230	15,618	925,947
Ind & Comm Bk Of China-H	30,000	19,822	15,452	870,741
Anz Group Holdings Ltd	953	17,859	15,291	861,512
Uni-President Enterprises Co	7,000	16,179	15,168	852,545
Crrc Corp Ltd - H	36,000	32,953	14,529	845,707
Transurban Group	172	14,306	14,027	810,766
Naver Corp	96	16,889	13,476	810,079
Airports Of Thailand Pcl-For	6,200	9,645	13,426	782,053
Galaxy Entertainment Grp L	2,000	14,317	13,222	751,340
Xiaomi Corp-Class B	9,400	19,761	13,176	748,564
Kingdee International Sftwr Hkd0.10	6,000	17,443	12,869	737,215
Lg Corp	207	15,526	12,785	734,614
Fortescue Metals Group Ltd Npv	902	11,598	12,546	717,498
China Meidong Auto Holdings	6,000	30,137	12,315	712,834
China Overseas Land & Invest	4,500	14,155	11,877	699,491
Samsung Electronics-Pfd Nv	296	9,770	11,821	686,638
Picc Property & Casualty -H	12,000	13,891	11,398	662,207
Angang Steel Co Ltd-H	40,000	20,916	10,916	659,098
Wilmar International Ltd Sgd0.5	3,400	10,845	10,571	635,205
Citic Securities	5,000	11,300	10,109	608,631
Kb Financial Group Inc	254	10,849	9,742	589,393
China Steel Corp	10,000	8,178	9,696	563,626
Ptt Global Chemical Pcl-For Thb10(Alii	7,100	11,726	9,686	543,178
Celltrion Inc Krw500	76	18,721	9,647	540,585
Gamuda Bhd	10,400	6,847	8,854	540,052
China Longyuan Power Group-H	7,000	15,311	8,556	537,843
Boc Hong Kong Holdings Ltd	2,500	11,336	8,520	493,632
Evergreen Marine	1,600	19,422	8,485	477,046
Formosa Plastics Corp	3,000	11,598	8,472	475,047
Enn Energy Holdings Ltd	600	7,835	8,425	473,103
Henderson Land Development	2,400	13,185	8,379	472,377
Anta Sports Products Ltd	600	3,733	7,864	469,760
Suncorp Group Ltd	958	8,856	7,822	467,188
Vicinity Centers	1,000	4,911	7,668	442,609
Country Garden Services Hold	3,000	12,204	7,473	438,471
Ptt Pcl/Foreign	7,700	9,728	7,448	436,116

forward

continuation

	Number of shares held	Cost	Fair value	
		In US Dollar	In US Dollar	In Philippine Peso
2022				
Endeavour Group Ltd/Australi	1,706	6,739	7,427	427,542
Sunny Optical Tech	600	7,000	7,138	416,612
Sime Darby Berhad	12,900	5,674	6,736	415,252
Yadea Group Holdings Ltd	4,000	7,341	6,693	414,117
China Conch Venture Holdings	3,000	12,041	6,519	397,967
Great Wall Motor Company-H	5,000	9,653	6,509	375,540
Haitong Securities 'H'cny1	10,400	12,591	6,396	373,179
Hong Kong & China Gas	6,618	10,205	6,292	363,464
Sk Telecom Co Ltd Ord	163	7,801	6,110	362,893
Axiata Group Berhad	8,300	8,164	5,822	356,606
China Pacific Insurance Gr-H	2,600	10,372	5,790	350,788
Taiwan Cement	5,214	5,118	5,708	340,669
Public Bank Bhd	5,800	7,020	5,688	324,620
China Tower Corp Ltd-H	52,000	13,025	5,596	322,853
Alibaba Health Information T	6,000	16,668	5,112	318,276
Jardine Matheson Hldgs Ord	100	6,650	5,090	317,139
Astra Internasional Tbk	13,400	7,791	4,907	312,031
Innovent Biologics Inc	1,000	9,825	4,292	285,028
Ayala Land Inc	7,600	6,563	4,200	283,793
Tal Education Group- ADR	416	29,115	2,933	273,570
Sk Square Co Ltd	106	7,087	2,812	239,309
Guangdong Investment Ltd	2,000	3,577	2,048	234,189
China Conch Environment Prot	3,000	1,408	1,218	163,518
Guangdong Investment Ltd	93	2,328	622	156,807
Transurban Group-Stacked	1,652	16,351	14,542	114,154
China Conch Environment Prot	979	317	159	67,935
Lx Holdings Co Ltd	1,448	11,322	17,047	34,691
Cathay Financial Hold-Rights22dec22	5,853	11,312	7,938	8,880
Total		3,242,645	3,157,121	176,025,282

Details of debt securities held at FVTPL at December 31 are as follows:

In absolute amounts		2023	
Description	Maturity Date	In US Dollar	In Philippine Peso
<i>Philippine government debt securities</i>			
Philippine Government 6.875% 10/01/2029	January 10, 2029	203,791	11,283,908
Philippine Government 4.875% 20/01/2032	January 20, 2032	48,623	2,692,256
<i>Government debt securities other than Philippines</i>			
Korea Trsy Bd Ktb 3 3/8 06/10/32	June 10, 2032	196,577	10,884,468
Indonesia Recap Fr0072 8.25% 15/03/2036	May 15, 2036	162,794	9,013,904
China Govt Bond Cgb 3 1/4 11/22/28	November 22, 2028	147,583	8,171,671
China Govt Bond Cgb 3.01 05/13/28	May 13, 2028	147,326	8,157,441
China Dev Bank Sdbc 3.23 11/27/25	November 27, 2025	141,982	7,861,543
Lb366a 3.4% 17/12/2023	June 17, 2036	123,959	6,863,610
Singapore Gov't Sigb 1 5/8 07/01/31	July 01, 2031	99,269	5,496,525
China Govt Bond Cgb 2.52 08/25/33	August 25, 2033	98,696	5,464,798
Malaysian Gov't Mgs 3.733 06/15/28	June 15, 2028	87,686	4,855,174
China Govt Bond Cgb 2.91 10/14/28	October 14, 2028	86,700	4,800,579
Singapore Gov't Sigb 3 3/8 09/01/33	September 01, 2033	81,042	4,487,296
Thailand Government Bond 3.65% 20/06/2031	June 20, 2031	78,441	4,343,278
Malaysia Govt Mgs 4.642 11/07/33	November 07, 2033	70,604	3,909,343
Singapore Gov't Sigb 2 7/8 07/01/29	July 01, 2029	69,754	3,862,279
Malaysia Govt Mgs 3.582 07/15/32	July 15, 2032	69,677	3,858,015
Malaysia Govt Mgs 3.9 11/30/26	November 30, 2026	66,298	3,670,920
Us Treasury N/B T 2 3/4 08/15/32	August 15, 2032	64,870	3,591,852
Korea Trsy Bd Ktb 2 03/10/49	March 10, 2049	63,905	3,538,420
China Govt Bond Cgb 3.28 12/03/27	December 03, 2027	58,472	3,237,595
China Govt Bond Cgb 2.26 02/24/25	February 24, 2025	57,307	3,173,089
Korea Trsy Bd Ktb 3 1/8 09/10/27	September 10, 2027	54,824	3,035,605
Indonesia Recap Fr0079 8.375% 15/04/2039	April 15, 2039	53,160	2,943,469
Malaysia Govt Mgs 4.254 05/31/35	May 31, 2035	44,937	2,488,162
China Govt Bond Cgb 2.6 09/15/30	September 15, 2030	42,628	2,360,312
forward			

continuation

In absolute amounts		2023	
Description	Maturity Date	In US Dollar	In Philippine Peso
Singapore Gov't Sigb 2 7/8 09/01/30	September 01, 2030	38,594	2,136,950
Singapore Gov't Sigb 2 3/4 03/01/46	March 01, 2046	38,191	2,114,636
Korea Trsy Bd Ktb 2 3/8 09/10/38	September 10, 2038	35,684	1,975,823
Fr0091 6.375% 15apr2032	April 15, 2032	32,608	1,805,505
Indonesia Recap Fr0064 6.125% 15/05/28	May 15, 2028	32,338	1,790,555
Korea Treasury BD KTB 3 1/8 09/10/52	September 10, 2052	31,615	1,750,523
Thailand Government Bond 2.125% 17dec2026	December 17, 2026	23,342	1,292,447
Malaysia Govt Mgs 3.885 08/15/29	August 15, 2029	22,300	1,234,751
Fr0098 7.125% 15jun2038	June 15, 2038	20,484	1,134,199
Wi Treasury Sec. Wit 5 1/8 09/30/25	September 20, 2025	20,459	1,132,815
Malaysia Govt Mgs 2.632 04/15/31	April 15, 2031	20,313	1,124,731
Singapore Gov't Sigb 1 7/8 10/01/51	October 01, 2051	19,290	1,068,087
Thailand Govt Thaigb 2 3/4 06/17/52	June 17, 2052	12,805	709,013
China Govt Bond CGB 3.72 04/12/51	April 12, 2051	8,180	452,927
China Govt Bond CGB 3.39 03/16/50	March 16, 2050	7,711	426,955
Tax Reclaimable Government Bond Interest	-	1,004	55,591
Total		2,785,823	154,251,020

In absolute amounts		2022	
Description	Maturity Date	In US Dollar	In Philippine Peso
<i>Philippine government debt securities</i>			
Philippine Government 6.875% 10/01/2029	January 10, 2029	225,231	12,557,754
<i>Government debt securities other than Philippines</i>			
China Govt Bond Cgb 3.01 05/13/28	May 13, 2028	223,421	12,456,783
Korea Trsy Bd Ktb 3 3/8 06/10/32	June 10, 2032	215,772	12,030,368
Indonesia Recap Fr0072 8.25% 15mei36	May 15, 2036	156,028	8,699,341
China Govt Bond Cgb 3.28 12/03/27	December 3, 2027	149,093	8,312,680
China Govt Bond Cgb 3 11/22/28	November 22, 2028	148,738	8,292,887
China Dev Bank Sdbc 3.23 11/27/25	November 27, 2025	146,253	8,154,336
Lb366a	June 17, 2036	119,676	6,672,535
China Govt Bond Cgb 2.26 02/24/25	February 24, 2025	117,551	6,554,056
Malaysian Gov't Mgs 3.733 06/15/28	June 15, 2028	89,921	5,013,545
China Govt Bond Cgb 2.91 10/14/28	October 14, 2028	88,147	4,914,636
Thailand Government Bond 3.65% 20jun	June 20, 2031	78,929	4,400,686
Singapore Gov't Sigb 3 3/8 09/01/33	September 1, 2033	77,234	4,306,182
Malaysia Govt Mgs 4.2642 11/07/33	November 7, 2033	71,454	3,983,918
Malaysia Govt Mgs 3.9 11/30/26	November 30, 2026	68,553	3,822,173
Singapore Gov't Sigb 2 7/8 07/01/29	July 1, 2029	67,435	3,759,838
Singapore GOV'T SIGB 1 5/8 07/01/31	July 1, 2031	67,011	3,736,198
Korea Trsy Bd Ktb 2 03/10/49	March 10, 2049	57,675	3,215,670
Korea Trsy Bd Ktb 3 1/8 09/10/27	September 10, 2027	54,619	3,045,282
Indonesia Recap Fr0079 8.375% 15apr39	April 15, 2039	50,665	2,824,827
Malaysia Govt Mgs 4.254 05/31/35	May 31, 2035	45,724	2,549,343
Malaysia Govt Mgs 3.582 07/15/32	July 15, 2032	44,518	2,482,102
Singapore Gov't Sigb 2 3/4 03/01/46	March 1, 2046	39,223	2,186,823
Singapore Gov't Sigb 2 7/8 09/01/30	September 1, 2030	37,084	2,067,618
Us Treasury N/B T 2 08/15/32	August 15, 2032	36,834	2,053,680
Korea Trsy Bd Ktb 2 3/8 09/10/38	September 10, 2038	33,669	1,877,215
Indonesia Recap Fr0064 6.125% 15may28	May 15, 2028	31,734	1,769,329
Fr0091 6.375% 15apr2032	April 15, 2032	31,376	1,749,369
Korea Trsy Bd Ktb 3 1/8 09/10/52	September 10, 2052	28,986	1,616,114
Thailand Government Bond 2.125% 17dec	December 17, 2026	23,423	1,305,949
Malaysia Govt Mgs 2.632 04/15/31	April 15, 2031	20,578	1,147,326
Singapore Gov't Sigb 1 7/8 10/01/51	October 1, 2051	19,861	1,107,350
Us Treasury N/B T 3 05/15/42	May 15, 2042	17,650	984,076
Thailand Gov't Thaigb 2 06/17/52	June 17, 2052	11,918	664,488
China Govt Bond Cgb 3.72 04/12/51	April 12, 2051	7,907	440,855
China Govt Bond Cgb 3.39 03/16/50	March 16, 2050	7,436	414,594
Tax reclaimable government bond interest		996	55,643
Government bond interest receivable		3,737	208,356
Total		2,716,060	151,433,925

Details of corporate debt securities held at FVTPL at December 31 are as follows:

In absolute amounts		2023		2022	
Description	Maturity Date	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
ASIAN INFRASTRUC AIIB	June 29, 2025	39,254	2,173,494	38,896	2,168,646
Total		39,254	2,173,494	38,896	2,168,646

Dividends earned from investment in equity securities for the years ended December 31 are as follows:

	2023		2022		2021	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Dividend income	102,479	5,698,550	114,876	6,411,804	112,413	5,648,505

Government securities and corporate bond as at December 31, 2023 have average terms of 1.17 to 29.11 years (2022 - 0.36 to 30.70 years) and 1.52 years, respectively, which carry effective interest rates of 1.625% to 8.375% (2022 - 1.625% to 8.375%) and 3.375%, respectively.

4 Other financial assets at amortized cost

The account at December 31 consist of:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Due from shareholders	46,788	2,590,652	7,486	417,382
Dividend receivable	2,744	151,935	1,709	95,285
Other receivable	-	-	4,038	225,139
	49,532	2,742,587	13,233	737,806

Due from shareholders are receivable from investors due to subscriptions that have been contracted for but not yet received as at the reporting date.

As at December 31, 2023 and 2022, the other financial assets at amortized cost are expected to be collected in the next 12 months and are classified as current.

5 Accounts payable and accrued expenses

The account at December 31 consists of:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Accrued expenses	307,626	17,033,252	297,356	16,579,084
Accounts payable	269,616	14,928,638	259,263	14,455,208
	577,242	31,961,890	556,619	31,034,292

Accrued expenses mainly consist of amounts payable for fund accounting services (Note 11) and legal and audit fees.

Accounts payable include taxes payable and payable to investors due to redemptions that have been contracted for but not yet settled as at reporting date. As of December 31, 2023 and 2022, the Fund's accounts payable and accrued expenses are expected to be settled in the next 12 months and are classified as current.

6 Net assets attributable to shareholders

The details of net assets attributable to shareholders at December 31 are as follows:

	2023		2022		2021	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Share capital - US\$0.01 par value (equivalent to P0.45) Authorized - 36,000,000 shares Issued and outstanding	61,051	2,052,530	65,482	2,298,924	68,969	2,493,342
Share premium	7,017,594	373,294,983	7,413,923	395,333,650	7,753,537	414,268,831
Deficit	(1,728,526)	(84,233,594)	(1,958,041)	(96,996,235)	(812,602)	(33,063,557)
Translation adjustment	-	5,122,170	-	7,207,311	-	(27,777,750)
	5,350,119	296,236,089	5,521,364	307,843,650	7,009,904	355,920,866

The movements in the number of issued and outstanding shares are as follows (in absolute number of shares):

	2023	2022	2021
Issued and outstanding, January 1	6,548,206	6,897,005	8,087,490
Issuances of shares	650	11,200	1,207,873
Redemptions of shares	(443,736)	(359,999)	(2,398,358)
Issued and outstanding, December 31	6,105,120	6,548,206	6,897,005

The movements in the amount of issued and outstanding shares follow:

	2023		2022		2021	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Share capital						
January 1	65,482	2,298,924	68,969	2,493,342	80,874	3,091,542
Issuances of shares	6	334	112	6,258	12,079	606,943
Redemptions of shares	(4,437)	(246,728)	(3,599)	(200,676)	(23,984)	(1,205,143)
December 31	61,051	2,052,530	65,482	2,298,924	68,969	2,493,342

	2023		2022		2023	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Share premium						
January 1	7,413,923	395,333,650	7,753,537	414,268,831	9,204,084	487,155,627
Issuances of shares	592	32,919	11,563	644,679	1,175,085	59,045,436
Redemptions of shares	(396,921)	(22,071,586)	(351,177)	(19,579,860)	(2,625,632)	(131,932,232)
December 31	7,017,594	373,294,983	7,413,923	395,333,650	7,753,537	414,268,831

As at December 31, 2023, the Fund has 241 shareholders (2022 - 268 shareholders).

The Fund computes its NAV per share by dividing the net assets attributable to shareholders, including DFFS classified as liability, if any, as at reporting date by the number of issued and outstanding shares during the year, including shares for issuances covered by DFFS. The total equity as shown in the statement of financial position represents the Fund's NAV based on Philippine Financial Reporting Standards (PFRS NAV).

Issue or offer price is equivalent to the Trading NAV per share at the time of issuance.

A reconciliation of the Fund's PFRS NAV to Trading NAV is provided below:

(in millions US Dollar)	2023	2022	2021
PFRS NAV	5.35	5.52	7.01
Recognition of transactions which were recorded in January following the close of the year	0.23	0.34	0.36
DFFS classified as liability	-	-	-
Trading NAV	5.58	5.86	7.37

Trading NAV per share as at December 31 follows:

	2023	2022	2021
Trading NAV attributable to shareholders (in millions of US Dollar)	5.58	5.86	7.37
Number of shares outstanding (in millions), including shares for DFFS	6.1051	6.5482	6.8970
Trading NAV per share	0.91	0.90	1.06

PFRS NAV per share as at December 31 follows:

	2023	2022	2021
PFRS NAV attributable to shareholders (in millions of US Dollar)	5.35	5.52	7.01
Number of shares outstanding (in millions), including shares for DFFS	6.1051	6.5482	6.8970
PFRS NAV per share	0.87	0.84	1.02

As disclosed in Note 1, the Fund is an open-end investment company which stands ready at any time to redeem its outstanding shares at a value defined under its prospectus. Any changes in the value of the shareholders' investment are reflected in the increase or decrease in the Fund's NAV.

The Fund's retained earnings may exceed 100% of its paid-up capital from time to time. This, however, is not construed as a compelling factor for the Fund to declare dividends considering the nature of the Fund's business. Such retained earnings may be used for reinvestment and will be converted into realized profits by the shareholders upon redemption of their shareholdings in the Fund.

Earnings (loss) per share for the years ended December 31 are computed as follows:

	2023		2022		2021	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Net income (loss) for the year	229,515	12,762,641	(1,145,439)	(63,932,678)	(671,257)	(33,729,187)
Weighted average number of shares outstanding (in thousands) during the year	6,309,383	6,309,383	6,683,169	6,683,169	7,551,178	7,551,178
Earnings (loss) per share	0.036	2.023	(0.17)	(9.57)	(0.09)	(4.47)

In compliance with the SRC, the Fund is required to file registration statement for each instance of increase in authorized shares. The table below shows the Fund's track record of registration of securities under the SRC (in absolute amount).

SEC approval date	Number of shares	Par value
February 18, 2013	28,000,000	US\$0.01
February 10, 2009	8,000,000	US\$0.01

7 Interest income

The interest earned from cash in banks as at December 31, 2023 amounting to US\$8 (P445) [2022 - US\$19 (P1,060); 2021 - US\$44 (P2,211)].

8 Fees and other charges

The details of the account for the years ended December 31 are as follows:

	2023		2022		2021	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Administration fees	28,998	1,612,492	29,076	1,622,877	28,998	1,457,084
Directors' fees	1,648	91,640	3,867	215,837	1,789	89,892
Professional fees	3,639	202,354	3,195	178,329	9,426	473,642
Registry and transfer fees	2,893	160,871	1,642	91,648	4,298	215,964
Retainer's fee	2,887	160,537	-	-	-	-
Advertising fees	-	-	-	-	19,606	985,156
	40,065	2,227,894	37,780	2,108,691	64,117	3,221,738

Administration fees are the amounts paid to the Fund's accountant for services rendered which include, among others, the preparation and maintenance of books of accounts and computation of NAV.

Directors' fees pertain to per diem of the directors of the Fund.

Professional fees pertain to amounts paid to third party service providers.

Registry and transfer fees pertain to the fees paid to the transfer agent for the record keeping of individual shareholdings and the issuance and cancellation of stock certificates.

Advertising fees in 2021 pertain to costs incurred for the Fund's promotion and marketing strategies.

9 Income tax

The details of income tax (benefit) expense for the years ended December 31 are as follows:

	2023		2022		2021	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Current	18,721	1,041,018	23,148	1,291,464	116,711	5,864,471
Deferred	(147,490)	(8,201,476)	(9,028)	(503,356)	(39,592)	(1,989,411)
	(128,769)	(7,160,458)	14,120	788,108	77,119	3,875,060

Movements of deferred income tax liabilities at December 31 are as follows:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Beginning	(209,547)	(11,602,617)	(200,519)	(11,179,937)
Charged to profit or loss	147,490	8,201,476	(9,028)	(503,356)
Foreign currency translation adjustment	-	(34,955)	-	-
	(62,057)	(3,436,096)	(209,547)	(11,683,293)

The details of deferred income tax liability as at December 31 are as follows:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Unrealized gains on financial assets at FVTPL	(62,057)	(3,436,096)	(209,547)	(11,683,293)
Net operating loss carry-over (NOLCO)	-	-	-	-
	(62,057)	(3,436,096)	(209,547)	(11,683,293)

Details of the Fund's NOLCO which is available for offset against future taxable income follow:

Year of Incurrence	Year of Expiration	2023	2022	2020
2023	2026	9,013,973	-	-
2022	2025	5,644,231	5,644,231	-
2019	2022	-	5,198,565	5,198,565
		14,658,204	10,842,796	5,198,565
Expired NOLCO		-	(5,198,565)	-
Utilized during the year		-	-	-
		14,658,204	5,644,231	5,198,565
Income tax rate		25%	25%	30%
DIT assets on NOLCO (in Philippine Peso)		3,664,551	1,411,058	1,559,570
DIT assets on NOLCO (in US Dollar)		66,183	25,308	32,471

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020, Rules and Regulations Implementing Section 4 (bbbb) of Republic Act No. 11494 (Bayanihan to Recover as One Act) relative to NOLCO under Section 34 (D)(3) of the National Internal Revenue Code, as amended, allowing qualified businesses or enterprises which incurred net operating loss for taxable years 2020 and 2021 to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2023	2022	2021
Statutory income tax rate	25.00%	(25.00%)	(25.00%)
Adjustments for tax effects of:			
NOLCO not recognized	160.90%	8.94%	17.41%
Interest income subject to final tax	(0.01%)	(0.002%)	(0.01%)
(Non-taxable gains) non-deductible expense	(313.71%)	17.31%	20.58%
Effective income tax rate	(127.82%)	1.25%	(12.98%)

10 Related party transactions

The Fund had a management and distribution agreement with PAMI, whereby the latter is appointed as the Fund's investment advisor and manager. PAMI also functioned as the principal distributor of the Fund. As such, it took charge of the sales of the Fund's shares to prospective investors, and paid certain expenses on behalf of the Fund. The Fund also had also a registry and transfer agency agreement with PAMI.

Effective January 29, 2020, PAMI assigned all its rights, interests, and obligations as fund manager, advisor, distributor, and transfer agent of the Fund to BIMl. Hence, the management, distribution, and transfer agency functions re performed by BIMl over the Fund.

On April 1, 2023, BIMl transferred all its rights, interest and obligations as fund manager and fund advisor to BPI Wealth. On effective date, the management functions over the Fund is performed by BPI Wealth but the distribution and transfer agency functions of the Fund were retained by BIMl.

The table below summarizes the Fund's transactions and balances with its related parties (Fund manager).

	Transactions (Charges to profit or loss)		Outstanding balance (Due to fund manager)		Outstanding balance's terms and conditions
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	
Fund Manager					
Management fees					- Management fee is computed as 2.05% per year of the Fund's NAV determined on a daily basis
December 31, 2023	114,180	6,349,207	42,636	2,360,755	
December 31, 2022	129,074	7,204,265	11,918	664,488	
December 31, 2021	190,065	9,550,348	35,100	1,782,167	- Outstanding balance is unguaranteed, unsecured and non-interest bearing; payable in cash at gross amount within the following month
Transfer agent / Distributor					
Registry and transfer fees					- Registry and transfer fee is computed as one-twentieth (1/20) of one percent (1%) per year of the Fund's NAV determined on a daily basis
December 31, 2023	2,893	160,871	-	-	
December 31, 2022	3,195	178,329	-	-	
December 31, 2021	4,298	215,965	-	-	- Outstanding balance is unguaranteed, unsecured and non-interest bearing; payable in cash at gross amount within the following month

11 Fund accounting services

In December 2010, the Fund and Citibank, N.A. ("Citibank") entered into a fund accounting agreement wherein Citibank shall perform administrative functions, which include, among others, the preparation and maintenance of books of accounts and computation of NAV. As compensation for services rendered, Citibank shall be entitled to an administration fee equivalent to 0.015% per annum based on the NAV of the Fund or US\$12,000, whichever is higher.

Administration fees for the year ended December 31, 2023 amount to US\$28,998 (P1,612,492) [(2022 - US\$29,0766 (P1,622,877))] are included in Fees and other charges (Note 8). As at December 31, 2023 and 2022, administration fees payable to Citibank included in Accounts payable and accrued expenses amount to US\$59,148 (P3,275,004) [(2022 - US\$47,148 (P2,628,724))] (Note 5).

12 Net cash generated from operations

Details of net cash generated from operations for the years ended December 31 are as follows:

		2023		2022		2021	
	Notes	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
CASH FLOWS FROM							
OPERATING ACTIVITIES							
Loss (income) before income tax		100,746	5,602,183	(1,131,319)	(63,144,570)	(594,138)	(29,854,127)
Adjustments for:							
(Income) loss from financial assets at fair value through profit or loss, net		(167,014)	(9,287,147)	1,076,581	60,089,369	415,079	20,856,807
Interest income from cash in banks	7	(8)	(445)	(19)	(1,060)	(44)	(2,211)
Dividend income	3	(102,479)	(5,698,550)	(114,876)	(6,411,804)	(112,413)	(5,648,505)
Operating loss before changes in operating assets and liabilities		(168,755)	(9,383,959)	(169,633)	(9,468,065)	(291,516)	(14,648,036)
Changes in operating assets and liabilities							
Decrease (increase) in:							
Financial assets at fair value through profit or loss		208,600	11,599,620	532,381	29,714,846	1,198,892	60,241,676
Other financial assets at amortized cost		(30,191)	(1,679,734)	7,358	418,363	84,904	4,266,239
Increase (decrease) in:							
Accounts payable and accrued expenses		(126,073)	(7,010,541)	(46,211)	(2,579,267)	45,235	2,272,982
Due to fund manager		30,718	1,708,136	(23,182)	(1,293,903)	(16,369)	(822,497)
Net cash (absorbed by) generated from operations		(85,701)	(4,766,478)	300,713	16,791,974	1,021,146	51,310,364
Dividend received	3	101,444	5,641,900	114,710	6,394,863	110,870	5,570,974
Interest received	7	8	445	19	1,060	44	2,211
Net cash from operating activities		15,751	875,867	415,442	23,187,897	1,132,060	56,883,549

13 Critical accounting estimate and judgments

Estimates, assumptions and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

13.1 Critical accounting judgments

Determination of functional currency

The Fund considers the US Dollar as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions of the Fund's operations. The subscriptions and redemptions are solely in US Dollar. It is the currency in which the Fund measures its performance and reports its results.

Classification of financial assets (Note 3)

The Fund follows the guidance of PFRS 9 in classifying financial assets at initial recognition whether it will be subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. The Fund determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The Fund determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (SPPI). If the instrument fails the SPPI test, it will be measured at fair value through profit or loss.

Recognition of deferred income tax assets (Note 8)

Deferred income tax asset from NOLCO has not been recognized because the Fund believes that there is limited capacity to generate sufficient taxable profit against which benefit from NOLCO can be utilized. The Fund assesses the unrecognized deferred income tax assets and will recognize a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable income will allow the deferred income tax assets to be recovered.

14 Capital and financial risk management

14.1 Governance framework

The primary objective of the Fund's financial risk management framework is to protect the Fund from events that hinder the sustainable achievement of the Fund's performance objectives, including failing to exploit opportunities. The Fund recognizes the critical importance of having efficient and effective risk management systems in place.

The BOD has approved the Fund's risk management policies and meets regularly to approve on any commercial, regulatory and own organizational requirements in such policies. The policies define the Fund's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, alignment of investment strategy to the corporate goals and compliance with reporting requirements.

14.2 Capital management

The Fund's objectives for managing capital are: (a) to invest the capital in investments meeting the description and risk exposure indicated in its prospectus; (b) to achieve consistent returns while safeguarding capital; and (c) to maintain sufficient liquidity to meet the expenses of the Fund and to meet redemption requests as they arise.

As provided by the Investment Company Act of 1960, the minimum required capitalization for funds amounts to P50 million or equivalent US\$ amount calculated using the closing exchange rate. The Fund's existing capitalization as at reporting date is more than the amount required by the SEC.

The Fund considers the net assets attributable to shareholders as its capital (or total equity as shown in the statements of financial position). As at December 31, 2023, the net assets attributable to shareholders amount to US\$5,350,119 (P296,236,089) [2022 - US\$5,521,364 (P307,843,650)].

14.3 Regulatory framework

The operations of the Fund are also subject to the regulatory requirements of the SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions. Unless ordered otherwise by the SEC, the Fund shall not sell securities short or invest in any of the following:

- a. margin purchase of securities (investments in partially paid shares are excluded);
- b. commodity future contracts;
- c. precious metals;
- d. unlimited liability investments;
- e. short selling of currencies;
- f. short selling of investments; and
- g. other investments as the SEC shall, from time to time, prescribe.

Any changes in the Fund's investment objective should be with notice and prior approval of the SEC. An investment company shall not change its investment objective without the approval from the majority of the Fund's shareholders.

In addition, the SEC also provides maximum limits on exposure to counterparties, maintenance of a certain level of liquid assets and conditions for incurring borrowings (Note 14.5 - Credit risk).

The Fund is fully compliant with the above regulatory requirements as at December 31, 2023 and 2022.

14.4 Fair value of financial instruments

The Fund ranks its financial instruments based on the hierarchy of valuation techniques required by PFRS 13, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Fund's market assumptions. These two types of inputs lead to the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from the exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Financial instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

The table below shows the fair value hierarchy levels for financial assets that are measured at fair value as at December 31:

	Level 1		Level 2		Level 3		Total	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
2023								
Listed equity securities	3,038,821	168,259,519	-	-	-	-	3,038,821	168,259,519
Government bonds	525,709	29,108,513	2,260,114	125,142,507	-	-	2,785,823	154,251,020
Corporate bond	39,254	2,173,494	-	-	-	-	39,254	2,173,494
Derivatives	-	-	1,518	84,051	-	-	1,518	84,051
Total	3,603,784	199,541,526	2,261,632	125,226,558	-	-	5,865,416	324,768,084

	Level 1		Level 2		Level 3		Total	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
2022								
Listed equity securities	3,158,830	176,120,567	-	-	-	-	3,158,830	176,120,567
Government bonds	493,034	27,489,111	2,223,026	123,944,814	-	-	2,716,060	151,433,925
Corporate bond	38,896	2,168,646	-	-	-	-	38,896	2,168,646
Total	3,690,760	205,778,324	2,223,026	123,944,814	-	-	5,913,786	329,723,138

There are no other assets or liabilities subsequently measured at fair value or that would require disclosure of fair value hierarchy.

14.5 Financial risk

The Fund may invest in debt securities issued by sovereign nations with a credit rating not lower than the Philippines' credit rating and high grade corporations (at least a rating of BBB - or equivalent as rated by reputable rating agencies) denominated in US Dollar and other major currencies which could be settled through international clearing houses such as but not limited to Clearstream, Euroclear and US Fedwire.

The Fund may also invest in:

- US dollar-denominated funds of investment companies with at least 3-star ratings by reputable rating agencies (e.g., Morning Star, Standard & Poor's); and
- Money market instruments.

The Fund is exposed to financial risk through its financial assets. The most important components are credit risk, liquidity risk and market risk. These risks arise from open positions in interest bearing instruments, all of which are exposed to general and specific market movements.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Fund manages the level of credit risk it accepts through setting up of exposure limits by each counterparty or group of counterparties. The maximum investment of the Fund in any single enterprise shall not exceed an amount equivalent to 15% of the Fund's NAV except obligations of the Philippine government or its instrumentalities, provided that in no case shall the total investment of the Fund exceed 10% of the outstanding securities of any one investee company. The Fund also transacts only with institutions with high credit rating or standing. The Fund has complied with these requirements as at December 31, 2023 and 2022.

In addition, the Fund manages the level of credit risk it accepts through reporting of credit risk exposures, monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment. The Fund cannot lend to individual borrowers.

The fund manager's high-grade credit process combines top down and bottom up elements reflecting the observation that the weaker the credit quality, the more security specific risk comes to dominate overall portfolio risk. The bottom up element focuses on the analysis of individual credits. The top down element focuses on the analysis of sectors. In order to manage risk, the high-grade portfolios combine diversification rules with a number of filters designed to help avoid downgrade and default candidates. Key to the Fund's credit process is the minimization of the impact from security default or downgrade.

The Fund's maximum credit risk exposure as at December 31 are summarized below:

	2023		2022	
	In US Dollar	In Philippine Peso	In US Dollar	In Philippine Peso
Cash in banks	117,106	6,484,159	374,138	20,860,064
Financial assets at FVTPL	5,868,160	324,920,019	2,754,956	153,602,571
Other financial assets at amortized cost	46,788	2,590,652	11,524	642,521
	6,032,054	333,994,830	3,140,618	175,105,156

The credit quality of the Fund's financial assets as at December 31, 2023 and 2022 follows:

(a) Cash in banks

The Fund's cash in banks is with highly reputable universal banks in the Philippines and global banks with an equivalent credit rating of Baa1 by Moody's.

(b) Financial asset at FVTPL

Debt securities classified as financial assets at FVTPL is composed of government securities and corporate securities with credit rating of AA or higher and considered as investment grade securities.

(c) Other financial assets at amortized cost

Due from shareholders are receivable from investors due to subscriptions that have been contracted for but not yet received as at the reporting date.

Dividend receivable arises from dividends declared but not yet received as at year-end.

There are no collaterals held as security and other credit enhancements attached to the financial assets at amortized cost as at December 31, 2023 and 2022.

For financial assets at amortized cost, the Fund measures credit risk and expected credit losses (ECL) using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any ECL. As a result, no loss allowance has been recognized based on the 12-month ECL as any such impairment would be insignificant to the Fund.

As at December 31, 2023 and 2022, all of the Fund's financial assets are classified as stage 1 (performing) accounts. There are no financial assets classified under stages 2 (underperforming) and 3 (impaired).

Liquidity risk

Liquidity or funding risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

The Fund is exposed to daily cash redemptions of its issued shares. It invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Fund manages liquidity through specifying minimum proportion of funds to meet emergency calls. Unless otherwise prescribed by the SEC, at least 10% of the Fund shall be invested in liquid/semi-liquid assets such as:

- a. Treasury notes or bills, certificates of indebtedness issued by the Bangko Sentral ng Pilipinas which are short term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines;
- b. Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCDs);
- c. Government debt securities where the issuer or the guarantor is a foreign government, sovereign or central bank with an international long-term issuer rating of investment grade;
- d. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposits accounts be accepted or allowed under a "bearer," "numbered" account or other similar arrangement;
- e. Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body; and,
- f. Other collective schemes wholly invested in liquid/semi-liquid assets.

The investment company may implement a decreased investment of less than ten percent (10%) of its assets in liquid/semi-liquid assets, provided, however, that it shall submit a notarized liquidity contingency plan, signed by the president of the fund and its fund manager.

The Fund has complied with these requirements as at December 31, 2023 and 2022.

The Fund may not incur any further debt or borrowings unless at the time of its occurrence or immediately thereafter, there is an asset coverage of at least 300% for all its borrowings. In the event that such asset coverage shall fall below 300%, the Fund shall, within three (3) days thereafter, reduce the amount of borrowings to an extent that the asset coverage of such borrowings shall be at least 300%. The Fund has not breached the said asset coverage requirement as at December 31, 2023 and 2022.

In addition, the Fund manages liquidity through reporting of liquidity risk exposures, monitoring compliance with liquidity risk policy and review of liquidity risk policy for pertinence and changing environment.

The Fund's financial liability pertains to management and distribution fees and other payables and accrued expenses which are contractually due in less than one (1) month. The Fund expects to settle its obligations in accordance with the maturity date through trading of its financial assets at fair value through profit or loss.

Market risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Fund is not exposed to significant cash flow interest rate risk given the nature of its financial assets and liabilities.

The Fund structures levels of market risk it accepts through a market risk policy that determines what constitutes market risk for the Fund; basis used to fair value financial assets and liabilities; sets out the net exposure limits by each counterparty or group of counterparties and industry segments; reporting of market risk exposures; monitoring compliance with market risk policy and review of market risk policy for pertinence and changing environment.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes on foreign exchange rates.

The Fund's principal transactions are carried out in US Dollar and its foreign exchange risk arises primarily with respect to various foreign currencies, wherein the Fund's investments are denominated. The Fund may utilize instruments and techniques available in the market for efficient portfolio management including entering into a foreign exchange forward contracts and to cover risks arising from foreign exchange risks.

The exchange rates used to convert foreign currencies to US Dollar as quoted in Bloomberg at December 31 are as follows:

	2023	2022
HKD	0.1281	0.1279
CNH	0.1408	0.1445
SGD	0.7578	0.7456
PHP	0.0181	0.0179
THB	0.0291	0.0289
KRW	0.0008	0.0008
AUD	0.6810	0.6805
TWD	0.0327	0.0326
MYR	0.2176	0.2270
IDR	0.0001	0.0001

The following table shows the details of the Fund's foreign currency-denominated financial assets. There are no foreign currency-denominated financial liabilities at reporting date.

Cash in banks

At December 31, 2023	In Foreign Currency	In US Dollar	In Philippine Peso
USD	48,224	47,050	2,605,158
HKD	281,464	36,046	1,995,867
PHP	656,943	11,864	656,910
SGD	9,784	7,417	410,679
AUD	10,134	6,915	382,884
JPY	900,000	6,384	353,482
CNH	33,915	4,763	263,727
KRW	(4,292,095)	(3,333)	(184,548)
	(2,351,631)	117,106	6,484,159

At December 31, 2022	In Foreign Currency	In US Dollar	In Philippine Peso
KRW	231,970,992	183,450	10,223,450
USD	128,069	128,069	7,137,136
TWD	1,454,912	47,337	2,638,041
PHP	943,071	16,922	943,071
HKD	81,544	10,448	582,243
THB	349,042	10,078	561,629
AUD	12,852	8,715	485,694
JPY	900,000	6,821	380,129
SGD	4,920	3,668	204,439
CNH	10,425	1,507	83,970
CNY	(298,000)	(42,867)	(2,388,948)
EUR	(10)	(10)	(565)
	235,557,817	374,138	20,850,289

Financial assets at FVTPL

At December 31, 2023	In Foreign Currency	In US Dollar	In Philippine Peso
Listed equity securities			
HKD	7,983,004	1,022,231	56,600,930
AUD	1,010,068	688,733	38,135,146
KRW	629,762,500	488,956	27,073,494
TWD	14,538,421	472,337	26,153,300
SGD	136,759	103,676	5,740,540
USD	76,356	76,356	4,227,832
MYR	304,466	66,165	3,663,556
THB	2,058,207	60,236	3,335,267
IDR	853,015,000	55,403	3,067,664
PHP	261,820	4,728	261,789
	1,509,146,601	3,038,821	168,259,518
	In Foreign Currency	In US Dollar	In Philippine Peso
Government bonds			
CNH	3,547,493	498,203	27,585,500
KRW	490,268,076	380,674	21,077,919
MYR	1,742,731	379,267	21,000,014
SGD	451,978	342,641	18,972,032
IDR	4,593,476,500	298,346	16,519,418
CNY	2,068,993	291,728	16,152,979
PHP	13,572,382	245,104	13,571,408
THB	8,132,921	238,278	13,193,453
USD	123,603	123,603	6,843,898
	5,113,384,677	2,797,844	154,916,621
	In Foreign Currency	In US Dollar	In Philippine Peso
Accrued interest income			
PHP	404,799	8,315	460,404
SGD	4,615	3,498	193,684
CNH	24,727	3,473	192,300
CNY	22,562	3,181	176,132
IDR	46,781,049	3,038	168,214
MYR	11,705	2,547	141,027
KRW	2,488,699	1,932	106,975
USD	981	981	54318
THB	9,146	268	14,839
	49,748,283	27,233	1,507,893

At December 31, 2022	In Foreign Currency	In US Dollar	In Philippine Peso
Listed equity securities			
HKD	10,384,441	1,330,496	74,181,818
AUD	928,008	629,329	35,088,222
KRW	513,298,549	415,664	23,175,367
TWD	11,837,530	385,146	21,473,807
SGD	148,264	110,546	6,163,481
IDR	1,455,229,000	93,484	5,212,195
THB	2,968,312	85,704	4,778,431
USD	54,648	54,648	3,046,883
MYR	119,373	27,099	1,510,931
PHP	1,393,460	25,004	1,394,111
	1,996,361,585	3,157,120	176,025,246
	In Foreign Currency	In US Dollar	In Philippine Peso
Government bonds			
CNH	3,547,369	512,712	28,586,254
KRW	491,478,441	388,676	21,670,624
CNY	2,554,922	367,526	20,491,384
MYR	1,492,694	338,864	18,893,358
SGD	408,582	304,639	16,985,139
IDR	4,153,819,000	266,841	14,877,739
THB	8,093,440	233,682	13,028,935
PHP	12,162,297	218,240	12,167,985
USD	92,878	92,878	5,178,439
	4,673,649,623	2,724,058	151,879,857
	In Foreign Currency	In US Dollar	In Philippine Peso
Accrued interest income			
PHP	389,583	7,987	445,367
CNY	32,199	4,632	258,257
CNH	25,428	3,675	204,900
SGD	4,304	3,209	178,918
IDR	46,099,315	2,961	165,114
KRW	2,586,333	5,781	114,038
MYR	8,301	1,885	105,098
USD	503	503	28,045
THB	9,146	264	14,719
	49,155,112	30,897	1,514,456

The Fund considers AUD, MYR, CNH, KRW, PHP, AUD, SGD, THB, IDR, TWD and HKD as its major foreign currencies, which comprise bulk of the Fund's cash in bank and investments. For the Fund's major currencies, the analysis below is performed for reasonably possible movements in foreign currency exchange rate with all other variables held constant, showing the impact on pre-tax profit.

December 31, 2023	Change in foreign currency versus US Dollar	Impact on pre-tax profit	
		In US Dollar	In Philippine Peso
KRW	+/-1.99%	+/-17,255	+/-959,499
MYR	+/-3.83%	+/-17,160	+/- 954,216
CNH	+/-1.91%	+/-15,327	+/-852,288
SGD	+/-1.81%	+/-8,281	+/-460,482
IDR	+/-1.58%	+/-5,624	+/-312,734
AUD	+/-0.47%	+/-3,284	+/-182,613
TWD	+/-0.48%	+/-2,286	+/-127,118
THB	+/-0.76%	+/-2,259	+/-125,616
PHP	+/-0.70%	+/-1,877	+/-104,374
HKD	+/-0.16%	+/-1,721	+/-95,700

December 31, 2022	Change in foreign currency versus US Dollar	Impact on pre-tax profit	
		In US Dollar	In Philippine Peso
KRW	+/-5.99%	+/- 48,527	+/- 2,708,542
CNH	+/-8.57%	+/- 44,244	+/- 2,469,475
AUD	+/-6.73%	+/- 42,327	+/- 2,362,508
TWD	+/-9.98%	+/- 38,446	+/- 2,145,886
IDR	+/-8.44%	+/- 30,654	+/- 1,710,928
PHP	+/-8.50%	+/- 21,355	+/- 1,191,955
MYR	+/-5.43%	+/- 19,957	+/- 1,113,911
THB	+/-3.55%	+/- 11,350	+/- 633,527
SGD	+/-0.52%	+/- 2,168	+/- 121,020
HKD	+/-0.11%	+/- 1,473	+/- 82,213

Changes in foreign currency exchange rates are based on the standard deviation of the above exchange rates during the year.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's market risk policy requires it to manage the maturities of interest-bearing financial assets and financial liabilities.

The following table shows the information relating to the Fund's investments in fixed income securities that are exposed to fair value interest rate risk presented by maturity profile.

December 31, 2023	In US Dollar				
	Range of rates	Up to a year	2-5 years	Over 5 years	Total
Financial assets at FVTPL					
Government securities	1.625% - 8.38%	-	926,927	1,858,896	2,785,823
Corporate bond	3.375%	-	39,254	-	39,254

December 31, 2023	In Philippine Peso				
	Range of rates	Up to a year	2-5 years	Over 5 years	Total
Financial assets at FVTPL					
Government securities	1.625% - 8.38%	-	51,323,948	102,927,072	154,251,020
Corporate bond	3.375%	-	2,173,494	-	2,173,494

In US Dollar					
December 31, 2022	Range of rates	Up to a year	2-5 years	Over 5 years	Total
Financial assets at FVTPL					
Government securities	1.625% - 8.38%	-	564,225	2,151,835	2,716,060
Corporate bond	3.375%	-	38,896	-	38,896

In Philippine Peso					
December 31, 2022	Range of rates	Up to a year	2-5 years	Over 5 years	Total
Financial assets at FVTPL					
Government securities	1.625% - 8.38%	-	31,458,475	119,975,450	151,433,925
Corporate bond	3.375%	-	2,168,646	-	2,168,646

The analysis below is performed for reasonably possible movements in interest rate with all other variables held constant, showing the impact on pre-tax profit.

	Change in interest rate	Impact on pre-tax profit	
		In US Dollar	In Philippine Peso
December 31, 2023	+1%	(201,193)	(11,187,718)
	-1%	173,045	9,622,522
December 31, 2022	+1%	(169,343)	(9,441,724)
	-1%	180,529	10,065,391
December 31, 2021	+1%	(177,495)	(8,918,733)
	-1%	197,242	9,910,977

As at December 31, 2023 and 2022, the Fund determines the reasonably possible change in interest rates using the percentage changes in weighted average yield rates of outstanding securities for the past three years.

Price risk

Price risk relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices of equity securities.

The Fund is exposed to price risk in respect of its investments in equities traded in emerging markets belonging to the Morgan Stanley Capital Index (MSCI) Asia Pacific ex-Japan index.

The Fund's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investment, diversification plan and limits on investments.

The analysis below is performed for reasonably possible movements of the index with all other variables held constant, showing the impact on pre-tax profit.

	Change in foreign currency versus US Dollar	Impact on pre-tax profit	
		In US Dollar	In Philippine Peso
December 31, 2023	+/- 4.66%	+/- 141,606	+/- 7,874,285
December 31, 2022	+/- 6.58%	+/- 207,739	+/- 2,140,838,637

15 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

15.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS, in general, includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FRSC) and adopted by the SEC.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL. The Fund's functional currency is the United States Dollar. The corresponding equivalent amounts in Philippine Peso has been translated using the policies in Note 15.7.

The preparation of these financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. There are no areas where assumptions and estimates are significant to the financial statements. The areas involving a higher degree of judgment or complexity are disclosed in Note 13.

Changes in accounting policy and disclosures

(a) Amendments to existing standards adopted by the Fund

The following amendments to existing standards have been adopted by the Fund effective January 1, 2023:

- Amendments to PAS1, 'Presentation of Financial Statements', and PFRS Practice Statement 2

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, PFRS Practice Statement 2 Making Materiality Judgements was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

(b) New standards, interpretations and amendments not yet adopted by the Fund

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2023 that are considered relevant or expected to have a material effect on the financial statement of the Fund.

15.2 Financial instruments

15.2.1 Classification and subsequent measurement

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortized cost.

Gains and losses on sale of investments at FVTPL are included in the income (losses) from financial assets at FVTPL in the statement of total comprehensive income.

The classification requirements for equity and debt instruments are described below:

Equity investments

The Fund subsequently measures all equity investments at FVTPL. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Fund's right to receive payments is established.

Debt instruments

Classification and subsequent measurement of debt instruments depend on the Fund's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into one of the following measurement categories:

- *Amortized cost*

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest from these financial assets is included in 'Interest income' using the effective interest rate method.

As at December 31, 2023 and 2022, the Fund's financial assets at amortized cost consist of cash in banks and other financial assets at amortized cost.

- *Financial assets at FVTPL*

Financial assets that do not meet the criteria for amortized cost and the collection of contractual cash flows is only incidental to achieving the Fund's business model objective are measured at fair value through profit or loss.

The Fund's financial asset at FVPTL as at December 31, 2023 and 2022 consist of investments in equity securities, government securities and corporate securities.

Business model: The business model reflects how the Fund manages the financial assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of financial assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Fund in determining the business model for a group of financial assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

15.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost. The Fund recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Fund measures the loss allowance on financial assets at amortized cost at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit-impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit-impaired.

15.2.2.1 Classification and measurement of financial liabilities

The Fund classifies its financial liabilities at FVTPL or as other financial liabilities at amortized cost.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

15.3 Equity

The Fund issues shares, which are redeemable at the holder's option and are classified as equity in accordance with PAS 32, Financial instruments: Presentation. Each share has the following features which support the equity classification:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the entity's liquidation;
- The share has no priority over other claims to the assets of the entity on liquidation, and it does not need to be converted into another instrument before it is classified as such; and
- All shares impose a contractual obligation on the Fund to deliver a pro rata share of its net assets on liquidation.

In addition, the Fund has no other financial instrument or contract that has:

- total cash flows based substantially on profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund (excluding any effects of such instrument or contract); and
- the effect of substantially restricting or fixing the residual return to the shareholders.

Should the redeemable shares' terms or conditions change such that they do not comply with the strict criteria as mentioned above, the redeemable shares would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognized in equity.

Redeemable shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's trading NAV calculated in accordance with the Fund's regulations. Redeemed shares are not cancelled but may be reissued in the future.

Share premium

Sales of shares are recorded by crediting share capital at par value and share premium for the amount received in excess of the par value; redemptions are recorded by debiting those accounts. In the event that the share premium balance is exhausted as a result of redemptions, the Retained earnings account is reduced by redemptions in excess of par.

15.4 Earnings (Loss) per share

(Loss) Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Fund by the weighted average number of shares outstanding.

15.5 Current and deferred income tax

Income tax expense for the period comprises current and deferred tax.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. All changes to current tax assets or liabilities are recognized as a component of income tax expense in profit or loss.

Deferred income tax is recognized, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax losses (NOLCO) and unused tax credits (excess of minimum corporate income tax) to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized.

15.6 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

15.7 Translation of US Dollar balances to Philippine Peso

The financial statements include comparative presentation in Philippine Peso for additional information purposes only. The amounts are translated using the following procedures:

- a. Assets and liabilities reported in the statement of financial position are translated at closing exchange rate of P55.37 to USD 1 in 2023 (2022 - P55.75 to US\$1);
- b. Revenue, expenses, gains and losses reported in profit or loss in the statement of total comprehensive income are translated at annual weighted average exchange rate of P55.61 to USD 1 in 2023 (2022 - P55.81 to USD 1; 2021 - P50.77 to US\$1); and
- c. Share capital is translated at historical exchange rate.
- d. The resulting translation adjustment is presented as a separate component of equity in the Philippine Peso statement of financial position.

16 Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by Revenue Regulations No. 15-2010 that is relevant to the Fund. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. All amounts are in Philippine Peso.

(i) All other local and national taxes

All other local and national taxes paid as at and for the year ended December 31, 2023 consist of:

	Total
Documentary stamp tax	24
Municipal taxes and mayor's permit	41,495
Community tax	9,780
	51,299

The above local and national taxes are charged under taxes and licenses account in the statement of total comprehensive income.

(ii) Withholding taxes

Withholding taxes paid and accrued and/or withheld as at and for the year ended December 31, 2023 consist of:

	Paid	Accrued	Total
Expanded withholding tax	653,091	53,891	706,982

Accrued expanded withholding tax is included under Accounts payable and accrued expenses in the statements of financial position.

(iii) Tax assessments and cases

Taxable years 2022, 2021 and 2020 are open for tax examinations. The Fund has no pending tax cases as at December 31, 2023.

(iv) Others

The Fund did not have transactions that are subject to value added tax, excise taxes, and custom duties and tariff for the year ended December 31, 2023.

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2023
(All amounts in thousands of Philippine Peso)

Unappropriated Retained Earnings (Deficit), beginning of the year/period		(96,996,235)
Add: Category A: Items that are directly credited to		
Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: Category B: Items that are directly debited to		
Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Unappropriated Retained Earnings (Deficit), as adjusted		(96,996,235)
Add/Less: Net Income (loss) for the current year/period		12,762,641
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to- market gains) of financial instruments at fair value through profit or loss (FVTPL)	(10,397,578)	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	(10,397,578)

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2023
(All amounts in thousands of Philippine Peso)

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		-
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		-
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Adjusted net income/loss		2,365,063
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-

PAMI Asia Balanced Fund, Inc.
(An Open-End Mutual Fund Company)

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2023

(All amounts in thousands of Philippine Peso)

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature):	
Redemption of redeemable shares	-
<hr/>	
Total Retained Earnings (Deficit), end of the year/period available for dividend declaration	(94,631,172)

PAMI Asia Balanced Fund, Inc.
Schedule A - Financial Assets
December 31, 2023
(All amounts in US Dollar)

Name of Issuing entity and association of each issue	Face value / number of shares	Amount shown in the financial statements	Value based on market quotation	Income received and accrued
Cash in banks	117,106	117,106	117,106	-
Financial assets at fair value through profit or loss				
<i>Equity Securities</i>				
TAIWAN SEMICONDUCTOR MANUFAC	14,000	270,504	270,504	-
SAMSUNG ELECTRONICS CO LTD	3,377	205,835	205,835	-
TENCENT HOLDINGS LTD	3,600	135,360	135,360	-
BHP GROUP LTD	2,870	98,720	98,720	-
SK HYNIX INC	675	74,162	74,162	-
NATIONAL AUSTRALIA BANK LTD	3,248	68,040	68,040	-
AIA GROUP LTD USD1.00	7,600	66,233	66,233	-
MEDIATEK INC	2,000	66,143	66,143	-
CSL LTD	317	62,004	62,004	-
DBS GROUP HOLDINGS LTD	2,300	58,254	58,254	-
PDD HOLDINGS INC	394	57,646	57,646	-
ALIBABA GROUP HOLDING LTD	5,600	54,218	54,218	-
BLUESCOPE STEEL LTD	3,356	53,585	53,585	-
MACQUARIE GROUP LIMITED	365	45,734	45,734	-
KIA CORP	569	44,181	44,181	-
WOOLWORTHS GROUP LTD	1,571	39,877	39,877	-
HYUNDAI MOTOR CO	232	36,658	36,658	-
CTBC FINANCIAL HOLDING CO LT	39,000	36,025	36,025	-
NAVER CORP	199	34,611	34,611	-
WESFARMERS LIMITED	888	34,562	34,562	-
CHINA CONSTRUCTION BANK-H	58,000	34,539	34,539	-
WESTPAC BANKING CORPORATION	2,171	33,924	33,924	-
HYUNDAI MOBIS	182	33,492	33,492	-
WOODSIDE ENERGY GROUP LTD	1,541	32,660	32,660	-
BANK RAKYAT INDONESIA PERSER	87,600	32,573	32,573	-
COMMONWEALTH BANK OF AUSTRAL	391	29,828	29,828	-
BAIDU INC-CLASS A	2,000	29,737	29,737	-
MEITUAN-CLASS B	2,640	27,690	27,690	-
SINGAPORE AIRLINES LTD	5,400	26,855	26,855	-
ARISTOCRAT LEISURE LTD	901	25,096	25,096	-
GOODMAN GROUP NPV	1,448	24,997	24,997	-
CLP HOLDINGS LTD	3,000	24,761	24,761	-
E SUN FINANCIAL HOLDINGS CO	29,297	24,628	24,628	-
CHINA MENGNIU DAIRY CO	9,000	24,204	24,204	-
TECHTRONIC INDUSTRIES CO	2,000	23,833	23,833	-
JD.COM INC - CL A	1,611	23,210	23,210	-
RIO TINTO LTD NPV	248	22,957	22,957	-
BANK MANDIRI TBK PT	58,100	22,830	22,830	-
CHINA OILFIELD SERVICES-H	22,000	22,483	22,483	-
SUNCORP GROUP LTD	2,319	21,916	21,916	-
CHINA RESOURCES LAND LTD	6,000	21,515	21,515	-
SINO BIOPHARMACEUTICAL	48,000	21,331	21,331	-
CSPC PHARMACEUTICAL GROUP LTD	22,720	21,124	21,124	-
ORIGIN ENERGY LTD	3,435	19,853	19,853	-
POSTAL SAVINGS BANK OF CHI-H	41,000	19,585	19,585	-
CHINA SOUTHERN AIRLINES CO-H	46,000	19,499	19,499	-
XIAOMI CORP-CLASS B	9,400	18,779	18,779	-
UOL GROUP LIMITED	3,900	18,567	18,567	-
BANK OF CHINA LTD-H	48,000	18,318	18,318	-
SHINHAN FINANCIAL GROUP LTD	587	18,300	18,300	-
NETEASE INC	1,000	18,006	18,006	-
CATHAY FINANCIAL HOLDING CO	12,000	17,888	17,888	-
CP ALL PCL-FOREIGN	10,900	17,883	17,883	-
FORTESCUE LTD	902	17,861	17,861	-
HONG KONG EXCHANGES & CLEAR	500	17,161	17,161	-
UNI-PRESIDENT ENTERPRISES CO	7,000	16,992	16,992	-
LI AUTO INC-CLASS A	900	16,955	16,955	-
ANZ GROUP HOLDINGS LTD	953	16,855	16,855	-
<i>Forward</i>				

Name of Issuing entity and association of each issue	Face value / number of shares	Amount shown in the financial statements	Value based on market quotation	Income received and accrued
<i>Continuation</i>				
CRRCLTD - H	36,000	15,860	15,860	-
PETROCHINA CO LTD-H	24,000	15,860	15,860	-
PING AN INSURANCE GROUP CO-H	3,500	15,845	15,845	-
CHINA MERCHANTS BANK - H	4,500	15,675	15,675	-
TRANSURBAN GROUP	1,652	15,454	15,454	-
KASIKORNBANK PCL (ALIEN MKT)	3,900	15,425	15,425	-
NONGFU SPRING CO LTD-H	2,600	15,034	15,034	-
IND & COMM BK OF CHINA-H	30,000	14,676	14,676	-
MALAYAN BANKING BERHAD	7,500	14,510	14,510	-
KUNLUN ENERGY COMPANY LTD	16,000	14,425	14,425	-
SAMSUNG ELECTRONICS-PFD NV	296	14,319	14,319	-
PICC PROPERTY & CASUALTY -H	12,000	14,261	14,261	-
NEW ORIENTAL EDUCATION & TEC	2,000	14,151	14,151	-
BYD CO LTD-H	500	13,729	13,729	-
INARI AMERTRON BHD MYR0.1	20,000	13,101	13,101	-
CELLTRION INC KRW500	76	11,891	11,891	-
MALAYSIA AIRPORTS HLDGS BHD	7,400	11,853	11,853	-
GALAXY ENTERTAINMENT GROUP L	2,000	11,206	11,206	-
LENOVO GROUP LTD	8,000	11,188	11,188	-
AIRPORTS OF THAILAND PCL-FOR	6,200	10,853	10,853	-
SUN HUNG KAI PROPERTIES	1,000	10,815	10,815	-
KB FINANCIAL GROUP INC	254	10,670	10,670	-
TRIP.COM GROUP LTD	300	10,665	10,665	-
COCHLEAR LIMITED	52	10,597	10,597	-
GAMUDA BHD	10,400	10,389	10,389	-
DELTA ELECTRONICS INC	1,000	10,215	10,215	-
CITIC SECURITIES	5,000	10,207	10,207	-
ZHUZHOU CRRCLTD TIMES ELECTRIC	3,400	9,710	9,710	-
ANTA SPORTS PRODUCTS LTD	1,000	9,701	9,701	-
CHINA NATIONAL BUILDING MA-H	22,000	9,410	9,410	-
YUM CHINA HOLDINGS INC	220	9,335	9,335	-
CHINA STEEL CORP	10,000	8,797	8,797	-
CHINA RESOURCES BEER (HOLDINGS) CO LTD	2,000	8,760	8,760	-
VICINITY CENTERS VCX	5,853	8,147	8,147	-
PTT PCL/FOREIGN	7,700	8,065	8,065	-
PTT GLOBAL CHEMICAL PCL-FOR THB10(ALIEN	7,100	8,009	8,009	-
CHINA OVERSEAS LAND & INVEST	4,500	7,930	7,930	-
ANGANG STEEL CO LTD-H	40,000	7,889	7,889	-
FORMOSA PLASTICS CORP	3,000	7,742	7,742	-
EVERGREEN MARINE	1,600	7,481	7,481	-
HENDERSON LAND DEVELOPMENT	2,400	7,392	7,392	-
YADEA GROUP HOLDINGS LTD	4,000	7,028	7,028	-
SANDS CHINA LTD	2,400	7,023	7,023	-
BOC HONG KONG HOLDINGS LTD	2,500	6,787	6,787	-
WHARF REAL ESTATE INVESTMENT 1997	2,000	6,762	6,762	-
SIME DARBY BERHAD	12,900	6,597	6,597	-
GREAT WALL MOTOR COMPANY-H	5,000	6,493	6,493	-
ENDEAVOUR GROUP LTD/AUSTRALI	1,706	6,065	6,065	-
TAIWAN CEMENT	5,214	5,921	5,921	-
HAITONG SECURITIES	10,400	5,554	5,554	-
INNOVENT BIOLOGICS INC	1,000	5,475	5,475	-
CHINA TOWER CORP LTD-H	52,000	5,461	5,461	-
SUNNY OPTICAL TECH	600	5,444	5,444	-
PUBLIC BANK BHD	5,800	5,415	5,415	-
CHINA LONGYUAN POWER GROUP-H	7,000	5,307	5,307	-
TAL EDUCATION GROUP- ADR	416	5,254	5,254	-
CHINA PACIFIC INSURANCE GR-H	2,600	5,248	5,248	-
HONG KONG & CHINA GAS	6,618	5,068	5,068	-
CK ASSET HOLDINGS LTD	1,000	5,020	5,020	-
AYALA LAND INC	7,600	4,728	4,728	-
ENN ENERGY HOLDINGS LTD	600	4,418	4,418	-
SK SQUARE CO LTD	106	4,329	4,329	-
AXIATA GROUP BERHAD	8,300	4,299	4,299	-
JARDINE MATHESON HLDGS ORD	100	4,121	4,121	-
LONGFOR GROUP HOLDINGS LTD	2,500	4,002	4,002	-
WUXI BIOLOGICS CAYMAN INC	1,000	3,791	3,791	-
ALIBABA HEALTH INFORMATION T	6,000	3,258	3,258	-
BUDWEISER BREWING CO APAC LT	1,400	2,621	2,621	-
<i>Forward</i>				

Name of Issuing entity and association of each issue	Face value / number of shares	Amount shown in the financial statements	Value based on market quotation	Income received and accrued
<i>Continuation</i>				
CHINA CONCH VENTURE HOLDINGS	3,000	2,490	2,490	-
GUANGDONG INVESTMENT LTD	2,000	1,455	1,455	-
CHINA CONCH ENVIRONMENT PROT	3,000	599	599	-
LX HOLDINGS CO LTD	93	509	509	-
	1,120,963	3,038,821	3,038,821	-
<i>Government Securities</i>				
<i>Philippine government debt securities</i>				
PHILIPPINE GOVERNMENT 6.875% 10JAN2029	10,600,000	203,791	197,576	6,215
PHILIPPINE GOVERNMENT 4.875% 20JAN2032	2,800,000	48,623	47,527	1,096
<i>Government debt securities other than Philippines</i>				
KOREA TRSY BD KTB 3 3/8 06/10/32	250,000,000	196,577	196,218	359
INDONESIA RECAP FR0072 8.25% 15MEI36	2,200,000,000	162,794	161,304	1,490
CHINA GOVT BOND CGB 3 1/4 11/22/28	1,000,000	147,583	147,092	491
CHINA GOVT BOND CGB 3.01 05/13/28	1,000,000	147,326	144,636	2,690
CHINA DEV BANK SDBC 3.23 11/27/25	1,000,000	141,982	141,559	423
LB366A 3.4% 17/12/2023	4,000,000	123,959	123,806	153
SINGAPORE GOV'T SIGB 1 5/8 07/01/31	140,000	99,269	98,411	858
CHINA GOVT BOND CGB 2.52 08/25/33	700,000	98,696	97,834	862
MALAYSIAN GOV'T MGS 3.733 06/15/28	400,000	87,686	87,544	142
CHINA GOVT BOND CGB 2.91 10/14/28	600,000	86,700	86,177	523
SINGAPORE GOV'T SIGB 3 3/8 09/01/33	100,000	81,042	80,192	850
THAILAND GOVERNMENT BOND 3.65% 20JUN2031	2,500,000	78,441	78,360	81
MALAYSIA GOVT MGS 4.642 11/07/33	300,000	70,604	70,154	450
SINGAPORE GOV'T SIGB 2 7/8 07/01/29	90,000	69,754	68,779	975
MALAYSIA GOVT MGS 3.582 07/15/32	320,000	69,677	68,531	1,146
MALAYSIA GOVT MGS 3.9 11/30/26	300,000	66,298	66,082	216
US TREASURY N/B T 2 3/4 08/15/32	70,000	64,870	64,148	722
KOREA TRSY BD KTB 2 03/10/49	100,000,000	63,905	63,427	478
CHINA GOVT BOND CGB 3.28 12/03/27	400,000	58,472	58,331	141
CHINA GOVT BOND CGB 2.26 02/24/25	400,000	57,307	56,229	1,078
KOREA TRSY BD KTB 3 1/8 09/10/27	70,000,000	54,824	54,308	516
INDONESIA RECAP FR0079 8.375% 15APR39	700,000,000	53,160	52,359	801
MALAYSIA GOVT MGS 4.254 05/31/35	200,000	44,937	44,780	157
CHINA GOVT BOND CGB 2.6 09/15/30	300,000	42,628	42,308	320
SINGAPORE GOV'T SIGB 2 7/8 09/01/30	50,000	38,594	38,232	362
SINGAPORE GOV'T SIGB 2 3/4 03/01/46	50,000	38,191	37,845	346
KOREA TRSY BD KTB 2 3/8 09/10/38	50,000,000	35,684	35,404	280
FR0091 6.375% 15APR2032	500,000,000	32,608	32,172	436
INDONESIA RECAP FR0064 6.125% 15MAY28	500,000,000	32,338	32,087	251
KOREA TRSY BD KTB 3 1/8 09/10/52	40,000,000	31,615	31,316	299
THAILAND GOVERNMENT BOND 2.125% 17DEC2026	800,000	23,342	23,323	19
MALAYSIA GOVT MGS 3.885 08/15/29	100,000	22,300	21,983	317
FR0098 7.125% 15JUN2038	300,000,000	20,484	20,423	61
WI TREASURY SEC. WIT 5 1/8 09/30/25	20,000	20,459	20,208	251
MALAYSIA GOVT MGS 2.632 04/15/31	100,000	20,313	20,193	120
SINGAPORE GOV'T SIGB 1 7/8 10/01/51	30,000	19,290	19,184	106
THAILAND GOVT THAIGB 2 3/4 06/17/52	500,000	12,805	12,790	15
CHINA GOVT BOND CGB 3.72 04/12/51	50,000	8,180	8,123	57
CHINA GOVT BOND CGB 3.39 03/16/50	50,000	7,711	7,642	69
Tax reclaimable government bond interest	1,004	1,004	1,004	-
	4,738,971,004	2,785,823	2,759,601	26,222
<i>Corporate Debt Securities</i>				
ASIAN INFRASTRUC AIIB	40,000	39,254	39,247	7
<i>Derivatives</i>				
	1,518	1,518	1,518	-
Financial assets at fair value through profit or loss	4,740,133,485	5,865,416	5,839,187	26,229
Total		5,982,522	5,956,293	26,229

PAMI Asia Balanced Fund, Inc.
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related
Parties, and Principal Stockholders (Other than Related Parties)
December 31, 2023

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written-off	Balance at end of period
NOTHING TO REPORT					

PAMI Asia Balanced Fund, Inc.
Schedule C - Amounts Receivable from Related Parties which are Eliminated
during the Consolidation of Financial Statements
December 31, 2023

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written-off	Current	Non-current	Balance at end of period
NOTHING TO REPORT							

PAMI Asia Balanced Fund, Inc.
Schedule D - Long-Term Debt
December 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Amount shown in the statement of financial position
NOTHING TO REPORT		

PAMI Asia Balanced Fund, Inc.
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
As at December 31, 2023

Name of related party	Balance at beginning of period	Balance at end of period
NOTHING TO REPORT		

PAMI Asia Balanced Bond Fund, Inc.
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2023

Name of Issuing entity of securities guaranteed by the Fund for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
NOTHING TO REPORT				

PAMI Asia Balanced Bond Fund, Inc.
Schedule G - Capital Stock
December 31, 2023

Titles of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Redeemable shares	36,000,000	6,105,116	-	-	49,569	6,055,547

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIESNAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634TEL. NO.: 521-6300

FAX NO.: _____

COMPANY TYPE : INVESTMENT COMPANY - MUTUAL FUND

PSIC: _____

*If these are based on consolidated financial statements, please so indicate in the caption.***Table 1. Balance Sheet**

FINANCIAL DATA	2023 (in \$'000)	2022 (in \$'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)	6,032	6,299
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	6,032	6,299
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	117	374
A.1.1.1 On hand		
A.1.1.2 In domestic banks/entities	117	374
A.1.1.3 In foreign banks/entities		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	-	-
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)	-	-
A.1.2.1.1 Due from customers (trade)	-	-
A.1.2.1.2 Due from related parties		
A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)		
A.1.2.1.3.1 Dividend receivable		
A.1.2.1.3.2		
A.1.2.1.4 Allowance for doubtful accounts (negative entry)		
A.1.2.2 Due from foreign entities, specify (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4)		
A.1.2.2.1		
A.1.2.2.2		
A.1.2.2.3		
A.1.2.2.4 Allowance for doubtful accounts (negative entry)		
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)		
A.1.3.1 Raw materials and supplies		
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		
A.1.3.3 Finished goods		
A.1.3.4 Merchandise/Goods in transit		
A.1.3.5 Unbilled Services (in case of service providers)		
A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2)		
A.1.3.6.1		
A.1.3.6.2		
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6)	5,868	5,914
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities: (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)		
A.1.4.1.1 National Government		
A.1.4.1.2 Public Financial Institutions		
A.1.4.1.3 Public Non-Financial Institutions		
A.1.4.1.4 Private Financial Institutions		
A.1.4.1.5 Private Non-Financial Institutions		
A.1.4.2 Held to Maturity Investments - issued by domestic entities: (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)		
A.1.4.2.1 National Government		
A.1.4.2.2 Public Financial Institutions		
A.1.4.2.3 Public Non-Financial Institutions		
A.1.4.2.4 Private Financial Institutions		
A.1.4.2.5 Private Non-Financial Institutions		

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.
CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634
TEL. NO.: 521-6300 FAX NO.: _____
COMPANY TYPE : INVESTMENT COMPANY - MUTUAL FUND PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2023 (in \$'000)	2022 (in \$'000)
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)		
A.1.4.3.1 National Government		
A.1.4.3.2 Public Financial Institutions		
A.1.4.3.3 Public Non-Financial Institutions		
A.1.4.3.4 Private Financial Institutions		
A.1.4.3.5 Private Non-Financial Institutions		
A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)		
A.1.4.4.1 National Government		
A.1.4.4.2 Public Financial Institutions		
A.1.4.4.3 Public Non-Financial Institutions		
A.1.4.4.4 Private Financial Institutions		
A.1.4.4.5 Private Non-Financial Institutions		
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)	5,868	5,914
A.1.4.5.1 Financial Assets at fair value through profit or loss	5,868	5,914
A.1.4.5.2 Held-to-maturity investments		
A.1.4.5.3 Loans and Receivables		
A.1.4.5.4 Available-for-sale financial assets		
A.1.4.6 Allowance for decline in market value (negative entry)		
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)	47	12
A.1.5.1 Other financial assets at amortized cost	47	12
A.1.5.2		
A.1.5.3		
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8)		
A.2.1 Land		
A.2.2 Building and improvements including leasehold improvement		
A.2.3 Machinery and equipment (on hand and in transit)		
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment		
A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)		
A.2.5.1 Property, or equipment used for education purposes		
A.2.5.2 Construction in progress		
A.2.5.3		
A.2.5.4		
A.2.5.5		
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5)		
A.2.6.1		
A.2.6.2		
A.2.6.3		
A.2.6.4		
A.2.6.5		
A.2.7 Accumulated Depreciation (negative entry)		
A.2.8 Impairment Loss or Reversal (if loss, negative entry)		
A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3 + A.3.4)		
A.3.1 Equity in domestic subsidiaries/affiliates		
A.3.2 Equity in foreign branches/subsidiaries/affiliates		
A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5)		
A.3.3.1		
A.3.3.2		
A.3.3.3		
A.3.3.4		
A.3.3.5		
A.4 Investment Property		
A.5 Biological Assets		
A.6 Intangible Assets		
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)		
A.6.1.1		
A.6.1.2		
A.6.2 Others, specify (A.6.2.1 + A.6.2.2)		
A.6.2.1		
A.6.2.2		
A.7 Assets Classified as Held for Sale		
A.8 Assets included in Disposal Groups Classified as Held for Sale		

SPECIAL FORM FOR CONSOLIDATED FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.
CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634
TEL. NO.: 521-6300 FAX NO.: _____
COMPANY TYPE: INVESTMENT COMPANY - MUTUAL FUND PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2023 (in \$'000)	2022 (in \$'000)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)		
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3)		
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3)		
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)	-	-
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax	-	-
A.10.3 Advance/Miscellaneous deposits		
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4 + A.10.4.5)		
A.10.4.1		
A.10.4.2		
A.10.4.3		
A.10.4.4		
A.10.4.5		
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	682	778
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	682	778
B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6)	682	778
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	-	-
B.1.1.3 Payables to Related Parties	43	12
B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders		
B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3)	577	557
B.1.1.5.1 Accruals	577	557
B.1.1.5.2		
B.1.1.5.3		
B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3)		
B.1.1.6.1		
B.1.1.6.2		
B.1.1.6.3		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3)		
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.3 Provisions		
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3 + B.1.4.4 + B.1.4.5)		
B.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.4.5		
B.1.5 Liabilities for Current Tax	-	-
B.1.6 Deferred Tax Liabilities	62	210
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.7.1 + B.1.7.2 + B.1.7.3 + B.1.7.4 + B.1.7.5 + B.1.7.6)		
B.1.7.1 Dividends declared and not paid at balance sheet date		
B.1.7.2 Acceptances Payable		
B.1.7.3 Liabilities under Trust Receipts		
B.1.7.4 Portion of Long-term Debt Due within one year		
B.1.7.5 Deferred Income		
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify:		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.
CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634
TEL. NO.: 521-6300 FAX NO.: _____
COMPANY TYPE : INVESTMENT COMPANY - MUTUAL FUND PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2023 (in \$'000)	2022 (in \$'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		
B.2.1 Domestic Public Financial Institutions		
B.2.2 Domestic Public Non-Financial Institutions		
B.2.3 Domestic Private Financial Institutions		
B.2.4 Domestic Private Non-Financial Institutions		
B.2.5 Foreign Financial Institutions		
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)		
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale		
B.5 Other Liabilities (B.5.1 + B.5.2)		
B.5.1 Deferred Tax		
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5)		
B.5.2.1		
B.5.2.2		
B.5.2.3		
B.5.2.4		
B.5.2.5		
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)	5,350	307,844
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)	16,200	16,200
C.1.1 Common shares (36,000,000 at Php 0.45 par value)	16,200	16,200
C.1.2 Preferred Shares		
C.1.3 Others		
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)	61	65
C.2.1 Common shares 6,105,116 and 6,548,206 at Php 0.45 par value in 2023 and 2022, respectively	61	65
C.2.2 Preferred Shares		
C.2.3 Others		
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)	61	65
C.3.1 Common shares 6,105,116 and 6,548,206 at Php 0.45 par value in 2023 and 2022, respectively	61	65
C.3.2 Preferred Shares		
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus	7,018	7,414
C.5 Minority Interest		
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)		
C.6.1 Foreign currency translation adjustment	-	-
C.6.2		
C.6.3		
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		
C.8 Retained Earnings (C.8.1 + C.8.2)	(1,729)	(96,996)
C.8.1 Appropriated		
C.8.2 Unappropriated	(1,729)	(1,958)
C.9 Head / Home Office Account (for Foreign Branches only)		
C.10 Cost of Stocks Held in Treasury (negative entry)		
TOTAL LIABILITIES AND EQUITY (B + C)	6,032	6,299

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.
CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634
TEL. NO.: 521-6300 FAX NO.: _____
COMPANY TYPE : INVESTMENT COMPANY - MUTUAL FUND PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2023 (in \$'000)	2022 (in \$'000)	2021 (in \$'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3)	270	115	112
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)			
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for			
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)			
A.3.1 Rental Income from Land and Buildings			
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)			
A.3.3 Sale of Real Estate or other Property and Equipment			
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)			
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7 + A.3.5.8)	270	115	12
A.3.5.1 Fair value gains, net	167	-	-
A.3.5.2 Interest income	0	0	0
A.3.5.3 Dividend income	102	115	112
A.3.5.4 Foreign Exchange gains, net	-	-	-
A.3.5.5 Other Income	-	0	0
A.3.5.6 Income from financial assets at fair value through profit or loss	-	-	-
A.3.5.7			
A.3.5.8			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	-	-	-
A.4.1 Interest Income			
A.4.2 Dividend Income			
A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4)			
A.4.3.1			
A.4.3.2			
A.4.3.3			
A.4.3.4			
A.4.4 Others, specify (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)			
A.4.4.1 Gain / (Loss) on Foreign Exchange			
A.4.4.2			
A.4.4.3			
A.4.4.4			
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)			
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)			
B.1.1 Direct Material Used			
B.1.2 Direct Labor			
B.1.3 Other Manufacturing Cost / Overhead			
B.1.4 Goods in Process, Beginning			
B.1.5 Goods in Process, End (negative entry)			
B.2 Finished Goods, Beginning			
B.3 Finished Goods, End (negative entry)			
C. COST OF SALES (C.1 + C.2 + C.3)			
C.1 Purchases			
C.2 Merchandise Inventory, Beginning			
C.3 Merchandise Inventory, End (negative entry)			
D. GROSS PROFIT (A - B - C)	270	115	112

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.
CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634
TEL. NO.: 521-6300 FAX NO.: _____
COMPANY TYPE : INVESTMENT COMPANY - MUTUAL FUND PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2023 (in \$'000)	2022 (in \$'000)	2021 (in \$'000)
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)	169	1,246	707
E.1 Selling or Marketing Expenses			
E.2 Administrative Expenses			
E.3 General Expenses	169	1,246	707
E.4 Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4 + E.4.5 + E.4.6 + E.4.7 + E.4.8 + E.4.9 + E.4.10)	-	-	-
E.4.1 Losses on financial assets at fair value through profit or loss	-	-	-
E.4.2 Foreign Exchange Losses	-	-	-
E.4.3 Other Expense	-	-	-
E.4.4			
E.4.5			
E.4.6			
E.4.7			
E.4.8			
E.4.9			
E.4.10			
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)			
F.1 Interest on Short-Term Promissory Notes			
F.2 Interest on Long-Term Promissory Notes			
F.3 Interest on bonds, mortgages and other long-term loans			
F.4 Amortization			
F.5 Other interests, specify (F.5.1 + F.5.2 + F.5.3 + F.5.4 + F.5.5)			
F.5.1			
F.5.2			
F.5.3			
F.5.4			
F.5.5			
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)	101	(1,131)	(594)
H. INCOME TAX EXPENSE (negative entry)	(129)	14	77
I. INCOME(LOSS) AFTER TAX	230	(1,145)	(671)
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)			
J.1 Translation adjustment			
J.2			
K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST			
L PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	230	(1,145)	(671)
M. EARNINGS (LOSS) PER SHARE	0.0360	(0.1700)	(0.0900)
M.1 Basic	0.0360	(0.1700)	(0.0900)
M.2 Diluted			

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.

CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634

TEL. NO.: 521-6300

FAX NO.: _____

COMPANY TYPE INVESTMENT COMPANY - MUTUAL FUND

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2023 (in \$'000)	2022 (in \$'000)	2021 (in \$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) Before Tax and Extraordinary Items	101	(1,131)	(594)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation			
Amortization, specify			
Others, specify: Income (Loss) on financial assets at fair value through profit or loss	(167)	1,077	415
Unrealized fair value losses (gains)			-
Unrealized foreign exchange losses			-
Dividend income	(102)	(115)	(112)
Dividend received	100	111	111
Interest income	(0)	(0)	(0)
Interest received	0	0	0
Income taxes paid	128	(5)	-
Changes in Assets and Liabilities:			
Decrease (Increase) in:			
Loans and receivables			
Financial assets at fair value through profit or loss	215	532	1,199
Others, specify: Net purchases of financial assets			
Other Financial assets at amortized cost	(35)	11	85
Increase (Decrease) in:			
Accounts Payable and Other Expenses	(126)	(46)	42
Due to fund manager	31	(23)	(16)
Others, specify:			
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	144	410	1,132
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in Long-Term Receivables			
(Increase) Decrease in Investment			
Reductions/(Additions) to Property, Plant, and Equipment			
Others, specify			
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans			
Long-term Debt			
Issuance of Securities	1	12	1,187
Others, specify:			
Payments of:			
(Loans)			
(Long-term Debt)			
(Stock Subscriptions)	(401)	(355)	(2,650)
Others, specify (negative entry):			
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	(401)	(343)	(1,462)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(257)	67	(330)
Cash and Cash Equivalents			
Effect of exchange rate changes on cash			
Beginning of year	374	307	637
End of year	117	374	307

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: PAMI ASIA BALANCED FUND, INC.

CURRENT ADDRESS: 17F PHILAM LIFE HEAD OFFICE, NET LIMA BLDG, 5TH AVE COR 26TH ST, BGC, TAGUIG 1634

TEL. NO.: 521-6300

FAX NO.: _____

COMPANY TYPE : INVESTMENT COMPANY - MUTUAL FUND

PSIC: _____

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

FINANCIAL DATA	(Amount in \$'000)				
	Capital Stock	Additional Paid-in Capital	Deposit for Future Stock Subscriptions	Retained Earnings	TOTAL
A. Balance, 2021	69	7,754	-	(813)	7,010
A.1 Correction of Error(s)					-
A.2 Changes in Accounting Policy					-
B. Restated Balance					-
C. Surplus					-
C.1 Surplus (Deficit) on Revaluation of Properties					-
C.2 Surplus (Deficit) on Revaluation of Investments					-
C.3 Currency Translation Differences					-
C.4 Other Surplus (specify)					-
C.4.1					-
C.4.2					-
C.4.3					-
C.4.4					-
C.4.5					-
D. Net Income (Loss) for the Period				(1,145)	(1,145)
E. Dividends (negative entry)					-
F. Appropriation for (specify)					-
F.1					-
F.2					-
F.3					-
F.4					-
F.5					-
G. Issuance of Capital Stock					-
G.1 Purchase	0	1			1
G.2 Redemption	(4)	(351)			(355)
G.3 Others					-
H. Balance, 2022	65	7,414	-	(1,958)	5,521
H.1 Correction of Error (s)					-
H.2 Changes in Accounting Policy					-
I. Restated Balance					-
J. Surplus					-
J.1 Surplus (Deficit) on Revaluation of Properties					-
J.2 Surplus (Deficit) on Revaluation of Investments					-
J.3 Currency Translation Differences					-
J.4 Other Surplus (specify)					-
J.4.1					-
J.4.2					-
J.4.3					-
J.4.4					-
J.4.5					-
K. Net Income (Loss) for the Period				230	230
L. Dividends (negative entry)					-
M. Appropriation for (specify)					-
M.1					-
M.2					-
M.3					-
M.4					-
M.5					-
N. Issuance of Capital Stock					-
N.1 Purchase	0	1			1
N.2 Redemption	(4)	(397)			(401)
N.3 Others					-
O. Balance, 2023	61	7,018	-	(1,729)	5,350

Table 4a. Statement of Recognized Gains and Losses

FINANCIAL DATA	(Amount in P'000)		
	2023	2022	2021
A. Surplus (Deficit) on Revaluation of Properties			
B. Surplus (Deficit) on Revaluation of Investments			
C. Exchange Differences on Translation of the Financial Statements of Foreign Entities			
D. Net Gains (Losses) not recognized in the Income Statement			
E. Net Income for the Period	230	(1,145)	(671)
Total Recognized Gains (Losses) (A + B + C + D + E)	230	(1,145)	(671)
Effect of Changes in Accounting Policy			

PAMI ASIA BALANCED FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

SCHEDULE A

1. Total investment in a single enterprise to NAV

TOTAL ASSETS- January 1 to December 31, 2023 **6,032,054**
NET ASSET VALUE- January 1 to December 31, 2023 **5,350,119**

Security Name	Shares/Par	Total Market Value	Percentage to Total Asset	Percentage to Net Asset Value	Outstanding Securities of an Investee Co.	Percentage to Outstanding Securities of an Investee Co.
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:						
GOVERNMENT BONDS:						
PHILIPPINE GOVERNMENT 6.875% 10JAN2029	10,600,000	203,791	3.38%	3.81%	355,000,000	0.00%
PHILIPPINE GOVERNMENT 4.875% 20JAN2032Government debt securi	2,800,000	48,623	0.81%	0.91%	162,559,000	0.00%
KOREA TRSY BD KTB 3 3/8 06/10/32	250,000,000	196,577	3.26%	3.67%	14,364,725,000	0.00%
INDONESIA RECAP FR0072 8.25% 15MEI36	2,200,000,000	162,794	2.70%	3.04%	90,910,000,000	0.00%
CHINA GOVT BOND CGB 3 1/4 11/22/28	1,000,000	147,583	2.45%	2.76%	182,590,000	0.00%
CHINA GOVT BOND CGB 3.01 05/13/28	1,000,000	147,326	2.44%	2.75%	288,730,000	0.00%
CHINA DEV BANK SDBC 3.23 11/27/25	1,000,000	141,982	2.35%	2.65%	3,700,000	0.03%
LB366A 3.4% 17/12/2023	4,000,000	123,959	2.06%	2.32%	n/a	n/a
SINGAPORE GOV'T SIGB 1 5/8 07/01/31	140,000	99,269	1.65%	1.86%	6,300,000	0.00%
CHINA GOVT BOND CGB 2.52 08/25/33	700,000	98,696	1.64%	1.84%	322,190,000	0.00%
MALAYSIAN GOV'T MGS 3.733 06/15/28	400,000	87,686	1.45%	1.64%	24,000,000	0.00%
CHINA GOVT BOND CGB 2.91 10/14/28	600,000	86,700	1.44%	1.62%	283,120,000	0.00%
SINGAPORE GOV'T SIGB 3 3/8 09/01/33	100,000	81,042	1.34%	1.51%	9,500,000	0.00%
THAILAND GOVERNMENT BOND 3.65% 20JUN2031	2,500,000	78,441	1.30%	1.47%	198,495,000	0.00%
MALAYSIA GOVT MGS 4.642 11/07/33	300,000	70,604	1.17%	1.32%	20,000,000	0.00%
SINGAPORE GOV'T SIGB 2 7/8 07/01/29	90,000	69,754	1.16%	1.30%	7,600,000	0.00%
MALAYSIA GOVT MGS 3.582 07/15/32	320,000	69,677	1.16%	1.30%	18,000,000	0.00%
MALAYSIA GOVT MGS 3.9 11/30/26	300,000	66,298	1.10%	1.24%	24,000,000	0.00%
US TREASURY N/B T 2 3/4 08/15/32	70,000	64,870	1.08%	1.21%	121,137,000	0.00%
KOREA TRSY BD KTB 2 03/10/49	100,000,000	63,905	1.06%	1.19%	26,680,014,000	0.00%
CHINA GOVT BOND CGB 3.28 12/03/27	400,000	58,472	0.97%	1.09%	303,060,000	0.00%
CHINA GOVT BOND CGB 2.26 02/24/25	400,000	57,307	0.95%	1.07%	188,020,000	0.00%
KOREA TRSY BD KTB 3 1/8 09/10/27	70,000,000	54,824	0.91%	1.02%	11,020,134,000	0.00%
INDONESIA RECAP FR0079 8.375% 15APR39	700,000,000	53,160	0.88%	0.99%	57,180,000,000	0.00%
MALAYSIA GOVT MGS 4.254 05/31/35	200,000	44,937	0.74%	0.84%	16,108,000	0.00%
CHINA GOVT BOND CGB 2.6 09/15/30	300,000	42,628	0.71%	0.80%	325,110,000	0.00%
SINGAPORE GOV'T SIGB 2 7/8 09/01/30	50,000	38,594	0.64%	0.72%	9,500,000	0.00%
SINGAPORE GOV'T SIGB 2 3/4 03/01/46	50,000	38,191	0.63%	0.71%	7,400,000	0.00%
KOREA TRSY BD KTB 2 3/8 09/10/38	50,000,000	35,684	0.59%	0.67%	8,221,000,000	0.00%
FR0091 6.375% 15APR2032	500,000,000	32,608	0.54%	0.61%	179,978,300,000	0.00%
INDONESIA RECAP FR0064 6.125% 15MAY28	500,000,000	32,338	0.54%	0.60%	114,295,000,000	0.00%
KOREA TRSY BD KTB 3 1/8 09/10/52	40,000,000	31,615	0.52%	0.59%	16,685,875,000	0.00%
THAILAND GOVERNMENT BOND 2.125% 17DEC2026	800,000	23,342	0.39%	0.44%	242,562,000	0.00%
MALAYSIA GOVT MGS 3.885 08/15/29	100,000	22,300	0.37%	0.42%	20,500,000	0.00%
FR0098 7.125% 15JUN2038	300,000,000	20,484	0.34%	0.38%	68,860,000,000	0.00%
WI TREASURY SEC. WIT 5 1/8 09/30/25	20,000	20,459	0.34%	0.38%	47,996,000	0.00%
MALAYSIA GOVT MGS 2.632 04/15/31	100,000	20,313	0.34%	0.38%	19,500,000	0.00%
SINGAPORE GOV'T SIGB 1 7/8 10/01/51	30,000	19,290	0.32%	0.36%	6,000,000	0.00%
THAILAND GOVT THAIGB 2 3/4 06/17/52	500,000	12,805	0.21%	0.24%	90,935,000	0.00%
CHINA GOVT BOND CGB 3.72 04/12/51	50,000	8,180	0.14%	0.15%	162,000,000	0.00%
CHINA GOVT BOND CGB 3.39 03/16/50	50,000	7,711	0.13%	0.14%	264,660,000	0.00%
Tax reclaimable government bond interest	1,004	1,004	0.02%	0.02%	n/a	n/a
TOTAL		2,785,823				
EQUITIES:						
TAIWAN SEMICONDUCTOR MANUFAC	14,000	270,504	4.48%	5.06%	14,988,737,033	0.00%
SAMSUNG ELECTRONICS CO LTD	3,377	205,835	3.41%	3.85%	456,688,365,075	0.00%
TENCENT HOLDINGS LTD	3,600	135,360	2.24%	2.53%	2,837,327,088	0.00%
BHP GROUP LTD	2,870	98,720	1.64%	1.85%	251,308,119	0.00%
SK HYNIX INC	675	74,162	1.23%	1.39%	99,517,923,296	0.00%
NATIONAL AUSTRALIA BANK LTD	3,248	68,040	1.13%	1.27%	95,047,324	0.00%
AIA GROUP LTD USD1.00	7,600	66,233	1.10%	1.24%	728,988,718	0.00%
MEDIATEK INC	2,000	66,143	1.10%	1.24%	1,478,074,306	0.00%
CSL LTD	317	62,004	1.03%	1.16%	138,517,330	0.00%
DBS GROUP HOLDINGS LTD	2,300	58,254	0.97%	1.09%	84,082,360	0.00%
PDD HOLDINGS INC	394	57,646	0.96%	1.08%	197,893,048	0.00%
ALIBABA GROUP HOLDING LTD	5,600	54,218	0.90%	1.01%	1,493,498,653	0.00%
BLUESCOPE STEEL LTD	3,356	53,585	0.89%	1.00%	10,171,090	0.00%
MACQUARIE GROUP LIMITED	365	45,734	0.76%	0.85%	69,331,885	0.00%
KIA CORP	569	44,181	0.73%	0.83%	37,148,884,357	0.00%
WOOLWORTHS GROUP LTD	1,571	39,877	0.66%	0.75%	45,284,165	0.00%
HYUNDAI MOTOR CO	232	36,658	0.61%	0.69%	40,106,373,538	0.00%
CTBC FINANCIAL HOLDING CO LT	39,000	36,025	0.60%	0.67%	552,384,408	0.00%
NAVER CORP	199	34,611	0.57%	0.65%	36,298,320,759	0.00%
WESFARMERS LIMITED	888	34,562	0.57%	0.65%	64,432,854	0.00%
CHINA CONSTRUCTION BANK-H	58,000	34,539	0.57%	0.65%	1,170,502,785	0.00%
WESTPAC BANKING CORPORATION	2,171	33,924	0.56%	0.63%	79,275,346	0.00%
HYUNDAI MOBIS	182	33,492	0.56%	0.63%	20,697,775,774	0.00%
WOODSIDE ENERGY GROUP LTD	1,541	32,660	0.54%	0.61%	59,943,530	0.00%
BANK RAKYAT INDONESIA PERSER	87,600	32,573	0.54%	0.61%	860,097,334,103	0.00%
COMMONWEALTH BANK OF AUSTRAL	391	29,828	0.49%	0.56%	186,706,944	0.00%
BAIDU INC-CLASS A	2,000	29,737	0.49%	0.56%	317,713,955	0.00%
MEITUAN-CLASS B	2,640	27,690	0.46%	0.52%	476,132,987	0.00%
SINGAPORE AIRLINES LTD	5,400	26,855	0.45%	0.50%	18,946,636	0.00%
ARISTOCRAT LEISURE LTD	901	25,096	0.42%	0.47%	25,943,581	0.00%
GOODMAN GROUP NPV	1,448	24,997	0.41%	0.47%	45,599,362	0.00%
CLP HOLDINGS LTD	3,000	24,761	0.41%	0.46%	160,555,934	0.00%
E SUN FINANCIAL HOLDINGS CO	29,297	24,628	0.41%	0.46%	401,781,600	0.00%
CHINA MENGNIU DAIRY CO	9,000	24,204	0.40%	0.45%	77,682,674	0.00%
TECHTRONIC INDUSTRIES CO	2,000	23,833	0.40%	0.45%	159,677,377	0.00%
JD.COM INC - CL A	1,611	23,210	0.38%	0.43%	332,845,492	0.00%
RIO TINTO LTD NPV	248	22,957	0.38%	0.43%	185,795,166	0.00%
BANK MANDIRI TBK PT	58,100	22,830	0.38%	0.43%	583,333,333,325	0.00%
CHINA OILFIELD SERVICES-H	22,000	22,483	0.37%	0.42%	62,337,445	0.00%
SUNCORP GROUP LTD	2,319	21,916	0.36%	0.41%	17,529,625	0.00%
CHINA RESOURCES LAND LTD	6,000	21,515	0.36%	0.40%	187,900,258	0.00%
SINO BIOPHARMACEUTICAL	48,000	21,331	0.35%	0.40%	63,548,114	0.00%
CSPC PHARMACEUTICAL GROUP LTD	22,720	21,124	0.35%	0.39%	84,512,860	0.00%
ORIGIN ENERGY LTD	3,435	19,853	0.33%	0.37%	14,557,218	0.00%
POSTAL SAVINGS BANK OF CHI-H	41,000	19,585	0.32%	0.37%	449,084,384	0.00%
CHINA SOUTHERN AIRLINES CO-H	46,000	19,499	0.32%	0.36%	96,751,647	0.00%
XIAOMI CORP-CLASS B	9,400	18,779	0.31%	0.35%	374,600,637	0.00%
UOL GROUP LIMITED	3,900	18,567	0.31%	0.35%	5,153,251	0.00%
BANK OF CHINA LTD-H	48,000	18,318	0.30%	0.34%	1,185,801,980	0.00%
SHINHAN FINANCIAL GROUP LTD	587	18,300	0.30%	0.34%	19,176,755,831	0.00%
NETEASE INC	1,000	18,006	0.30%	0.34%	475,974,623	0.00%
CATHAY FINANCIAL HOLDING CO	12,000	17,888	0.30%	0.33%	657,180,614	0.00%

CP ALL PCL-FOREIGN	10,900	17,883	0.30%	0.33%	799,496,020	0.00%
FORTESCUE LTD	902	17,861	0.30%	0.33%	89,074,455	0.00%
HONG KONG EXCHANGES & CLEAR	500	17,161	0.28%	0.32%	324,312,678	0.00%
UNI-PRESIDENT ENTERPRISES CO	7,000	16,992	0.28%	0.32%	411,946,118	0.00%
LI AUTO INC-CLASS A	900	16,955	0.28%	0.32%	295,597,423	0.00%
ANZ GROUP HOLDINGS LTDForward	953	16,855	0.28%	0.32%	76,811,823	0.00%
ContinuationCRRC CORP LTD - H	36,000	15,860	0.26%	0.30%	152,718,504	0.00%
PETROCHINA CO LTD-H	24,000	15,860	0.26%	0.30%	1,414,167,868	0.00%
PING AN INSURANCE GROUP CO-H	3,500	15,845	0.26%	0.30%	706,018,375	0.00%
CHINA MERCHANTS BANK - H	4,500	15,675	0.26%	0.29%	741,759,270	0.00%
TRANSURBAN GROUP	1,652	15,454	0.26%	0.29%	42,063,422	0.00%
KASIKORNBANK PCL (ALIEN MKT)	3,900	15,425	0.26%	0.29%	326,967,208	0.00%
NONGFU SPRING CO LTD-H	2,600	15,034	0.25%	0.28%	479,099,469	0.00%
IND & COMM BK OF CHINA-H	30,000	14,676	0.24%	0.27%	1,757,918,869	0.00%
MALAYAN BANKING BERHAD	7,500	14,510	0.24%	0.27%	108,180,322	0.00%
KUNLUN ENERGY COMPANY LTD	16,000	14,425	0.24%	0.27%	62,256,784	0.00%
SAMSUNG ELECTRONICS-PFD NV	296	14,319	0.24%	0.27%	50,442,954,710	0.00%
PICC PROPERTY & CASUALTY -H	12,000	14,261	0.24%	0.27%	219,091,238	0.00%
NEW ORIENTAL EDUCATION & TEC	2,000	14,151	0.23%	0.26%	98,478,827	0.00%
BYD CO LTD-H	500	13,729	0.23%	0.26%	610,151,618	0.00%
INARI AMERTRON BHD MYR0.1	20,000	13,101	0.22%	0.24%	11,316,445	0.00%
CELLTRION INC KRW500	76	11,891	0.20%	0.22%	31,622,998,320	0.00%
MALAYSIA AIRPORTS HLDGS BHD	7,400	11,853	0.20%	0.22%	12,514,158	0.00%
GALAXY ENTERTAINMENT GROUP L	2,000	11,206	0.19%	0.21%	193,531,223	0.00%
LENOVO GROUP LTD	8,000	11,188	0.19%	0.21%	129,114,819	0.00%
AIRPORTS OF THAILAND PCL-FOR	6,200	10,853	0.18%	0.20%	885,713,400	0.00%
SUN HUNG KAI PROPERTIES	1,000	10,815	0.18%	0.20%	233,271,312	0.00%
KB FINANCIAL GROUP INC	254	10,670	0.18%	0.20%	20,901,873,530	0.00%
TRIP.COM GROUP LTD	300	10,665	0.18%	0.20%	182,601,911	0.00%
COCHLEAR LIMITED	52	10,597	0.18%	0.20%	19,456,331	0.00%
GAMUDA BHD	10,400	10,389	0.17%	0.19%	13,092,764	0.00%
DELTA ELECTRONICS INC	1,000	10,215	0.17%	0.19%	789,653,172	0.00%
CITIC SECURITIES	5,000	10,207	0.17%	0.19%	307,180,662	0.00%
ZHUSHOU CRRC TIMES ELECTRIC	3,400	9,710	0.16%	0.18%	44,600,576	0.00%
ANTA SPORTS PRODUCTS LTD	1,000	9,701	0.16%	0.18%	195,309,390	0.00%
CHINA NATIONAL BUILDING MA-H	22,000	9,410	0.16%	0.18%	27,244,309	0.00%
YUM CHINA HOLDINGS INC	220	9,335	0.15%	0.17%	13,181,823,213,400	0.00%
CHINA STEEL CORP	10,000	8,797	0.15%	0.16%	572,105,175,000	0.00%
CHINA RESOURCES BEER (HOLDINGS) CO LTD	2,000	8,760	0.15%	0.16%	33,055,890,627,500	0.00%
VICINITY CENTERS VCX	5,853	8,147	0.14%	0.15%	408,333,126,420,000	0.00%
PTT PCL/FOREIGN	7,700	8,065	0.13%	0.15%	44,847,325,150,000	0.00%
PTT GLOBAL CHEMICAL PCL-FOR THB10(ALIEN	7,100	8,009	0.13%	0.15%	35,207,439,360,000	0.00%
CHINA OVERSEAS LAND & INVEST	4,500	7,930	0.13%	0.15%	18,351,949,128,400	0.00%
ANGANG STEEL CO LTD-H	40,000	7,889	0.13%	0.15%	83,501,871,265,500	0.00%
FORMOSA PLASTICS CORP	3,000	7,742	0.13%	0.14%	6,005,298,388,900	0.00%
EVERGREEN MARINE	1,600	7,481	0.12%	0.14%	22,855,920,600	0.00%
HENDERSON LAND DEVELOPMENT	2,400	7,392	0.12%	0.14%	11,945,482,000	0.00%
YADEA GROUP HOLDINGS LTD	4,000	7,028	0.12%	0.13%	78,807,408,400	0.00%
SANDS CHINA LTD	2,400	7,023	0.12%	0.13%	15,062,470,600	0.00%
BOC HONG KONG HOLDINGS LTD	2,500	6,787	0.11%	0.13%	440,245,715,000	0.00%
WHARF REAL ESTATE INVESTMENT 1997	2,000	6,762	0.11%	0.13%	242,860,440,000	0.00%
SIME DARBY BERHAD	12,900	6,597	0.11%	0.12%	86,763,191,300	0.00%
GREAT WALL MOTOR COMPANY-H	5,000	6,493	0.11%	0.12%	19,214,327,700	0.00%
ENDEAVOUR GROUP LTD/AUSTRALI	1,706	6,065	0.10%	0.11%	5,423,585,400	0.00%
TAIWAN CEMENT	5,214	5,921	0.10%	0.11%	23,285,394,100	0.00%
HAITONG SECURITIES	10,400	5,554	0.09%	0.10%	1,021,427,550,000	0.00%
INNOVENT BIOLOGICS INC	1,000	5,475	0.09%	0.10%	547,969,182,200	0.00%
CHINA TOWER CORP LTD-H	52,000	5,461	0.09%	0.10%	298,535,276,700	0.00%
SUNNY OPTICAL TECH	600	5,444	0.09%	0.10%	179,226,752,400	0.00%
PUBLIC BANK BHD	5,800	5,415	0.09%	0.10%	978,282,621,600	0.00%
CHINA LONGYUAN POWER GROUP-H	7,000	5,307	0.09%	0.10%	653,513,311,200	0.00%
TAL EDUCATION GROUP- ADR	416	5,254	0.09%	0.10%	397,305,240,200	0.00%
CHINA PACIFIC INSURANCE GR-H	2,600	5,248	0.09%	0.10%	479,798,550,100	0.00%
HONG KONG & CHINA GAS	6,618	5,068	0.08%	0.09%	842,902,810,300	0.00%
CK ASSET HOLDINGS LTD	1,000	5,020	0.08%	0.09%	379,852,000,000	0.00%
AYALA LAND INC	7,600	4,728	0.08%	0.09%	245,504,729,500	0.00%
ENN ENERGY HOLDINGS LTD	600	4,418	0.07%	0.08%	507,986,114,300	0.00%
SK SQUARE CO LTD	106	4,329	0.07%	0.08%	1,175,637,739,800	0.00%
AXIATA GROUP BERHAD	8,300	4,299	0.07%	0.08%	237,943,042,900	0.00%
JARDINE MATHESON HLDGS ORD	100	4,121	0.07%	0.08%	13,562,473,128,800	0.00%
LONGFOR GROUP HOLDINGS LTD	2,500	4,002	0.07%	0.07%	398,309,281,000	0.00%
WUXI BIOLOGICS CAYMAN INC	1,000	3,791	0.06%	0.07%	13,402,703,800	0.00%
ALIBABA HEALTH INFORMATION T	6,000	3,258	0.05%	0.06%	123,998,302,600	0.00%
BUDWEISER BREWING CO APAC LTForward	1,400	2,621	0.04%	0.05%	5,816,581,900	0.00%
CHINA CONCH VENTURE HOLDINGS	3,000	2,490	0.04%	0.05%	22,595,855,700	0.00%
GUANGDONG INVESTMENT LTD	2,000	1,455	0.02%	0.03%	23,109,400,400	0.00%
CHINA CONCH ENVIRONMENT PROT	3,000	599	0.01%	0.01%	40,737,455,400	0.00%
LX HOLDINGS CO LTD	93	509	0.01%	0.01%	7,716,106,700	0.00%
TOTAL		3,038,821				
CORPORATE DEBT SECURITIES						
ASIAN INFRASTRUC AIIB	40,000	39,254	0.65%	0.73%	1,250,000	3.20%
Derivatives	1,518	1,518	0.03%	0.03%	n/a	n/a
		40,772				
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:						
		5,865,416				
INVESTMENT IN SEMI LIQUID/ LIQUID INVESTMENTS:						
CASH AND CASH EQUIVALENTS		117,106	1.94%	2.19%		
GOVERNMENT SECURITIES		2,785,823	46.18%	52.07%		
TOTAL		2,902,929	48.13%	54.26%		
TOTAL OPERATING EXPENSES						
AVERAGE DAILY NET ASSET VALUE - January 1 to December 31, 2023						
		5,702,844				
NATURE OF EXPENSES	AMOUNT	PERCENTAGE TO NET ASSET VALUE				
Management fees	114,180	2.00%				
Fees and other charges	40,065	0.70%				
Taxes and licenses	1,179	0.02%				
Miscellaneous	13,331	0.23%				
TOTAL	130,436	2.24%				

PAMI ASIA BALANCED FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

SCHEDULE A

1. Total investment in a single enterprise to NAV

TOTAL ASSETS- January 1 to December 31, 2022 **6,299,448**
NET ASSET VALUE- January 1 to December 31, 2022 **5,521,364**

Security Name	Shares/Par	Total Market Value	Percentage to Total Asset	Percentage to Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:				
GOVERNMENT BONDS:				
PHILIPPINE GOVERNMENT 6.875% 10JAN2029	12,000,000	225,231	3.58%	4.08%
CHINA GOVT BOND CGB 3.01 05/13/28	1,500,000	223,420	3.55%	4.05%
KOREA TRSY BD KTB 3 3/8 06/10/32	280,000,000	215,772	3.43%	3.91%
INDONESIA RECAP FR0072 8.25% 15MEI36	2,200,000,000	156,028	2.48%	2.83%
CHINA GOVT BOND CGB 3.28 12/03/27	1,000,000	149,093	2.37%	2.70%
CHINA GOVT BOND CGB 3 11/22/28	1,000,000	148,738	2.36%	2.69%
CHINA DEV BANK SDBC 3.23 11/27/25	1,000,000	146,253	2.32%	2.65%
LB366A	4,000,000	119,675	1.90%	2.17%
CHINA GOVT BOND CGB 2.26 02/24/25	800,000	117,551	1.87%	2.13%
MALAYSIAN GOV'T MGS 3.733 06/15/28	400,000	89,922	1.43%	1.63%
CHINA GOVT BOND CGB 2.91 10/14/28	600,000	88,147	1.40%	1.60%
THAILAND GOVERNMENT BOND 3.65% 20JUN	2,500,000	78,929	1.25%	1.43%
SINGAPORE GOV'T SIGB 3 3/8 09/01/33	100,000	77,234	1.23%	1.40%
MALAYSIA GOVT MGS 4.2642 11/07/33	300,000	71,454	1.13%	1.29%
MALAYSIA GOVT MGS 3.9 11/30/26	300,000	68,554	1.09%	1.24%
SINGAPORE GOV'T SIGB 2 7/8 07/01/29	90,000	67,435	1.07%	1.22%
Singapore GOV'T SIGB 1 5/8 07/01/31	100,000	67,011	1.06%	1.21%
KOREA TRSY BD KTB 2 03/10/49	100,000,000	57,675	0.92%	1.04%
KOREA TRSY BD KTB 3 1/8 09/10/27	70,000,000	54,619	0.87%	0.99%
INDONESIA RECAP FR0079 8.375% 15APR39	700,000,000	50,665	0.80%	0.92%
MALAYSIA GOVT MGS 4.254 05/31/35	200,000	45,724	0.73%	0.83%
MALAYSIA GOVT MGS 3.582 07/15/32	200,000	44,518	0.71%	0.81%
SINGAPORE GOV'T SIGB 2 3/4 03/01/46	50,000	39,222	0.62%	0.71%
SINGAPORE GOV'T SIGB 2 7/8 09/01/30	50,000	37,084	0.59%	0.67%
US TREASURY N/B T 2 08/15/32	40,000	36,834	0.58%	0.67%
KOREA TRSY BD KTB 2 3/8 09/10/38	50,000,000	33,669	0.53%	0.61%
INDONESIA RECAP FR0064 6.125% 15MAY28	500,000,000	31,734	0.50%	0.57%
FR0091 6.375% 15APR2032	500,000,000	31,376	0.50%	0.57%
KOREA TRSY BD KTB 3 1/8 09/10/52	40,000,000	28,986	0.46%	0.52%
THAILAND GOVERNMENT BOND 2.125% 17DEC	800,000	23,423	0.37%	0.42%
MALAYSIA GOVT MGS 2.632 04/15/31	100,000	20,578	0.33%	0.37%
SINGAPORE GOV'T SIGB 1 7/8 10/01/51	30,000	19,861	0.32%	0.36%
US TREASURY N/B T 3 05/15/42	20,000	17,650	0.28%	0.32%
THAILAND GOV'T THAIGB 2 06/17/52	500,000	11,918	0.19%	0.22%
CHINA GOVT BOND CGB 3.72 04/12/51	50,000	7,907	0.13%	0.14%
CHINA GOVT BOND CGB 3.39 03/16/50	50,000	7,435	0.12%	0.13%
Tax reclaimable government bond interest	-	998	0.02%	0.02%
Government bond interest receivable	-	3,737	0.06%	0.07%
TOTAL		2,716,060		
EQUITIES:				
TAIWAN SEMICONDUCTOR M ORD	12,000	175,109	2.78%	3.17%
SAMSUNG ELECTRONICS CO LTD	3,377	147,686	2.34%	2.67%
TENCENT HOLDINGS LTD	3,400	145,498	2.31%	2.64%
NATIONAL AUSTRALIA BANK LTD	5,348	109,020	1.73%	1.97%
ALIBABA GROUP HOLDING LTD	9,200	101,666	1.61%	1.84%
BHP GROUP LTD	2,870	88,809	1.41%	1.61%
AIA GROUP LTD USD1.00	7,600	84,521	1.34%	1.53%
JD.COM INC - CL A	2,461	69,432	1.10%	1.26%
CSL LTD	317	61,861	0.98%	1.12%
DBS GROUP HOLDINGS LTD	2,300	58,169	0.92%	1.05%
DELTA ELECTRONICS INC	6,000	55,929	0.89%	1.01%
MEITUAN-CLASS B	2,300	51,482	0.82%	0.93%
SK HYNIX INC	852	50,534	0.80%	0.92%
MACQUARIE GROUP LIMITED	391	44,271	0.70%	0.80%
NETEASE INC	2,900	42,544	0.68%	0.77%
CHINA RESOURCES BEER (HOLDINGS) CO L	6,000	41,935	0.67%	0.76%
BLUESCOPE STEEL LTD	3,593	41,032	0.65%	0.74%
CHINA MENGNIU DAIRY CO	9,000	40,820	0.65%	0.74%
MEDIATEK INC	2,000	40,670	0.65%	0.74%
PETROCHINA CO LTD-H	88,000	40,251	0.64%	0.73%
HONG KONG EXCHANGES & CLEAR	900	38,883	0.62%	0.70%
WOOLWORTHS GROUP LTD	1,706	38,826	0.62%	0.70%
WOODSIDE PETE LTD COM	1,541	37,036	0.59%	0.67%
BYD CO LTD-H	1,500	37,015	0.59%	0.67%
CHINA CONSTRUCTION BANK-H	58,000	36,339	0.58%	0.66%
LI NING CO LTD	4,000	34,722	0.55%	0.63%
WESTPAC BANKING CORPORATION	2,171	34,377	0.55%	0.62%
SHINHAN FINANCIAL GROUP LTD	1,232	34,295	0.54%	0.62%
TECHTRONIC INDUSTRIES CO	3,000	33,479	0.53%	0.61%
TELEKOM INDONESIA PERSERO TBK	136,900	32,979	0.52%	0.60%
BAIDU INC - SPON ADR	285	32,598	0.52%	0.59%
CTBC FINANCIAL HOLDING CO LT	39,000	28,043	0.45%	0.51%
CHINA MERCHANTS BANK - H	5,000	27,963	0.44%	0.51%
BANK RAKYAT INDONESIA PERSER	87,600	27,799	0.44%	0.50%
BANK MANDIRI TBK PT	43,600	27,799	0.44%	0.50%
WESFARMERS LIMITED	888	27,647	0.44%	0.50%
CHINA RESOURCES LAND LTD	6,000	27,483	0.44%	0.50%
COMMONWEALTH BANK OF AUSTRAL	391	27,205	0.43%	0.49%
CHINA OILFIELD SERVICES-H	22,000	26,750	0.42%	0.48%
POSTAL SAVINGS BANK OF CHI-H	41,000	25,477	0.40%	0.46%
CSPC PHARMACEUTICAL GROUP LTD	22,720	23,870	0.38%	0.43%
HYUNDAI MOTOR CO	194	23,167	0.37%	0.42%
PING AN INSURANCE GROUP CO-H	3,500	23,162	0.37%	0.42%
SINGAPORE AIRLINES LTD	5,400	22,265	0.35%	0.40%
E SUN FINANCIAL HOLDINGS CO	28,228	22,088	0.35%	0.40%
CP ALL PCL-FOREIGN	10,900	21,479	0.34%	0.39%
KIA CORP	447	20,963	0.33%	0.38%
METROPOLITAN BANK & TRUST PHP20	21,470	20,804	0.33%	0.38%
SUN HUNG KAI PROPERTIES	1,500	20,525	0.33%	0.37%
GEELY AUTOMOBILE HOLDINGS LTD	14,000	20,449	0.32%	0.37%
HANA FINANCIAL HOLDINGS	603	20,052	0.32%	0.36%
UOL GROUP LIMITED	3,900	19,541	0.31%	0.35%
SAMSUNG SDI CO LTD	40	18,695	0.30%	0.34%
ARISTOCRAT LEISURE LTD	901	18,648	0.30%	0.34%
CK ASSET HOLDINGS LTD	3,000	18,469	0.29%	0.33%
BUDWEISER BREWING CO APAC LT	5,800	18,244	0.29%	0.33%

CHINA SOUTHERN AIRLINES CO-H	28,000	18,224	0.29%	0.33%
CHINA NATIONAL BUILDING MA-H	22,000	18,068	0.29%	0.33%
ORIGIN ENERGY LTD	3,435	17,983	0.29%	0.33%
IRPC PCL – FOREIGN THB1(ALIEN MKT)	195,600	17,056	0.27%	0.31%
GOODMAN GROUP NPV	1,448	17,047	0.27%	0.31%
ZHUZHOU CRRC TIMES ELECTRIC	3,400	16,880	0.27%	0.31%
HYUNDAI MOBIS	105	16,649	0.26%	0.30%
KASIKORNBANK PCL (ALIEN MKT)	3,900	16,609	0.26%	0.30%
LG CHEM LTD	35	16,607	0.26%	0.30%
CATHAY FINANCIAL HOLDING CO	12,000	15,617	0.25%	0.28%
IND & COMM BK OF CHINA-H	30,000	15,452	0.25%	0.28%
ANZ GROUP HOLDINGS LTD	953	15,291	0.24%	0.28%
UNI-PRESIDENT ENTERPRISES CO	7,000	15,168	0.24%	0.27%
TRANSURBAN GROUP-STAPLED	1,652	14,542	0.23%	0.26%
CRRC CORP LTD – H	36,000	14,529	0.23%	0.26%
PINDUODUO INC-ADR	172	14,027	0.22%	0.25%
NAVER CORP	96	13,476	0.21%	0.24%
AIRPORTS OF THAILAND PCL-FOR	6,200	13,426	0.21%	0.24%
GALAXY ENTERTAINMENT GRP L	2,000	13,222	0.21%	0.24%
XIAOMI CORP-CLASS B	9,400	13,176	0.21%	0.24%
KINGDEE INTERNATIONAL SFTWR HKD0.10	6,000	12,869	0.20%	0.23%
LG CORP	207	12,785	0.20%	0.23%
FORTESCUE METALS GROUP LTD NPV	902	12,546	0.20%	0.23%
CHINA MEIDONG AUTO HOLDINGS	6,000	12,315	0.20%	0.22%
CHINA OVERSEAS LAND & INVEST	4,500	11,877	0.19%	0.22%
SAMSUNG ELECTRONICS-PFD NV	296	11,821	0.19%	0.21%
PICC PROPERTY & CASUALTY -H	12,000	11,393	0.18%	0.21%
ANGANG STEEL CO LTD-H	40,000	10,916	0.17%	0.20%
WILMAR INTERNATIONAL LTD SGD0.5	3,400	10,571	0.17%	0.19%
CITIC SECURITIES	5,000	10,109	0.16%	0.18%
KB FINANCIAL GROUP INC	254	9,742	0.15%	0.18%
CHINA STEEL CORP	10,000	9,696	0.15%	0.18%
PTT GLOBAL CHEMICAL PCL	7,100	9,686	0.15%	0.18%
CELLTRION INC KRW500	76	9,647	0.15%	0.17%
GAMUDA BHD	10,400	8,854	0.14%	0.16%
CHINA LONGYUAN POWER GROUP-H	7,000	8,556	0.14%	0.15%
BOC HONG KONG HOLDINGS LTD	2,500	8,520	0.14%	0.15%
EVERGREEN MARINE	1,600	8,485	0.13%	0.15%
FORMOSA PLASTICS CORP	3,000	8,472	0.13%	0.15%
ENN ENERGY HOLDINGS LTD	600	8,425	0.13%	0.15%
HENDERSON LAND DEVELOPMENT	2,400	8,379	0.13%	0.15%
VICINITY CENTERS VCX	5,853	7,938	0.13%	0.14%
ANTA SPORTS PRODUCTS LTD	600	7,864	0.12%	0.14%
SUNCORP GROUP LTD	958	7,822	0.12%	0.14%
WUXI BIOLOGICS CAYMAN INC	1,000	7,668	0.12%	0.14%
COUNTRY GARDEN SERVICES HOLD	3,000	7,472	0.12%	0.14%
PTT PCL/FOREIGN	7,700	7,448	0.12%	0.13%
ENDEAVOUR GROUP LTD/AUSTRALI	1,706	7,427	0.12%	0.13%
SUNNY OPTICAL TECH	600	7,138	0.11%	0.13%
SIME DARBY BERHAD	12,900	6,736	0.11%	0.12%
YADEA GROUP HOLDINGS LTD	4,000	6,693	0.11%	0.12%
CHINA CONCH VENTURE HOLDINGS	3,000	6,519	0.10%	0.12%
GREAT WALL MOTOR COMPANY-H	5,000	6,509	0.10%	0.12%
HAITONG SECURITIES 'H' CNY1	10,400	6,396	0.10%	0.12%
HONG KONG & CHINA GAS	6,618	6,292	0.10%	0.11%
SK TELECOM CO LTD ORD	163	6,110	0.10%	0.11%
AXIATA GROUP BERHAD	8,300	5,826	0.09%	0.11%
CHINA PACIFIC INSURANCE GR-H	2,600	5,790	0.09%	0.10%
TAIWAN CEMENT	5,214	5,708	0.09%	0.10%
PUBLIC BANK BHD	5,800	5,688	0.09%	0.10%
CHINA TOWER CORP LTD-H	52,000	5,596	0.09%	0.10%
ALIBABA HEALTH INFORMATION T	6,000	5,112	0.08%	0.09%
JARDINE MATHESON HLDGS ORD	100	5,090	0.08%	0.09%
ASTRA INTERNASIONAL TBK	13,400	4,907	0.08%	0.09%
INNOVENT BIOLOGICS INC	1,000	4,292	0.07%	0.08%
AYALA LAND INC	7,600	4,200	0.07%	0.08%
TAL EDUCATION GROUP- ADR	416	2,933	0.05%	0.05%
SK SQUARE CO LTD	106	2,812	0.04%	0.05%
GUANGDONG INVESTMENT LTD	2,000	2,047	0.03%	0.04%
CHINA CONCH ENVIRONMENT PROT	3,000	1,219	0.02%	0.02%
LX HOLDINGS CO LTD	93	622	0.01%	0.01%
CATHAY FINANCIAL HOLD-RIGHTS22DEC22	979	159	0.00%	0.00%
TOTAL		3,157,121		
CORPORATE BOND				
ASIAN INFRASTRUC AIIB 3 3/8 06/29/25	40,000	38,896	0.62%	0.70%
TOTAL		38,896		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		5,912,077		
INVESTMENT IN SEMI LIQUID/ LIQUID INVESTMENTS:				
CASH AND CASH EQUIVALENTS		374,138	5.94%	6.78%
GOVERNMENT SECURITIES		2,716,060	43.12%	49.19%
TOTAL OPERATING EXPENSES				
AVERAGE DAILY NET ASSET VALUE - January 1 to December 31, 2022		6,281,266		
NATURE OF EXPENSES		AMOUNT	PERCENTAGE TO NET ASSET VALUE	
Management fees	129,074		2.05%	
Fees and other charges	37,780		0.60%	
Taxes and licenses	-		0.00%	
Others	2,928		0.05%	
TOTAL	169,782			

PAMI ASIA BALANCED FUND, INC.
Financial Statement Ratios

	January 1 to December 31, 2023	January 1 to December 31, 2022
Current Asset	6,032,054	6,299,448
Current Liabilities	619,878	568,537
Current /Liquidity Ratio	9.73	11.08
Total Liabilities	681,935	778,084
Total Equity	5,350,119	5,730,911
Debt-to-Equity Ratio	0.1275	0.1358
Total Assets	6,032,054	6,299,448
Total Equity	5,350,119	5,730,911
Asset-to-Equity Ratio	1.13	1.10
Earnings Before Income Tax	100,746	(1,131,319)
Interest Expense	-	-
Interest Rate Coverage Ratio	n.a.	n.a.
Net Income	229,515	(1,145,439)
Total Equity	5,350,119	5,730,911
Return on Equity	0.0429	(0.1999)

PAMI ASIA BALANCED FUND, INC.
MANUAL ON CORPORATE GOVERNANCE
(Revised July 2020)

PAMI Asia Balanced Fund, Inc.

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ARTICLE 1: CORPORATE GOVERNANCE PHILOSOPHY

The Board of Directors of the PAMI Asia Balanced Fund, Inc. (the “Fund”), working closely with the Fund’s Investment Manager, and in compliance with the recommendations by the Securities and Exchange Commission (“SEC”),¹ hereby commit itself to the principles and best practices contained in this Manual (“Manual”), and acknowledge that the same shall guide the attainment of the Fund’s corporate goals.

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Shareholders believe that corporate governance is a necessary component of what constitutes sound strategic business management and will, therefore, undertake every effort necessary to create awareness within the organization as soon as possible. Compliance with the principles of good corporate governance starts with the Board of Directors.

ARTICLE 2: DEFINITION OF TERMS

1. **Affiliate** – an entity that holds directly or indirectly at least ten percent (10%) or more of the total number of issued shares in the Fund, Fund Manager, or vice versa, or have a common Shareholder that holds directly or indirectly 10% or more of the total number of the issued share capital of the Fund or the Fund Manager.
2. **Annual Corporate Governance Report** – or “ACGR” is a comprehensive report containing all of the Fund’s pertinent corporate governance information.
3. **Audio Conferencing** – a conference in which people at different locations speak to each other via telephone or Internet connections.
4. **Corporate Governance** – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations thereby creating sustainable value for its Shareholders, Stakeholders, and the nation.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board of Directors and Senior Management accountable for ensuring ethical behavior and reconciling long-term customer satisfaction with Shareholder value to the benefit of all Stakeholders and the society.

5. **Board of Directors** – or the “Board” is the governing body elected by the Shareholders that exercises the corporate powers of the Fund, conducts all its business, and controls its properties.
6. **Board Risk Oversight Committee** – or the “BRO” is a committee responsible for the oversight of the Fund’s Enterprise Risk Management System to ensure its functionality and effectiveness.
7. **Computer Conferencing** – is teleconferencing supported by one or more computers.
8. **Enterprise Risk Management** – or “ERM” is a process, effected by the Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within

¹ SEC Memorandum Circular No. 24; series of 2019 on the Manual of Corporate Governance for Public Companies and Registered Issuers

its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives. ERM is integral to an effective corporate governance process and the achievement of a company's value creation objectives.

9. **Management** – a group of Executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Fund;
10. **Manual on Corporate Governance** – or “MCG” is a reference document containing all the policies, programs, and procedures that would ensure transparency and better protection of Shareholders and Stakeholders.
11. **Independent Director** – a person who is independent of Management and the controlling Shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director;
12. **Executive Director** – or “ED” is a Director who has executive responsibility of day-to-day operations of a part or the whole of the Fund;
13. **Non-executive Director** – or “NED” is a Director who has no executive responsibility and does not perform any work related to the day-to-day operations of the Fund;
14. **Internal control** – a process designed and effected by the Board of Directors, Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management of corporate information; and compliance with applicable laws, regulations and the organization's policies and procedures.
15. **Independent Oversight Entity or Committee** – or “IOE” is an impartial entity or committee tasked to monitor the transactions and functions carried out by the Fund Manager.²
16. **Related parties** – covers the Fund's Directors, Officers, substantial Shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, and other persons if these persons have control, joint control or Significant Influence over the Fund. It also covers the Fund's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.
17. **Related Party Transactions** – or “RPT” is a transfer of resources, services or obligations between a reporting entity and related party, regardless of whether a price is charged. It shall be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered with an unrelated party that subsequently becomes a related party;
18. **Remote Communication** – the transfer of data between two or more devices not located at the same site³.
19. **Significant Influence** – the power to participate in the financial and operating policy decisions of the Fund but has no control or joint control of those policies

² SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications of Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

³ SEC Memorandum Circular No. 6; series of 2020 on the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication

20. **Stakeholders** – any individual, organization or society at large who can either affect and/or be affected by the Fund’s strategies, policies, business decisions and operations, in general. This includes, among others, non-proprietary certificate holders, customers, creditors, employees, suppliers, investors, as well as the government and the community in which the Fund operates.
21. **Teleconferencing** – the holding of a conference among people remote from one another by means of telecommunication devices such as telephone or computer terminals. It refers to an interactive group communication between three (3) or more people in two (2) or more locations through an electronic medium. In general terms, teleconferencing can bring people together under one roof even though they are separated by hundred miles.
22. **Videoconferencing** – the holding of a conference among people in remote locations by means of transmitted audio and video signals.

ARTICLE 3: RULES OF INTERPRETATION

All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.

All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the Shareholders and investors of the Fund.

ARTICLE 4: BOARD GOVERNANCE

The Board is primarily responsible for the governance of the Fund. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions, and responsibilities.

It must ensure the Fund’s ability to satisfy the needs of its customers, sustain its leadership and competitiveness, and uphold its reputation in order to maintain the Fund’s long-term success and viability as a business entity. Its mandate consists of setting the strategic business directions of the Fund, appointing its Senior Executive Officers, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring the financial results, and generating a reasonable investment return to Shareholders.

Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Fund and all Shareholders and all other Stakeholders.

A) Composition of the Board

The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Fund’s industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction

The Fund as covered by this Manual shall have at least two (2) IDs or such number of Independent Directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

The membership of the Board may be a combination of EDs and NEDs, which include IDs, in order that no Director or small group of Directors can dominate the decision-making process.

NEDs shall not concurrently serve as Directors to more than ten (10) public companies and/or registered issuers. However, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers if the NED also sits in at least three (3) publicly-listed companies. NEDs shall possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

There shall be diversity in the composition of the Board in order to avoid groupthink and ensure that optimal decision-making is achieved and the efficiency of collective problem solving within such group

B) The Chairperson and Chief Executive Officer / President

The Board shall be headed by a competent and qualified Chairperson (“Chair”).

The roles of Chair and Chief Executive Officer (“CEO”) shall, as much as practicable, be separate to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions shall be made between the Chair and CEO upon their election.

If the positions of Chair and CEO are unified, the proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The Board shall designate a lead director among the IDs if the Chairperson of the Board is not independent, including if the positions of the Chair and CEO or its equivalent are held by one (1) person.

The duties and responsibilities of the Chair in relation to the Board may include, among others, the following:

1. Makes certain that the meeting’s agenda focuses on strategic matters, including the overall risks appetite of the Fund, taking into account the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
2. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
3. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors;
4. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
5. Assures the conduct of proper orientation for first-time Directors and continuing training opportunities for all Directors; and
6. Makes sure that performance of the Board is evaluated at least once a year and discussed or followed up on if necessary.

C) Qualifications of Directors

In addition to the qualifications for membership in the Board provided for in the Revised Corporation Code ("RCC")⁴, the Securities Regulation Code ("SRC"), and other relevant laws, a Director must have the following additional qualifications:

1. Holds at least PhP 5,000.00 worth of shares at cost of stock of the Fund;
2. At least twenty-five (25) years old;
3. At least a college graduate or its equivalent or adequate competence and understanding of the fundamentals of doing business or membership in good standing in relevant industry, and membership in business or professional organizations or sufficient experience and competence in managing a business to substitute for such formal education;
4. Possesses integrity, probity and shall be diligent and assiduous in the performance of his functions;
5. Has adequate physical health and mental stamina to withstand the rigors of his responsibilities;
6. Has no potential conflict of time and attention due to competing Officerships, Directorships, or memberships in other companies/Funds;
7. Has attended or will attend an accredited corporate governance seminar, as required by the SEC;
8. Possesses no disqualifications as provided for in the RCC, Bangko Sentral ng Pilipinas ("BSP") Circulars, and SEC rules and regulations;
9. Has practical understanding of the business of the Fund;
10. A member in good standing in relevant industry, business, or professional organizations; and
11. Has previous business experience.

D) Qualifications of Independent Directors

The IDs shall possess a good general understanding of the industry that the Fund engages in, qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.

An ID refers to a person who:

1. Shall not or has not been a Senior Officer or employee of the Fund unless there has been a change in the controlling ownership therein;
2. Is not, and has not been in the two (2) years immediately preceding the election, a director of the Fund; a Director, Officer, employee of the Fund's subsidiaries, associates, affiliates or related companies; or a director, Officer, employee of the Fund's substantial Shareholders and its related companies;

⁴ Republic Act No. 11232 or the Revised Corporation Code of 2018

3. Has not been appointed in the Fund, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" Director/Officer of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;
4. Is not an owner of more than two percent (2%) of the outstanding shares of the Fund, its subsidiaries, associates, affiliates, or related companies;
5. Is not a relative of a director, Officer, or substantial Shareholder of the Fund or any of its related companies or of any of its substantial Shareholders;
6. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister; and
7. Is not acting as a nominee or representative of any Director of the Fund or any of its Related Companies.

Related companies, as used in this section, refer to:

1. The Fund's holding/parent company;
2. Its subsidiaries; and
3. Subsidiaries of its holding/parent company.

IDs shall serve for a maximum cumulative term of nine (9) years. After which, the ID shall be perpetually barred from reelection as such, but may continue to qualify for nomination and election as a non-independent director.

In the instance that Fund seeks to retain an ID who has served for nine (9) years, the Board shall provide meritorious justification and seek Shareholders approval during the annual Shareholders' meeting.

E) Disqualification of Directors

1. Permanent Disqualification

The following shall be grounds for the permanent disqualification of a Director:

1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures SEC merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as Director or Officer of a bank, quasibank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities. The disqualification shall also apply if such person is currently the

subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the RCC, SRC, or any other law administered by the SEC or BSP, or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, *estafa*, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
4. Any person who has been adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Fund Code, Securities Regulation Manual or any other law administered by the SEC or BSP, or any of its rule, regulation or order;
5. Any person judicially declared as insolvent;
6. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct similar to any of the acts, violations, or misconduct enumerated above;
7. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the RCC and SRC committed within five (5) years prior to the date of his election or appointment; and
8. Other grounds as the SEC may provide pursuant to the provisions of the RCC, SRC, and other related laws.

2. Temporary Disqualification

The Board may provide for the temporary disqualification of a Director for any of the following reasons:

1. Refusal to comply with the disclosure requirements of the SRC and its implementing rules and regulations. The disqualification shall be in effect as long as the refusal persists;
2. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;
3. Dismissal or termination for cause as Director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal, termination, or removal;
4. If the beneficial equity ownership of an ID in the Fund or its affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an ID shall be lifted if the limit is later complied with; and

5. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified Director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

F) Nomination of Directors

The Board shall have a formal and transparent board nomination and election process that shall include how it accepts nominations from its Shareholders and reviews the qualifications of nominated candidates ("Candidates"). The process shall be assessed according to its effectiveness in the proper nomination, election, or replacement/removal of a Director. The process shall be aligned with the strategic direction of the Fund.

1. Process of Nomination

1. All Shareholders, regardless of their shareholdings, shall have the right to nominate, elect, remove and replace Directors and vote on certain corporate acts in accordance with the RCC.
2. The Nomination Committee itself may likewise identify and recommend qualified individuals for nomination and election to the Board. For this purpose, the Committee may make use of professional search firms or other External sources of Candidates to search for qualified Candidates to the Board.
3. All written nominations for election of Directors by the Shareholders are to be received by the Nominations Committee not later than the date prescribed by law, rules, and regulations or at such earlier or later date as the Board of Directors may fix before the date of the next annual meeting of the Shareholders. All recommendations shall be signed by the nominating Shareholders together with the written acceptance and conformity of the would-be nominees. No nominee shall qualify to be elected as Director unless this requirement is complied with.
4. The Committee shall screen and shortlist qualified individuals for election as Directors to ensure that only those that possess all the qualifications and none of the disqualifications from Directorship as provided in the Fund's By-Laws, this Manual and relevant laws, rules and regulations may be elected to the Board.
5. In case of a vacancy in the Board other than removal of a Director or expiration of term, the Committee shall determine and identify the qualified nominee and recommend to the Board, if the remaining Directors still constitute a quorum, to elect such qualified nominee to fill the vacancy.
6. The Committee shall prepare a final list of qualified nominees, recommend for final approval of the Board such final list, and recommend to the Shareholders the qualified nominees included in the final list for election in the annual meeting of Shareholders.
7. The final list of Candidates shall contain all the information about all the nominees and shall be made available to the SEC and to all Shareholders through the filing and distribution of the Information Statement, or in such other reports the Fund is required to submit to SEC. The name of the person or group of persons who recommended the nomination of the Director shall also be identified in such report including any relationship with the nominee.

8. Only nominees whose names appear on the final list of Candidates shall be eligible for election as a Director. No other nominations shall be entertained after the final list of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual Shareholders' meeting.
9. The aforementioned process and requirements shall also apply to nominations for IDs.

G) Responsibilities, Duties and Functions of the Board

It shall likewise be the Board's responsibility to foster the long-term success of the Fund and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interests of the Fund, its Shareholders, and Stakeholders.

The Board shall formulate the Fund's vision, mission, and strategic objectives that shall guide the Investment Manager's activities, including the means to effectively monitor the latter's performance.

To ensure a high standard of best practices for the Fund, its Shareholders and its Stakeholders, the Board, in close coordination with the Fund's duly registered Investment Manager, shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

1. Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Fund and all Shareholders and all other Stakeholders;
2. Oversee the development of and approve the Fund's business and strategy, and monitor its implementation, in order to sustain the company's long-term viability and strength;
3. Ensure and adopt an effective succession planning program for Directors, key Officers, and Management to ensure the continuous and consistent growth of the Fund. This should include adopting a retirement policy for Directors and key Officers;
4. Align the remuneration of key Officers and Board members with the long-term interests of the Fund. In doing so, it should formulate and adopt a policy specifying the relationship between remuneration and performance;
5. Install a process of selection to ensure a mix of competent Directors and Officers who can add value and contribute independent judgment to the formulation of sound corporate strategies;
6. Appoint competent, professional, honest and highly-motivated management Officers;
7. Ensure that the Fund complies with all relevant laws, regulations and codes of best business practices;
8. Establish and maintain an investor relations program that will keep the Shareholders informed of important developments in the Fund. If feasible, the Fund's President or Treasurer shall exercise oversight responsibility over this program;
9. Identify the Fund's major and other Stakeholders and formulate a clear policy on communicating or relating with them through an effective investor-relations program;
10. Ensure that the Fund has an adequate internal control system with proper checks and balances, to be carried out by its management directly or through its duly appointed Investment Manager;

11. Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable its duly appointed Investment Manager to anticipate and prepare for possible threats to its operational and financial viability;
12. Constitute an Audit Committee and such other Committees it deems necessary to assist the Board in the performance of its duties and responsibilities;
13. Establish and maintain an alternative dispute resolution system in the Fund that can amicably settle conflicts or differences between the Fund and its Shareholders, and the Fund and third parties, including the regulatory authorities;
14. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly recorded in the minutes;
15. Keep Board authority within the powers of the Fund as prescribed in the Articles of Incorporation, By-Laws, and existing laws, rules and regulations;
16. Appoint a Compliance Officer who shall have the rank of at least Senior Vice President or an equivalent position with adequate stature and authority in the Fund;
17. Conduct an annual self-assessment of its performance, including the performance of the Chair, individual members and Committees;
18. Establish a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual Directors, Committees and such system should allow for a feedback mechanism from the Shareholders;
19. Adopt a Code of Business Conduct and Ethics ("Code of Ethics"), which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the Board. The Code of Ethics shall be properly disseminated to all the members of the Board and be made available to the public through the Fund's website;
20. Ensure the proper and efficient implementation and monitoring of compliance with the Code of Ethics; and
21. Approve the selection and assessing the performance of the Management led by the CEO or his equivalent, and control functions led by their respective heads of the internal audit, compliance and risk functions, as may be applicable.

H) Specific Duties and Responsibilities of Directors

A Director's office is one of trust and confidence. A Director shall act in the best interest of the Fund in a manner characterized by transparency, accountability and fairness. He shall also exercise leadership, prudence and integrity in directing the Fund towards sustained progress.

A Director shall observe the following norms of conduct:

1. To conduct fair business transactions with the Fund and to ensure that personal interest does not bias Board decisions and does not conflict with the interest of the Fund;
2. To devote time and attention necessary to properly and effectively perform his duties and responsibilities;
3. To act judiciously;

4. To exercise independent judgment;
5. To have a working knowledge of the statutory and regulatory requirements affecting the Fund, including the contents of its Articles of Incorporation and By-Laws, the rules and regulations of the SEC, and where applicable, the requirements of other regulatory agencies;
6. To observe confidentiality;
7. To ensure the continuing soundness, effectiveness, and adequacy of the Fund's internal control environment;
8. Notify the Board before accepting a directorship in another company; and
9. To fully disclose his adverse interest, abstain from taking part in the deliberations for the same and recuse from voting on the approval of the transaction in case there is material or potential interest in any transaction affecting the Fund.

I) Specific Duties and Responsibilities of Non-Executive Directors

The NEDs shall have separate periodic meetings with the External Auditor and heads of the internal audit, compliance and risk functions, without any EDs present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead ID director, if applicable.

J) Orientation and Continuing Training Program

An orientation program and annual continuing training for first-time Directors shall be in place to promote effective Board performance and continuing qualification of the Directors in carrying out their duties and responsibilities. The orientation program ensures that new Directors are appropriately apprised of their duties and responsibilities, before beginning their directorships, and throughout their tenure. The orientation program shall cover SEC-mandated topics on corporate governance and shall include an introduction to the Fund's business, Articles of Incorporation and By-Laws, and Code of Ethics. The orientation program shall be for at least eight (8) hours.

The annual continuing training program shall ensure that Directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Fund. The training can be on any matter relevant to the Fund, which may include training on audit, internal controls, risk management, sustainability, and strategy. Training for corporate governance shall be conducted by SEC-accredited institutional training providers. The annual continuing training shall be for at least four (4) hours.

K) Internal Control Responsibilities of the Board

The control environment of the Fund consists of:

1. The Board which ensures that the Fund is properly and effectively managed and supervised;
2. Management that actively manages and operates the Fund in a sound and prudent manner;

3. The organizational and procedural controls supported by effective management information and risk management reporting systems; and
4. An independent audit mechanism to monitor the adequacy and effectiveness of the Fund's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations, and contracts.

The minimum internal control mechanisms for the performance of the Board's oversight responsibility includes:

1. The definition of the duties and responsibilities of the CEO/President who is ultimately accountable for the Fund's organizational and operational controls; and
2. The selection of the person who possesses the ability, integrity, and expertise essential for the position of CEO/President;

L) Board Meetings and Quorum Requirement

The members of the Board shall attend and actively participate in its regular and special meetings in person or through teleconferencing, computer conferencing, audio conferencing, video conferencing, and other remote or electronic means of communication conducted in accordance with the rules and regulations of the SEC⁵, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent them from doing so.

In Board and Committee meetings, the Directors shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

The IDs shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) ID in all its meetings.

To monitor the Directors' compliance with the attendance requirements, the Fund shall submit to the SEC, on or before January 30 of the following year, a sworn certification on the Directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing.

M) Remuneration of Directors and Officers

The levels of remuneration of the Fund shall be sufficient to be able to attract and retain the services of qualified and competent Directors and Officers. The Board shall align the remuneration of key Officers and Board members with the long-term interests of the Fund.

The Board shall have a formal and transparent procedure for the development of a policy on executive remuneration or determination of remuneration levels for individual Directors and Officers depending on the particular needs of the Fund.

No Director shall participate in the determination of his own per diem or compensation.

⁵ SEC Memorandum Circular No. 6; series of 2020 on the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication

The Fund's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its Directors and top four (4) management Officers during the preceding fiscal year.

To protect the Fund, the SEC may, in exceptional cases, e.g., when a Fund is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its Directors and Officers.

ARTICLE 5: BOARD COMMITTEES

The Board may carry out its various responsibilities through Committees that shall be set up to support the effective performance of the Board's functions.

The Committees shall be composed only of Board members.

All Committees shall have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters should provide the standards for evaluating the performance of the Committees and its members.

A) Nomination Committee

The Board shall create a Nomination Committee which shall consist of at least three (3) members of the Board, one of whom must be an ID.

Duties and Responsibilities of the Nomination Committee

1. Determine the nomination and election process for the Directors and defines the general profile of Board members that the Fund may need, and ensures that appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election;
2. Establishes a formal and transparent procedure for determining the remuneration of Directors and Officers that is consistent with the Fund's culture and business strategy as well as the business environment in which it operates.
3. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors;
4. In consultation with the Executive or Management Committees, re-define the role, duties and responsibilities of the CEO/President by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.
5. Consider the following guidelines in the determination of Directorship in the Board:
 1. The nature of the business of the Fund;
 2. Age of the Director;
 3. Number of Directorships and active memberships and Officerships in other Funds or organizations; and

4. Possible conflict of interest.

B) Audit Committee

The Board should establish an Audit Committee to enhance its oversight capability over the Fund's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

The Committee shall be composed of at least three (3) appropriately qualified NEDs, the majority of whom, including the Chair, shall be IDs. All of the members of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance. The Chair of the Committee shall not be the Chair of the Board or of any other committees.

In order to ensure independence and prevent conflict of interest, the members of the Audit Committee shall not be allowed to hold interlocking directorships in other entities involved in the operation of the Fund such as the Fund Manager, Fund Distributor, Fund Advisor, Transfer Agent, and Custodian.

Duties and Responsibilities of the Audit Committee

1. Ensure a reliable and strong internal audit control system with the duly appointed / registered Investment Manager's own internal corporate set-up. A well-designed internal audit control system provides a system of checks and balances in order to:
 1. Safeguard the Fund's resources and ensure their effective utilization;
 2. Prevent occurrence of fraud and other irregularities;
 3. Protect the accuracy and reliability of the company's financial data; and
 4. Ensure compliance with applicable laws and regulations;
2. Monitor Management's responsiveness to the internal auditor's findings and recommendations;
3. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one (1) audit firm is involved in the activity to identify proper coverage and minimize duplication of efforts;
4. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and the corporation's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Fund's Annual Report and ACGR;
5. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 1. Any change/s in accounting policies and practices;
 2. Areas where a significant amount of judgment has been exercised;
 3. Significant adjustments resulting from the audit;

4. Going concern assumptions;
 5. Compliance with accounting standards; and
 6. Compliance with tax, legal and regulatory requirements;
6. Review the recommendations in the External Auditor's management letter;
 7. Perform oversight functions over the Fund's Internal and External Auditors and ensures their independence and unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions taking into consideration relevant Philippine professional and regulatory requirements;
 8. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
 9. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the Shareholders;
 10. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is updated to capture subsequent changes in relationships with counterparties from non-related to related and vice versa;
 11. Perform the functions of the IOE Committee, as provided under, in the absence thereof;
 12. Perform the functions of the Corporate Governance Committee, as provided under, in the absence thereof;
 13. Perform the functions of the RPT Committee, as provided under, in the absence thereof;
 14. Perform the functions of the BRO Committee, as provided under, in the absence thereof; and
 15. Meets internally and with the Board at least once every quarter without the presence of the CEO/President or other Management team members, and periodically meets with the head of the Independent Audit.

C) Independent Oversight Committee

The Fund shall perform oversight over its Fund Manager. Pursuant to this, the Audit Committee shall also function as an impartial Committee or IOE, as recommended by SEC regulation⁶, to monitor the transactions and functions carried out by the Fund Manager.

Duties and Responsibilities of the Independent Oversight Committee

1. Exercise care and diligence when monitoring the transactions and functions of the Fund Manager;
2. Oversee the transactions and functions of the Fund Manager to ensure compliance with the disclosures made in the Registration Statement, prospectus, the ICA, SRC, and their

⁶ SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications or Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

implementing rules and regulations. For cross-border offerings or transactions, in addition to the abovementioned, oversee the transactions of the Fund Manager in order to ensure that it also complies with the standards and requirements of bilateral or multilateral agreements allowing cross-border offerings and transactions that the Philippines is a party to;

3. Oversee the subscription and redemption of shares or units facilitated by the Fund Manager and to approve the request of the Fund Manager in the case of suspension of redemption of shares or units whenever necessary for the protection of investors subject to the rules on Suspension of Redemption provided under Rule 10.4 of the ICA implementing rules and regulations;
4. Oversee the activities of the Fund Manager in order to ensure that it complies with the rules on investment restrictions and limitations, liquidity requirements, and other regulations involving the operationalization of the investment objectives, investment policy or strategy of the Fund;
5. Oversee the transactions of the Fund Manager to ensure that delegation will not result in unnecessary fees to be paid by the Fund and ensure that it will not delegate its function to the extent that it becomes a letter box such as when it no longer has the power to take decisions in the implementation of the investment policy and strategies nor retain the suitable process to monitor, control the activities and evaluate the performance of the delegatee;
6. If, in the reasonable opinion of the IOE, the Fund Manager has not complied with any of the laws, rules or regulations applicable to the Fund, and/or it failed to report to the SEC the said non-compliance, notify the SEC of its opinion, including particulars of the non-compliance, not later than five (5) business days after forming the opinion or upon knowledge of the non-compliance. The notification shall be done by filing an SEC Form 17-C. It shall notify, without delay, the members of the Board of its opinion so that the Board can apprise the Fund Manager of the said non-compliance and address any resulting breach;
7. Report to the SEC any act of the Fund Manager, which in its opinion may be detrimental to the interests of the shareholders even if the said act is not in violation of any law, rule or regulation, not later than five (5) business days from knowledge thereof; and
8. If necessary, recommend to the Board that the Fund Manager be removed due to its inability to fulfill its functions.

D) Corporate Governance Committee

The Corporate Governance Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

Duties and Responsibilities of the Corporate Governance Committee

1. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Fund's size, complexity of operations and business strategy, as well as its business and regulatory environment;
2. Oversee the periodic performance evaluation of the Board and its Committees as well as the executive management, and conducts an annual evaluation of the said performance;

3. Ensure that the results of the Board evaluation are discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
4. Recommend the continuing education/training programs for Directors, assignment of tasks/projects to Committees, succession plan for the Board members and Senior Officers, and remuneration packages for and individual performance;
5. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance; and
6. Propose and plan relevant trainings for the members of the Board.

E) Related Party Transactions Committee

Duties and Responsibilities of the RPT Committee

1. Evaluate all RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied;
2. Determine any potential reputational risk issues that may arise as a result of or in connection with RPTs. In evaluating RPTs, the Committee takes into account, among others, the following:
 1. The related party's relationship to the Fund and interest in the transaction;
 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 3. The benefits to the Fund of the proposed RPT;
 4. The availability of other sources of comparable products or services; and
 5. An assessment of whether the proposed RPT is undertaken on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Fund should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
3. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Fund's RPT exposures, and policies on potential and/or actual conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
4. Report to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
5. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

F) Board Risk Oversight Committee

The BRO Committee shall be responsible for the oversight of the Fund's ERM System to ensure its functionality and effectiveness. The BRO Committee should be composed of at least three (3) directors, the majority of whom should be IDs, including the Chairperson. At least one (1) member of the committee must have relevant thorough knowledge and experience on risk and risk management.

The BRO Committee has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place in order that the Board and Senior Management will be in a position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.

Duties and Responsibilities of the BRO Committee

1. Develop a formal ERM plan which contains the following:
 1. Common language or register of risks,
 2. Well-defined risk management goals and objectives,
 3. Uniform processes of assessing risks and developing strategies to manage prioritized risks,
 4. Designing and implementing risk management strategies, and
 5. Continuing assessments to improve risk strategies, processes and measures;
2. Oversee the implementation of the ERM plan and conduct regular discussions on the Fund's prioritized and residual risk exposures based on regular risk management reports and assessing how these risks are addressed or managed;
3. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, looks for emerging or changing material exposures, and keeps abreast of significant developments that seriously impact the likelihood of harm or loss;
4. Advise the Board on its risk appetite levels and risk tolerance limits;
5. Review at least annually the Fund's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and major events which may have occurred affecting the Fund;
6. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Funds and its Stakeholders;
7. Oversee the Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Fund. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
8. Report to the Board on a regular basis, or as deemed necessary, the Fund's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

ARTICLE 6: RELATED PARTY TRANSACTIONS

The Board should have the overall responsibility in ensuring that there is a policy and system governing RPTs and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy should include the appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.

Ensuring the integrity of RPTs is an important fiduciary duty of the Director. It is the Board's role to initiate policies and measures geared towards promotion of transparency, prevention of abuse, and protection of the interest of all Shareholders by:

1. Requiring material RPTs to be approved by at least two-thirds (2/3) of the Board, with majority of the IDs approving the transaction, in accordance with the provisions of the RCC, SEC issuances, and other related laws; and
2. Ensuring that transactions occur at market prices, at arm's-length basis and under conditions that protect the rights of all shareholders.

An RPT Policy shall be in place, which shall contain:

1. Identification of related parties;
2. Coverage of RPT policy;
3. Guidelines in ensuring arm's-length terms;
4. Identification and prevention or management of potential or actual conflicts of interest which may arise;
5. Adoption of materiality thresholds, as well as internal limits for individual and aggregate exposures;
6. Approval of material RPTs based on the Fund's materiality threshold;
7. Disclosure requirement of material RPTs;
8. Self-assessment and periodic review of policy;
9. Whistle-blowing mechanisms; and
10. Restitution of losses and other remedies for abusive RPTs.

The Fund may set its materiality threshold at a level where omission or misstatement of the transaction could pose a significant risk to the Fund and influence its economic decision.

Depending on the materiality threshold, the approval of Management, the Board, or the Shareholders may be required. In cases where the Board and/or Shareholders' approval is required, the interested Directors and/or Shareholders, respectively, shall abstain and let the disinterested parties decide.

ARTICLE 7: ACCOUNTABILITY AND AUDIT

The Board is primarily accountable to the Shareholders. It shall provide them with a balanced and comprehensible assessment of the Fund's performance, position and prospects on a

regular basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the Shareholders.

A) Internal Auditor

Due to the nature of an Investment Fund set-up where the Fund does not have any employees of its own and where all the daily business transactions are undertaken by the Fund's Investment Manager, the Fund does not intend to employ its own Internal Auditor but in return, the Board shall ensure a reliable and strong internal audit control system with the duly appointed / registered Investment Manager's own internal corporate set-up.

Functions of the Internal Auditor

1. Provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in:
 1. Promoting the right values and ethics,
 2. Ensuring effective performance management and accounting in the Fund,
 3. Communicating risk and control information, and
 4. Coordinating the activities and information among the Board, External and Internal auditors, and Management,
2. Perform regular and special audit as contained in the annual audit plan and/or based on the Fund's risk assessment;
3. Perform consulting and advisory services related to governance and control as appropriate for the organization;
4. Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
5. Review, audit and assess the efficiency and effectiveness of the internal control system of all areas of the Fund;
6. Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
7. Evaluate specific operations at the request of the Board or Management, as appropriate; and
8. Monitor and evaluate governance processes.

B) External Auditor

An External Auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Fund. The Board, after consultations with the Audit Committee, shall recommend to the Shareholders an External Auditor duly accredited by the

SEC who shall undertake an independent audit of the Fund, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the Shareholders.

Dismissal / Resignation / Cessation from Service

If the External Auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Fund's annual and current reports. The report shall include a discussion of any disagreement between him and the Fund on accounting principles or practices, financial disclosures or audit procedures which the former Auditor and the Fund failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Fund to the External Auditor before its submission.

The Audit Committee should have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the External Auditor should be recommended by the Audit Committee and approved by the Directors and the Shareholders. For the removal or change in the External Auditor, the reasons for removal or change should be disclosed to the SEC, the shareholders, and the public through the Fund website and other required disclosures.

Limitations of the Functions of the External Auditor

The External Auditor shall not, at the same time, provide internal audit services to the Fund. Non-audit work may be given to the External Auditor, provided it does not conflict with his duties as an Independent Auditor, or does not pose a threat to his independence.

The Fund should disclose the nature of non-audit services performed by its External Auditor in the Annual Report in the interest of managing potential conflict of interest cases. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the External Auditor's objectivity.

Duration / Term of Service

The External Auditor shall be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Fund, shall be changed with the same frequency.

Duty to Report Incorrect or Incomplete Statements on Report, etc.

If the External Auditor believes that any statement made in an annual report, information statement or any report filed with the SEC or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

The Audit Committee Charter should include the Audit Committee's responsibility on assessing the integrity and independence of External Auditors and exercising effective oversight to review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the External Auditor's suitability and effectiveness on an annual basis.

C) INDEPENDENT NET ASSET VALUE CALCULATION

The Fund shall engage an independent entity, as required by SEC regulation⁷, to calculate or cross-check its Net Asset Value every dealing day. The entity shall be duly licensed by the BSP, provided that it does not hold directly or indirectly ten percent (10%) or more of the total number of issued shares in the Fund, Fund Manager, or vice versa, nor have a common shareholder that holds directly or indirectly ten percent (10%) or more of the total number of issued share capital of the Fund or Fund Manager; and the entity shall not be the same as the one auditing the Fund and Fund Manager.

ARTICLE 8: CORPORATE SECRETARY

The Board should ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors and should annually attend a training on corporate governance.

Qualifications of the Corporate Secretary

1. The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines;
2. Considering his varied functions and duties, he must possess administrative and interpersonal skills, and if he is not the general counsel, then he must have adequate legal skills; and
3. He must also have a working knowledge of the operations of the Fund.

Duties and Responsibilities of the Corporate Secretary

1. Assists the Board and the Committees in the conduct of their meetings (i.e. agenda setting, preparation of annual schedule of meetings and board calendar);
2. Safekeeps and preserves the integrity of the minutes of the meetings of the Board, Committees and Shareholders, as well as other official records of the Fund;
3. Keeps abreast of relevant laws, regulations, all governance issuances, industry developments and operations of the Fund, and advises the Board and the Chairperson on all relevant issues as they arise;
4. Works fairly and objectively with the Board, Management and Shareholders and contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and its Shareholders as well as other Stakeholders;
5. Advises on the establishment of Committees and their terms of reference;
6. Informs members of the Board, in accordance with the By-Laws, of the agenda of their meetings at least five (5) working days before the date of the meeting, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

⁷ SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications or Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

7. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
8. Performs all required administrative functions;
9. Oversees the drafting of the By-laws and ensures that they conform with regulatory requirements; and
10. Performs such other duties and responsibilities as may be provided by the Board and the SEC.

ARTICLE 9: COMPLIANCE OFFICER

The Compliance Officer is a member of the Fund's Management team in charge of the compliance function. Similar to the Corporate Secretary, he is primarily liable to the Fund and its shareholders and not to the Chair or President.

The appointment of the Compliance Officer shall be immediately disclosed to the SEC on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to said Officer.

Duties and Responsibilities of the Compliance Officer

1. Ensures proper onboarding of new Directors (i.e., orientation on the Fund's business, charter, Articles of Incorporation and By-Laws, among others);
2. Monitors, reviews, evaluates and ensures the compliance by the Fund, its Officers and Directors the relevant laws, this Manual, rules and regulations and all governance issuances of regulatory agencies;
3. Reports to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
4. Ensures the integrity and accuracy of all documentary and electronic submissions as may be allowed under SEC rules and regulations;
5. Appears before the SEC when summoned in relation to compliance with this Manual and other relevant rules and regulations;
6. Collaborates with other departments within the Fund to properly address compliance issues, which may be subject to investigation;
7. Identifies possible areas of compliance issues and works towards the resolution of the same; and
8. Ensures the attendance of Directors and key Officers to relevant trainings;

ARTICLE 10: ADEQUATE AND TIMELY INFORMATION

To enable the members of the Board to properly fulfill their duties and responsibilities, the Investment Manager shall provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information furnished by Investment Manager may not be sufficient in all circumstances and further inquiries may be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the Directors shall be given independent access to Investment Manager and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents.

The Directors, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Fund's expense.

ARTICLE 11: DISCLOSURE AND TRANSPARENCY

The essence of corporate governance is transparency. The more transparent the internal workings of the Fund are, the more difficult it will be for Management and dominant Shareholders to mismanage the Fund or misappropriate its assets.

It is therefore essential that all material information about the Fund which could adversely affect its viability or the interests of its Shareholders and other Stakeholders shall be publicly and timely disclosed. Such information shall include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, RPTs, and direct and indirect remuneration of members of the Board and Management. All such information shall be disclosed through the appropriate Exchange mechanisms and submissions to the SEC.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information and submissions to the SEC for the interest of its Shareholders and other Stakeholders.

The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to Shareholders and other Stakeholders that gives a fair and complete picture of a Fund's financial condition, results, and business operations.

The Fund should have a policy requiring all Directors and Officers to disclose/report to the Fund any dealings in the Fund's shares by the said Directors and Officers within five (5) business days.

The Fund should disclose all relevant information on its corporate governance policies and practices in the ACGR, which shall be submitted to the SEC, and continuously updated and posted on the Fund's website.

Contents of the ACGR

1. A policy on disclosure of all relevant and material information on Directors and key Officers to evaluate their experience and qualifications, and assess any potential and/or actual conflicts of interest that might affect their judgment.⁸
2. Board and Executive remuneration, as well as the level and mix of the same;
3. Accurate disclosure to the public of every material fact or event that occurs in the Fund, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its Shareholders and other Stakeholders, which includes policy on the appointment of an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets;

⁸ "Annex C", as amended, SRC Rule 12 on Non-Financial Disclosure Requirements

4. The non-audit work, if any, of the External Auditor, the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Fund's overall consultancy expenses;
5. The attendance record of the Fund's directors for the previous year; and
6. Other information that the SEC or other regulatory agencies, may, from time to time require disclosure of.

This Manual shall be submitted to and made available at the SEC. It shall also be available for inspection by any Shareholder of the Fund at its principal office during reasonable hours on a business day. The Manual shall, likewise, be posted on the Fund's website.

Reportorial or Disclosure System of the Fund's Corporate Governance Policies

1. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC by the responsible Committee or Officer through the Fund's Compliance Officer.
2. All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, Board changes, related party transactions, shareholdings of Directors, and changes to ownership.
3. Other information that shall always be disclosed includes remuneration (including stock options) of all Directors and Senior Management, corporate strategy, and off-balance sheet transactions.
4. All disclosed information shall be released through announcements and annual reports.
5. The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the Stakeholders.

ARTICLE 12: SHAREHOLDERS' RIGHTS AND PROTECTION

The Fund recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and External parties concerned, as governance covenant between the Fund and all its investors:

Rights of Shareholders

The Board shall be committed to respect the rights of the Shareholders, namely:

1. Voting Rights
 1. Shareholders shall have the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the RCC.
 2. Cumulative voting shall be used in the election of Directors.
 3. A Director shall not be removed without cause if it will deny minority Shareholders representation in the Board.

4. Right to vote on all matters that require Shareholders' consent or approval

2. Pre-emptive Rights

All Shareholders shall have pre-emptive rights, unless the same is denied in the Articles of Incorporation or amendments thereto. They shall have the right to subscribe to the capital stock of the Fund. The Articles of Incorporation shall lay down the specific rights and powers of Shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the RCC.

3. Power of Inspection

All Shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Manual and shall be furnished with annual reports, including financial statements, without costs or restrictions.

4. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the Directors and Officers and certain other matters such as their holdings of the Fund's shares, dealings with the Fund, relationships among Directors and key Officers, and the aggregate compensation of Directors and Officers.
2. The minority Shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
3. The minority Shareholders shall have access to any and all information relating to matters for which Management is accountable for and to those relating to matters for which Management shall include such information and, if not included, then the minority Shareholders shall be allowed to propose to include such matters in the agenda of Shareholders' meetings, being within the definition of "legitimate purposes."

5. Right to Dividends

The Fund shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except when:

1. Justified by definite corporate expansion projects or programs approved by the Board;
2. The Fund is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or
3. When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Fund, such as when there is a need for special reserves for probable contingencies.

6. Appraisal Right

The Shareholders' shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 81 of the RCC, under any of the following circumstances:

1. In case of any amendment to the Articles of Incorporation which has the effect of changing or restricting the rights of any Shareholders or class of shares, or of

authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Fund's property and assets as provided in the RCC;
3. In case of merger or consolidation; and
4. In case of investment of corporate Funds for any purpose other than the primary purpose of the Fund.

The Board shall be transparent and fair in the conduct of the Annual and Special Shareholders' Meetings. The Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the Shareholder's favor.

It is the duty of the Board to promote the rights of the Shareholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

Remedies For Infringement of Shareholders' Rights

The Board shall encourage the exercise of Shareholders' voting rights and the solution of collective action problems through appropriate mechanisms or alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.

Management shall ensure constant engagement and communication with Shareholders through a designated investor or customer relations officer. The Officer shall be present in Annual or Special Shareholders' Meetings and have a designated email address and telephone number to receive feedback, complaints, and queries.

Meetings of Shareholders

The Board shall take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the Shareholders' meaningful participation in meetings, whether in person or by proxy. In furtherance thereof, poll voting shall be highly encouraged as opposed to the show of hands. Proxy voting may be considered, including the electronic distribution of proxy materials. The right to vote may also be exercised through remote communication or *in absentia*⁹.

In cases where the Shareholders cannot physically attend Shareholders' meetings, they may do so through remote communications or other alternative modes of communication. If the Shareholder intends to participate in a meeting through remote communication, he shall notify the Corporate Secretary

Although all Shareholders shall be treated equally or without discrimination, the Board shall give minority Shareholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Fund. However, to prevent the abuse of this right, the Fund may require that the proposal be made by Shareholders holding a specified percentage of shares or voting rights. To ensure that minority Shareholders are not effectively prevented from exercising this right the degree of ownership concentration shall be considered in determining the threshold.

⁹ SEC Memorandum Circular No. 6; series of 2020 on the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication

All Shareholders shall be given the opportunity to nominate candidates to the Board, and/or cause the removal of any member thereof in accordance with the existing laws. The procedures of the nomination and removal process shall be discussed clearly by the Board. The Fund shall fully and promptly disclose all information regarding the expertise, experience and background of the candidates to enable the shareholders to study and conduct their own background check as to the candidates' qualification and credibility.

The result of the votes on matters taken during the most recent Annual or Special Shareholders' Meeting shall be made publicly available on the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting shall be available on the website.

Notice to Shareholders

Accurate and timely information shall be made available to the Shareholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval at least 21 days before the meeting. The Directors shall pave the way for the electronic filing and distribution of Shareholder information necessary to make informed decisions subject to legal constraints. In order for the Shareholders to plan their participation in the meeting, the notice shall also be posted on the Fund's website.

ARTICLE 13: STAKEHOLDERS' RIGHTS AND PROTECTION

The Board shall identify the Fund's various Stakeholders and promote cooperation in creating wealth, growth and sustainability. These Stakeholders shall include, among others, the Fund's customers, resource providers, creditors, holders of proprietary and non-proprietary rights. and the community in which it operates.

The Board shall ensure that fair, professional, and objective dealings, as well as clear, timely and regular communication with the Stakeholders ensure fair treatment and protection of their rights.

Clear policies and programs shall be in place to provide a mechanism on the fair treatment, protection, and enforcement of the rights of Stakeholders.

ARTICLE 14: COMPREHENSIVE AND COST-EFFICIENT ACCESS TO INFORMATION

The Fund shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, Stakeholders and other interested users.

Contents of the Website:

1. Manual on Corporate Governance;
2. Annual Corporate Governance Report;
3. Board Charter;
4. Committee Charters, and
5. The Code of Business Conduct and Ethics.

ARTICLE 15: LIQUIDATION OF ASSETS AND WINDING UP OF THE FUND¹⁰

The Fund Manager shall carry out the liquidation of assets on behalf of the Fund. In all cases of revocation of the Registration Statement and Certificate of Permit to Offer Securities for Sale, the Fund Manager must liquidate the assets within a period of six (6) months from the receipt of the Fund of the Order revoking the Registration Statement or Certificate. The Fund shall wind up or amend its business purposes within one (1) year from receipt of the same.

The Fund or the Fund Manager shall inform the SEC of the status of the redemption of securities every 30th of January until all the shares have been fully redeemed¹¹.

ARTICLE 16: ADMINISTRATIVE SANCTIONS

1. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Fund's Directors, Officers, staff, and affiliates and their respective Directors, Officers and staff in case of violation of any of the provisions of this Manual:
 1. In case of first violation, the subject person shall be reprimanded.
 2. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.
 3. For the third violation, the maximum penalty of removal from office shall be imposed.
2. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman the imposable penalty for such violation, for further review and approval of the Board.

ARTICLE 17: ADOPTION AND EFFECTIVITY OF REVISED MANUAL

Pursuant to the requirement of the SEC under Memorandum Circular No. 24; s. 2019, this amended Manual on Corporate Governance is signed on behalf of the registrant by the undersigned, thereunto duly authorized.

- Signature Page Follows -

¹⁰ SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications or Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

¹¹ Rule 13.1.8 of the ICA IRR on the Residual Obligation of the Investment Company with a Revoked Registration Statement.

SIGNATURES

ROBERTO F. DE OCAMPO
Chairman

ATTY. PAOLO JOHN D. PURGANAN
Compliance Officer

PAMI Asia Balanced Fund, Inc.

FINAL PROSPECTUS

PAMI ASIA BALANCED FUND, INC.

THIRTY SIX MILLION (36,000,000) PAMI ASIA BALANCED FUND, INC. (PABF) SHARES OF PHP16,200,000.00 AT A PAR VALUE OF PHP0.45 PER SHARE WILL BE OFFERED TO THE PUBLIC AT THE CURRENT NET ASSET VALUE PER SHARE ("NAVPS"). THE FUND SHALL BE READY TO BUY AND SELL SHARES TO THE PUBLIC IN ANY OF ITS OFFICES AND BRANCHES.

THE FUND'S SHARES WILL BE SOLD OVER THE COUNTER. PHILAM ASSET MANAGEMENT, INC. IS THE FUND'S DISTRIBUTOR AND INVESTMENT MANAGER.

November 10, 2016

THE PAMI ASIA BALANCED FUND, INC.

This Prospectus pertains to the registration and offer to the public of an additional of 28,000,000 new shares pursuant to the application for increase in authorized capital stock from 8,000,000 to 36,000,000 common shares which was approved by the Securities and Exchange Commission ("SEC") on February 18, 2013.

The increase in the Company's authorized capital stock, approved by the SEC on July 3, 2012, was brought about by the Fund's successful distribution activities which is a direct result of the Fund's positive performance since its launch in April 1, 2011. Subject to the registration of the additional 28,000,000 shares with the SEC, the offering of the same to the public will allow the Fund to invest in a broad range of securities which will further improve its diversification and overall performance.

Estimated gross proceeds of the 36,000,000 shares, if sold at net asset value per share ("NAVPS") (i.e., USD0.8829/Php47.0600) as of June 30, 2016, is Php1,694,160,000.00 (USD31,784,400.00). All proceeds will be held by the custodian bank.

The proceeds from the sale of PABFI shares will be invested in equities, equity-related securities, and debt securities of Asian issuers.

The Company does not plan to declare cash dividends¹. Surplus profits of the Company (if any), will be used as additional proceeds to invest in eligible securities.

The Investment Manager (or "Fund Manager") of the Fund is Philam Asset Management, Inc. (PAMI). For its services, the Investment Manager shall charge a management fee equivalent to and not exceeding one-sixth of one per centum (1/6 of 1) per month, or 2% per year, of the average net value of the Fund's assets, computed on a daily basis.

The Fund Manager will also receive from the Fund a sales load fee based on the following schedule:

Investment Amount (in Php)	Sales Load	VAT on Sales Load (12%)	Entry Fee + 12% VAT
5,000 to 49,999.99	3.00%	0.36%	3.36%
50,000 to 99,999.99	2.50%	0.30%	2.80%
100,000 to 149,999.99	2.00%	0.24%	2.24%
150,000 to 249,999.99	1.50%	0.18%	1.68%
250,000 and above	1.00%	0.12%	1.12%

PABFI's office is located at:

17th FLOOR NET LIMA BUILDING,
5th AVENUE CORNER 26th STREET
BONIFACIO GLOBAL CITY, TAGUIG 1634
TELEPHONE NUMBERS: (632) 5216300
FAX NUMBERS: (632) 5285093

¹ As amended by the majority vote of the Board of Directors during its Regular Meeting held on 27 October 2016 at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City and subject to approval by stockholders on 27 July 2017 during the Annual Shareholders' Meeting.

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THE PAMI ASIA BALANCED FUND, INC.

The PAMI Asia Balanced Fund, Inc. (“PABFI” or the “Fund”), which was incorporated on February 10, 2009, is an open-ended mutual fund with a par value of Php0.45 (USD0.01) per share which will be offered to the public with a minimum initial investment of USD200¹, unless otherwise prescribed by the SEC. PABFI has a capitalization of Php3,600,000.00 (USD80,000.00) with a total of Eight Million Shares (8,000,000) with a par value of Php0.45 (USD0.01) inclusive of the two million shares (2,000,000) amounting to Php900,000.00 (USD20,000.00) currently subscribed and paid for by current stockholders. On July 3, 2012, the Securities and Exchange Commission (“SEC”) approved PABFI’s application of an additional 28,000,000 new shares as a result of the Fund’s successful distribution activities given the Fund’s positive performance since its launch in April 1, 2011.

The Fund is moderate in risk given its investment objectives as discussed in the succeeding sections. The Fund provides investors with income and long-term capital appreciation through investments in equities, equity-related securities and debt securities of Asian issuers.

PABFI will be managed according to the asset allocation of 50% Equities, and 50% Fixed Income and Money Market instruments. This mix allows for participation in the equity markets, which yields higher returns, and will enhance the “growth” potential of the portfolio whilst the allocation to bonds will ensure that the portfolio is adequately buffered against volatility and risk of capital loss.

Philam Asset Management, Inc. is the investment manager of the Fund (“PAMI”) and a wholly owned subsidiary of Philippine American Life and General Insurance Company (“Philam Life”), one of the largest insurance companies in the Philippines and an affiliate of American International Assurance (“AIA”). Philam Life is a household brand in insurance with over 65 years of presence in the country providing protection and savings to more than one million individual and corporate clients. PAMI has a sub-management agreement with Amundi Singapore Limited, a wholly-owned subsidiary of Amundi, which is the combined asset management arm of Crédit Agricole S.A. and Société Générale.

A leading global asset management company with more than EU987B assets under management (as of 31 March 2016), Amundi has management teams operating in the major financial centres in Europe (Paris, London, Milan), Asia (Tokyo, Hong Kong, Singapore), Australia, and the United States. It invests in all asset classes and major currencies (Euro, Yen, Dollar, Sterling). Amundi has a strong local presence and is committed to offering its clients a relationship defined by both proximity and a long-term view. Its sales network enables it to offer: a) a local point of contact to tailor and propose investment solutions specific to client’s needs, and b) excellent customer service at every point of the value chain, marked by quality, a pro-active approach and efficiency.

Amundi has developed savings solutions to meet the needs of more than 100 million retail clients worldwide and designs innovative, high-performing products for institutional clients which are tailored specifically to their requirements and risk profile. The group contributes to funding the economy by orienting savings towards company development.

¹ As amended by a majority vote of the Board of Directors during its Regular Meeting on 27 October 2016 at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig and subject to approval by stockholders during the Annual Shareholders’ Meeting on 27 July 2017.

Amundi develops effective and innovative products for 2,000 institutional clients in more than 30 countries.

It has ties with the largest sovereign wealth funds, pension funds, institutional and corporate funds in France and abroad. It has more than 1,000 distribution agreements with the leading platforms in Europe and Asia.

Amundi currently supplies 8 partner networks in Europe and Asia with innovative, simple and secure savings solutions best suited to their clients. It reaches over 50 million retail investors via these networks.

Thanks to its joint ventures in China, India and Korea, it is also present in markets offering strong growth potential and provides products for an additional 50 million clients.

The Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in market value may occur as a result of various factors, including material changes in the Fund, general economic conditions or interest rate and foreign exchange policy changes.

RISKS OF INVESTING

GENERAL RISK WARNING

- The prices of securities fluctuate as a result of market conditions and any individual security may experience upward or downward movements and may even become valueless. There is a risk that losses may be incurred as a result of buying and selling securities.
- Past performance is not indicative of future performance.
- There is a risk of losing money when securities are bought from smaller companies. There may be a difference between the buying price and the selling price of these securities.
- An investor deals in a range of investments each of which may carry different levels of risk.
- Risks associated in investing in PABFI are further discussed on "Risk Factors" of this prospectus on page 9 onwards.

PRUDENCE REQUIRED

The risk disclosure statement does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study of the trading of securities before commencing on any trading activity. He/she may request information on the securities and issuer thereof from the Securities and Exchange Commission (SEC) which is available to the public.

PROFESSIONAL ADVICE

An Investor should seek professional advice if he or she is uncertain of or has not understood any aspect of or the nature of risks involved in trading of securities especially high risk securities.

For a description of the additional risk factors associated with the purchase of PABFI shares, see “Risk Factors” and other information.

**PAMI ASIA BALANCED FUND, INC.
FINANCIAL HIGHLIGHTS**

Year Ended December 31 for the Year	2014 (Audited)		2015 (Audited)		31-Mar-2016 (Unaudited)		30-Jun-2016 (Unaudited)	
	USD	PHP	USD	PHP	USD	PHP	USD	PHP
Gross Investment Income	839,754	37,312,370	599,796	27,364,193	339,057	15,965,629	344,300	16,180,378
Operating Expenses	1,100,252	48,886,959	2,504,888	114,279,253	116,406	5,481,364	233,208	10,959,610
Provision for Income Tax	266,441	11,838,640	45,084	2,056,845	19,033	896,232	34,423	1,617,709
NET INVESTMENT INCOME (LOSS)	(526,939)	(23,413,229)	(1,950,176)	(88,971,905)	203,618	9,588,033	76,669	3,603,059
TOTAL ASSETS	21,004,861	939,337,384	17,609,538	828,704,859	17,587,504	809,737,754	17,146,532	806,933,605
TOTAL LIABILITIES	271,116	12,124,308	291,151	13,701,567	452,754	20,845,028	999,947	47,058,564
NET ASSETS	20,733,745	927,213,076	17,318,387	815,003,292	17,134,750	788,892,726	16,146,585	1,585,334,518
NAVPS	0.9743	12/29/2014	0.8855	12/29/2015	0.8963	03/31/2016	0.8829	06/30/2016

GLOSSARY

Term	Definition
BSP	Bangko Sentral ng Pilipinas
CTI	Citibank, N.A.
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
PAMI or Fund Management Company or Fund Manager	Philam Asset Management, Inc.
PABFI or Fund or Company	PAMI Asia Balanced Fund, Inc.
USD	U.S. Dollars
PHP	Philippine Pesos
Philam Life	The Philippine American Life and General Insurance Company
R.A. 2629	Republic Act No. 2629 or the Investment Company Act
SEC	Securities and Exchange Commission
Isla Lipana	Isla Lipana and Co.
Amundi	Amundi Singapore Limited

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

(Sgd.)
ATTY. REYNALDO GERONIMO
President

SUBSCRIBED AND SWORN TO before me this NOV 21 2016, in MAKATI CITY;
affiant exhibiting to me his Passport EC2113508 issued on 16 September 2014 at Manila.

Doc. No. 116;
Page No. 25;
Book No. x;
Series of 2016.

(Sgd.)
JOSEPH BENEDICT G. GESMUNDO
Appointment No. M-278
Notary Public for Makati City
Until December 31, 2016
Penthouse, Liberty Center
104 H. V. dela Costa Street, Makati City
Roll of Attorneys No. 58156
PTR No. 5331144 / Makati City / 01-07-2016
IBP No. 1015798 / Quezon City / 01-04-2016

RISK FACTORS

The Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. With the adoption of the Philippine Accounting Standards (PAS) 39 that requires all assets to be valued on a marked-to-market basis, PABFI's NAVPS will experience volatility due to changes in the underlying securities. Such changes in market value may occur as a result of various factors, including material changes in the Fund, general economic conditions or interest rate and foreign exchange policy changes. Investment companies, unlike bank deposits are not covered by the Philippine Deposit Insurance Corporation (PDIC). Listed below, in order of importance, is a summary of some of the risks and their potential effect on the investor:

- ❖ **Market Risk:** Market risk is the risk of change in the fair value of financial instruments due to market fluctuations (currency, interest rates and market prices) whether such change in price is caused by factors specific to the individual instrument or fund or its issuer or factors affecting all instruments traded in the market.

The Fund structures levels of market risk it accepts through a market risk policy that determines the following: what constitutes market risk for the Fund; basis used to value financial assets and liabilities; asset allocation and portfolio limit structure; diversification benchmarks by type of instrument; the net exposure limits of each counterparty or group of counterparties and industry segments; control over the hedging activities; reports on market risk exposures; compliance with market risk policy and review of market risk policy for the changing environment.

- ❖ **Countries / Regulatory Risks:** Investment in securities of Issuers of Countries involves special considerations and risks, including the risks associated with international investment, such as currency fluctuations, the risks of investing in countries with smaller capital markets, limited liquidity, price volatility, different conditions applying to transaction and control and restrictions on foreign investment, as well as risks associated with Countries' economies, including high inflation and interest rates, large amounts of external debt as well as political and social uncertainties. The funds operations are also subject to various regulations including but not limited to accounting of assets and taxation. Regulations do change and as a result investors may experience lower investment returns or to some extent even losses. For example, increase in income tax rate imposed during the year would result in lower returns.

To mitigate these risks, the Fund will maintain a suitable diversification of individual equity investments across different countries within Asia by way of properly allocating the investments. It could be reflected in the way the portfolio is allocated. A seemingly "risky" area should be given less weight of exposure as to the less "risky" area in terms of regulation. The Fund manager by having the knowledge and updated information on regulation pertaining and affecting the Fund's investment portfolio is also a way to mitigate regulatory risks.

- ❖ **Interest Rate Risk** – is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund's fixed rate investments and receivables are exposed to such risk.

The Fund will manage interest rate risk through continuous monitoring of the interest rate environment. During periods of increasing rates and widening of

credit spreads, the fund manager will shorten the duration of the fixed income portfolio. During periods of decreasing rates and narrowing credit spreads, the fund manager will lengthen the duration of the fixed income portfolio.

- ❖ **Liquidity Risk** – risk that an entity will encounter difficulty in raising funds to service redemptions of investors within 7 business days after receiving the valid redemption notice. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated

The funds manage liquidity risk by investing a significant portion in highly marketable and actively traded stocks or fixed income securities.

- ❖ **Stock-lending Risk** - In the event of the Fund entering into stock lending agreements there are risks of delay and recovery. Should the borrower of the securities fail financially, the collateral received will be called upon. The value of the collateral received will equal or exceed in value at all times the value of the securities loaned. In the event of a sudden upward market movement, there is a risk that the value of the collateral may fall below the value of the securities transferred.

The Fund will manage stock lending risk by selecting only reputable counterparties with good fundamentals and sound financial performance. Risk is further minimized through strict and proper monitoring of transactions and complemented by strong backroom support.

- ❖ **Credit Risk.** Some of the Funds can lend to private corporations to increase yields either by purchasing bonds or through promissory notes. There is a possibility that the borrower may not be able to repay the loan amortization and /or the principal. When this happens, the Funds could lose money because the loan would not be repaid when it falls due or restructured so that the payment terms are extended. These might result in the drop of the NAVPS. In addition, the cash portion of the Fund is kept in time deposits at local and foreign banks. The Funds will mitigate these credit risks by selecting only private corporations and banks with superior management and very strong capital adequacy positions.
- ❖ **Foreign Currency Risk.** The investment of the Fund will be held in fixed income denominated in US Dollars or other major currencies. The value of these currencies fluctuates constantly against the Philippine Peso as well as each other depending on several factors, and largely due to interest rate and inflation rates in their domicile. These will have an impact in the value of the Fund.

The Fund's principal aim is to tap potential growth in Asian markets, thus, foreign currency risk arises primarily with respect to various foreign currencies in which the Fund plans to invest in. The Fund may utilize instruments and techniques available in the market for efficient portfolio management and to cover risks arising from foreign currency risks. Further, the Fund will monitor the health of key countries' economies and political situations, and also said countries' cross-border trade and capital flows. This constant evaluation would drive how the Fund will diversify its portfolio and employ other hedging techniques.

Other Risk Management Policies

Please find below additional risk control techniques that AMUNDI employs in the process:

In Amundi Group and its subsidiaries, risk controls and management are an integral part of all stages of the management process and are carried out at three independent levels as described in the following:



Diagram on Amundi's Risk Management Process (Source: Amundi)

1. At the 1st level

Portfolio managers monitor portfolio composition and ensure consistency with the investment strategy and risk limits of the Portfolio using an in-house risk monitoring tool. Dealing desk executes orders in line with best execution policy and with authorised counterparties. Finally, Middle office ensures that transactions are processed correctly and reconciliations of positions are performed.

2. At the 2nd level

Independent Risk Management and Compliance Departments are involved in the second level of the risk management process. Risk Management Department is in charge of controlling all types of risks (market, credit, operational) and uses in-house dedicated risk systems to monitor risks and guidelines of the Portfolio. Compliance Department ensures compliance with rules, codes and professional standards while overseeing clients' interests.

3. At the 3rd level

Independent Internal Audit team performs periodic review of internal controls and risk monitoring measures within Amundi in accordance with a multi annual audit plan.

- Foreign exchange policy (total foreign exchange hedging back to index base currency, partial or no foreign exchange hedging)

PAMI uses hedging in cases where it is the most effective and timely way to reduce currency risk. PAMI views hedging as a short-term adjustment rather than as an attractive long-term opportunity. This policy has not changed over time.

- Fiduciary duty

In managing client portfolios, PAMI has a fiduciary responsibility to treat clients fairly. This duty requires a code of conduct, consistent with other statutory and regulatory obligations, that seeks to be prudent and in the client's best interest. When there is a conflict of interest between PAMI and a client, PAMI must make full disclosure to the

client, and in certain instances, obtain the client's informed consent prior to pursuing a course of action.

Accordingly, employees and officers of PAMI are required to report to Compliance any activities that appear to violate any laws or the Compliance Manual. PAMI has a policy of non-retaliation, so employees may report apparent violations without fear that such action will have a negative impact on their career in the company. Reports of apparent violations may be made anonymously with Compliance.

FUND FEATURES

Investment Objectives

The Fund is moderate in risk given its investment objectives as discussed in the succeeding sections. The Fund provides investors with income and long term capital appreciation through investments in equities, equity-related securities and debt securities of Asian issuers.

Investment Plans

Investment approach

The Manager takes a fundamental approach to investment, incorporating a combination of bottom-up stock selection and top-down asset allocation. Bottom-up approach enables the Manager to identify companies with investment potential in more diverse industries with different business, industrial and economic cycles in the Asia Pacific ex-Japan region, thus enhancing the diversification and risk/return profile of the sub-fund. Company visits and frequent management contacts allow the Manager to evaluate the company from a micro and macro perspective. Selection of bonds is achieved through a top-down quantitative analysis of external global conditions. Allocation to equities enhances the Fund's growth potential and to create alpha whilst allocation to bonds ensures that the sub-fund is adequately buffered against volatility and risk of capital loss.

Shares Offered

The investor may choose to buy shares of the Funds on a "front-end" (Option A) or a "back-end" (Option B) basis.

INVESTMENT RESTRICTIONS

1. Until the Securities and Exchange Commission (SEC) shall provide otherwise, the Fund shall not sell securities short or invest in any of the following:
 - a) margin purchase of securities (investments in partially paid shares are excluded);
 - b) commodity futures contracts;
 - c) precious metals;
 - d) unlimited liability investments;
 - e) Other investments as the SEC shall, from time to time prescribe.

The Fund shall not change its investment objective without prior approval of a majority of its shareholders.

2. The Fund shall not incur any further debt or borrowings unless at the time of its occurrence or immediately thereafter, there is an asset coverage of at least three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall fall below 300%, the Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least 300%.
3. The Fund shall not participate in an underwriting group or a selling group in connection with public distribution of securities except for its own capital stock.
4. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of the Fund Management Company, managers or distributors or other

firms, of which any of them are members, any security other than the capital stock of the Fund.

5. The Fund shall not make any investment for the purpose of exercising control of management.
6. Total operational expenses of the Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in the previous year's audited financial statements of the Fund. The formula shall be as follows:

$$\text{Expense Ratio (\%)} = \frac{\text{Total Operating Expenses}}{\text{Average Net Asset Value}} * 100$$

The average daily net asset value shall be indicated in the investment company's Quarterly and Annual Reports.

7. The maximum investment of the Fund in any single enterprise shall not exceed an amount equivalent to fifteen percent (15%) of the Fund's net asset value except obligations of the Philippine government and other sovereign nations or its instrumentalities, provided that in no case shall the total investment of the Fund exceed ten percent (10%) of the outstanding securities of any one investee company.
8. For liquidity purposes, unless otherwise prescribed by the SEC, in case of open-end companies, at least five percent (5%) of its Fund shall be invested in liquid/semi-liquid assets such as:
 - a. Treasury notes or bills, Central Bank (BSP) Certificates of Indebtedness which are short-term, and other government securities or bonds and such other evidences of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines and other sovereign nations.
 - b. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposits account be accepted or allowed under a "bearer", "numbered" account or other similar arrangement.

Provided that, the open-end company fund shall submit a liquidity contingency plan to the Commission before it implements a decreased investment of less than ten percent (10%) in liquid/semi-liquid assets.

9. The Fund does not plan to invest in foreign securities. However, SEC Memorandum Circular #7 Series of 2005 "Guidelines on the Evaluation of Foreign Investments by Mutual Fund Companies" allows mutual fund companies to invest up to 100% of its assets in foreign securities.
10. The Fund may not lend to individual borrowers.
11. Change in the Fund's investment objective should be with notice and prior approval of the SEC. An investment company shall not change its investment objective without the approval from the majority of the Fund's shareholders
12. The Fund's equity portfolio shall be invested in securities listed in the primary board of the PSE. However, the Fund may also invest on companies listed on the secondary board and from time to time on shares of non-listed companies that are about to get

listed within three months. The total investment in the secondary board of the PSE may not, in total, exceed twenty percent (20%) of the fund.

Eligible Applicant

Any person of legal age or any duly organized and existing corporation, partnership, or any legal entity regardless of citizenship or nationality may hold shares of the Fund. If the applicant is a corporation, partnership or other legal entity, copies of the Articles of Incorporation and By-Laws, Certificate of Registration and the Resolution of the applicant's Board of Directors authorizing the investment, all duly certified, and must be submitted with the application. The Fund's shares will only be distributed in the Philippines.

Offering Price

The offering price of one share is its NAVPS plus an entry fee or sales load together with twelve percent (12%) Value Added Tax (V.A.T.). Investments received before the daily cut-off time of 12 o'clock noon shall be valued at the NAVPS of the following banking day or (T + 1). However, total subscriptions to the Fund will be reflected in the NAVPS computation one day after the day of transaction (T + 1). A banking day is defined as a day when commercial banks in Metro Manila are not required or authorized to close by law.

Sales Load

The investor may choose to buy shares of the Funds on a "front-end" (Option A) or a "back-end" (Option B) basis.

Option A or A-shares

Sales commission will be paid to the investor's mutual fund dealer when shares of the Fund are bought. Under this purchase option, the investor may redeem his shares free of charge after the minimum holding period of 6 months has been satisfied. The commission shall not exceed 3% of the investor's total purchase.

Investment Amount (in Php)	Sales Load	VAT on Sales Load (12%)	Entry Fee + 12% VAT
5,000 to 49,999.99	3.00%	0.36%	3.36%
50,000 to 99,999.99	2.50%	0.30%	2.80%
100,000 to 149,999.99	2.00%	0.24%	2.24%
150,000 to 249,999.99	1.50%	0.18%	1.68%
250,000 and above	1.00%	0.12%	1.12%

Option B or B-shares

Allows investments with no initial sales commission deducted. PAMI pays a commission to the dealer on the investor's purchase. In return, the investor agrees to "repay" PAMI a deferred sales charge ("DSC") plus VAT, if he sells the investment, or a portion thereof, within 5 years. The DSC rate decreases as an investor holds on to the investment, and approaches zero by year five (5). In order to reduce the DSC payable, treatment of redemptions of the shares of the fund will be "first in, first out".

Placement Period	Exit Fee	12% VAT on Exit Fee	Exit Fee + 12% VAT
Less than 1 year	5.00%	0.60%	5.60%
More than 1 year but less than 2 years	4.00%	0.48%	4.48%
More than 2 years but less than 3 years	3.00%	0.36%	3.36%
More than 3 years but less than 4 years	2.00%	0.24%	2.24%
More than 4 years but less than 5 years	1.00%	0.12%	1.12%

The management fee to be charged by PAMI is a maximum of 2% per year.

Purchase Policy

Shares sold shall be on a cash basis. Installment sales are prohibited.

Income Distribution Policy

Surplus profits of the Company (if any), will be used as additional proceeds to invest in eligible securities. The Company does not plan to declare cash dividends.

PROCEDURES IN THE SUBSCRIPTION AND REDEMPTION OF SECURITIES

Opening an Account

Any qualified investor may purchase PABFI shares, through the principal distributor, PAMI, or through any PAMI Certified Investment Solicitor.

1. Individual Accounts

- Client Information Sheet (CIS) for the primary and secondary investors, including the Bureau of Internal Revenue (BIR) Tax Identification Number (TIN) ID
- Subscription Transaction Form (STF)
- Photocopy of one (1) valid ID with photo from each “AND” and “OR” joint investors (authenticated copy).

Examples of acceptable IDs issued by an official authority as contained in the CIS are listed below.

- Bureau of Internal Revenue (BIR) Tax Identification No. (TIN) I.D.
 - Department of Foreign Affairs I.D.
 - Social Security System (SSS) I.D.
 - Government Service Insurance System (GSIS) I.D.
 - Philippine Health Insurance Corp. (Philhealth) I.D.
 - Home Development Mutual Fund (PAG-IBIG) I.D.
 - Commission on Election (COMELEC) Voters
 - Philippine Regulatory Commission (PRC) I.D.
 - Philippine Postal Office I.D.
 - Land Transportation Office (LTO) Driver's License
 - Philippine Passport
 - Barangay Office or Center
- Copy of Trust Agreement in case of ITF Account

The receiving agent, PAMI sales or sales & administrative assistant personnel should confirm that the original IDs were personally shown to him by writing in the STF the statement: *ID authenticated by “name of receiving personnel”* and affixing his signature after the statement.

2. Corporate Accounts

- Client Information Sheet (CIS) for corporate accounts, including Bureau of Internal Revenue (BIR) Tax Identification Number (TIN) ID
- Subscription Transaction Form (STF)
- Articles of Incorporation or Partnership
- By-laws
- Board Resolution or Secretary's Certificate to invest in the Fund
- Board Resolution or Secretary's Certificate on the authorized signatories
- Latest General Information Sheet
- Contact numbers

- Sworn statement as to the existence or non-existence of beneficial owners
- Verification of the authority and identification of the person purporting to act on behalf of the client
- Valid ID's and Specimen signature(s) of the authorized signatories.

The receiving agent, PAMI sales or sales & administrative assistant personnel should confirm that the original IDs were personally shown to him by writing in the STF the statement: *ID authenticated by "name of receiving personnel"* and affixing his signature after the statement.

Additional Investments

To add to an existing account, a STF is accomplished and, together with the check or payment order, submitted to the account manager. For existing joint, any one of the investors can add to the investment and sign the documents. To add to an existing account, an STF should be accomplished and, together with the cash, check or payment order, submitted to a PAMI Certified Investment Solicitor or thru any of the PAMI branches nationwide. For existing joint accounts, any one of the investors may add to the investment and sign the STF documents.

Additional investments can also be made over-the-counter and via online thru any of the cash management banks as designated by PAMI.

Acceptance of Applications

Applications to purchase are subject to confirmation by PAMI as to the amount of shares, the applicable NAVPS and the final approval by the investment manager. Applications that do not comply with the purchase terms, rules and regulations may be rejected at the sole discretion of the Fund Manager.

PAMI reserves the right to reject subscriptions, or to restrict purchases by an investor, when such purchase is disruptive to the interests of the other shareholders and management of the Fund as determined by the Fund Manager. The subscription amount will be returned to the investor without interest and after deducting applicable bank charges, within five business days.

Determination of NAVPS

The offering price of one share is the Fund's NAVPS plus an entry fee or sales load and any applicable taxes. The NAVPS is normally calculated as of 8:00 P.M. of each banking day. It is determined by taking the fair value of the Fund's total assets less all liabilities and divided by the total number of shares outstanding. Other trades which do not meet the custodian's cut-off time are deemed to have been received the following banking day. Income and expenses are accrued daily and applied when computing for the NAVPS.

Issuance of Stock Certificates

A letter confirming the investment will be given to the shareholder upon approval of the investment application. Stock certificates evidencing ownership of shares shall only be issued by the transfer agent upon the written request of the shareholder and delivered after approval of the application to purchase and receipt of payment thereof, at the address of the investor indicated in the official application to purchase or, upon instruction, to PAMI. Costs of issuance of stock certificates shall be borne by the shareholder. Other than the mandatory documentary

stamp tax for the issuance of stock certificates, the client is charged Php500 which is the cost charged to PAMI by the Transfer Agent (Philam Asset Management, Inc.).

Should shareholders opt not to receive stock certificates, these shall remain in the custody of the transfer agent.

Statements and Reports

Investors will receive a statement of account on a quarterly basis. PAMI shall also send reports, fund updates, fund manager reports to apprise investors of outlook, performance and various information materials within the Company and its funds on a periodic basis. Upon the request of the investor, PAMI shall issue certifications for a fee and annual reports which can also be viewed or downloaded from PAMI website.

NAVPS Computation

NAVPS is defined as the difference of total assets of the Fund less its total liabilities, divided by the number of shares outstanding. The Fund shall compute the NAVPS daily. The price will be posted in a conspicuous place in the principal office of the Company and published daily in at least two newspapers of general circulation in the Philippines.

MANNER & METHOD OF REDEMPTION

How to Redeem

Shareholders can file their redemption request forms in any PAMI office. Redemption from the Fund requires filling-out, disclosing and presenting the following information and documents:

- Redemption Request Form (RRF)
- Reason for Redemption (monitoring form)
- 2 Valid IDs (for walk-in redemptions)

The receiving agent, PAMI sales or sales & administrative assistant personnel should make sure that the forms are completely filled-out with the client's signature affixed on the RRF and SAF. If the redemption is coursed thru fax, the original redemption documents must be submitted before the proceeds will be released. Redemption proceeds will be available three days after the transaction date.

Amount of Redemption

Shareholders can redeem their shares in partial or in full. Partial redemption is allowed if number of shares do not go below the prescribed minimum investment.

Redemption

The redemption price of the securities surrendered before the daily cut-off time shall be the same banking day's NAV per share after the request for redemption is received, while those surrendered after the daily cut-off time shall be deemed to have been received on the following banking day. The daily cut-off time shall be 12:00 noon. Payments for securities redeemed shall be effected within seven (7) banking days from receipt of the request for redemption.

Claim of Payment for Redeemed Shares

A shareholder must bring a proper ID. In case of a proxy, an authorization letter should accompany the ID of the duly authorized person.

- Submit stock certificate(s) and fill-up an original redemption request form and/or stock assignment(s), if the redemption order was made through phone.

Together with the check, shareholders may be given a copy of the redemption request form upon request.

Redemption Fee

For Option A or A-Shares

The applicable holding period for option A or A-shares is six (6) months. Redemptions made within six (6) months are subject to an exit fee of no more than 1% (exclusive of twelve percent VAT) of the redemption proceeds. Redemption fee is based on the following schedule:

Placement Period	Exit Fee	12% V.A.T. on Exit Fee	Exit Fee + 12% V.A.T.
Less than six (6) months	1.00%	0.12%	1.12%
Six months and above	0.00%	0.00%	0.00%

For option B or B-shares

The applicable holding period for option B or B-shares is five (5) years. Redemptions made before 5 years are subject to an exit fee of no more than 5% (exclusive of twelve percent VAT) of the redemption proceeds. Redemption fee is based on the following schedule:

Placement Period	Exit Fee	12% VAT on Exit Fee	Exit Fee + 12% VAT
Less than 1 year	5.00%	0.60%	5.60%
More than 1 year but less than 2 years	4.00%	0.48%	4.48%
More than 2 years but less than 3 years	3.00%	0.36%	3.36%
More than 3 years but less than 4 years	2.00%	0.24%	2.24%
More than 4 years but less than 5 years	1.00%	0.12%	1.12%

Special Considerations

PABFI shall not suspend the right of redemption or postpone the date of payment of redemption request of any redeemable security for more than seven (7) banking days after the tender of such security to the Company, except on the following cases:

1. for any period during which banks are closed other than customary weekend and holiday closings;
2. for any period during which an emergency exists as a result of which (a) disposal by the Company of securities owned by it is not reasonably practicable or (b) it is not reasonably practicable for the Company to determine the value of its net assets; or
3. For such other periods as the SEC may, by order, permit for the protection of security holders of the Company.
4. The Commission may, whenever necessary or appropriate in the public interest and for the protection of investors, suspend the redemption of securities of open-end investment companies.

Note: Shareholders can file their redemption request forms in any PAMI office.

USE OF PROCEEDS

The Company plans to use the proceeds from the sale of PABFI shares to build up its investment in equities, equity-related securities, and debt securities of Asian issuers. All proceeds from the sale of shares/ securities, including the original subscription/payments at the time of incorporation shall be held by a custodian bank.

The Fund is exposed to financial risk through its financial assets and financial liabilities. The more important components of this financial risk are, in order of importance, credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate which are exposed to general and specific market movements. This risk that PABF primarily faces due to the nature of its investments is interest rate risk and liquidity risk due to the open-end nature of the Fund. More details are discussed in the “Risk Factors” section of this Prospectus.

Estimated gross proceeds of the PABFI shares, if sold at NAVPS (i.e., USD0.8829/Php47.0600) as of June 30, 2016, is Php1,694,160,000.00 or USD31,784,400.00. In accordance with the SEC’s Investment Restrictions and Guidelines, the following table lists the estimated expenses pertaining to the Fund’s issuance and distribution as well as the estimated net proceeds from the sale of the PABFI shares.

PARTICULARS	AMOUNT (in Philippine Pesos)
Estimated Gross Proceeds	1,694,160,000.00
Less: Estimated Expenses	
SEC Registration & Filing Fees	986,040.00
Documentary Stamp Taxes	81,000.00
Legal Fees	150,000.00
Management Fees	33,883,200.00
Directors Fees	187,500.00
Advertising (Print)	150,000.00
Sales & Marketing	100,000.00
Prospectus, Letters & Envelopes	50,000.00
Postage	5,000.00
Total Estimated Expenses	35,592,740.00
Estimated Net Proceeds	1,658,567,260.00

No material amount of the proceeds will be used to acquire or finance the acquisition of other businesses. The proceeds will not be used to discharge debt or reimburse any officer, director or shareholder for services rendered, assets previously transferred, money advanced or otherwise, or any other expenses. The proceeds derived by the Fund from the sale of its shares will be held by the custodian bank.

The Fund may also utilize instruments and techniques available in the market for efficient portfolio management and to cover risks arising from foreign exchange risks. The Fund may engage in options for hedging and non-hedging purposes. The Fund may purchase private placements, and securities in 144A transactions, preferred securities and perpetual securities. Rule 144A is a safe harbor exemption from the registration requirements of Section 5 of the Securities Act for certain offers and sales of qualifying securities by certain persons other than the issuer of the securities. The exemption applies to resale of securities to qualified institutional buyers. The Fund may invest in affiliated or unaffiliated money market or liquidity commingled vehicles.

The Fund may also engage in securities lending for the purpose of generating additional capital or income in accordance with the guidelines set down by the SEC.

DETERMINATION OF OFFERING PRICE

The offering price of one share is its NAVPS plus the entry fee or sales load together with twelve percent (12%) Value Added Tax (V.A.T.). The Fund's investing and trading activities on trade date shall be included in the NAVPS calculation one day after the day of transaction (T+1). Other trades which do not meet the custodian's cut-off time are included in the NAVPS calculation two business days from trade date (T+2). Total number of shares subscribed to and redeemed from the Fund will be included in the NAVPS calculation one (1) day after the day of transaction. The daily cut-off time shall be 12 o'clock noon of a banking day. A banking day is defined as a day when commercial banks in Metro Manila are not required or authorized to close by law.

PLAN OF DISTRIBUTION

The Market Regulation Department of SEC issued PAMI its license for the year 2016 to operate as an Investment Company Adviser, subject to the provisions of the Investment Company Act, the Securities Regulation Code and its implementing rules and regulations, as well as other pertinent laws, rules and regulations applicable. The said license was issued last November 27, 2015 and is renewed every November of each year.

Also licensed by the SEC to engage in the distribution of securities to the public, PAMI will directly distribute Fund shares through its licensed account managers and sales officers. Marketing campaigns will utilize print media, direct mailers, and telemarketing. Promotions will be directed at both the distribution channels and the retail investor. PAMI has a sub-management agreement with Amundi Singapore, Limited approved by the Securities and Exchange Commission. During a Commission *en banc* on March 3, 2011, it was resolved that Amundi Singapore, Limited shall no longer be required to register as an Investment Company Adviser before it is allowed to enter into an Investment Management Agreement with PAMI which was documented in a letter to PAMI signed by Mr. Jose P. Aquino, Director of the Market Regulation Department and dated March 4, 2011.

The management fee to be charged by PAMI is a monthly fee not exceeding one-sixth of one percent (1/6 of 1%), or 2% per year of the average net value of the PABFI's assets, computed on a daily basis. Net value shall be determined by computing the total value of the PABFI's assets less its liabilities in accordance with the procedure used in computing the Net Asset

Value of each share of PABFI. The fee accruing during each calendar month shall be paid to PAMI during the first week of the succeeding month.

In addition, PAMI shall be entitled to a performance fee subject to the High Water Marking. This performance fee shall be on the positive out performance of the fund as determined by computing the increase in the current net asset value per share less the High Water Mark or the fund's benchmark rate, whichever is higher. The High Water Mark is based on the highest net asset value per share generated by the fund in the prior periods starting from the time the fund is launched. PAMI shall be entitled to one tenth (1/10) of the positive out performance, if any, multiplied by the average daily number of shares outstanding of PABFI for such year. The performance fee shall be computed and accrued on a daily basis but payment to PAMI shall be made within the next succeeding year.

DESCRIPTION OF SECURITIES TO BE REGISTERED

PABFI was incorporated with an authorized capital stock of Three Million Six Hundred Thousand Pesos Php3,600,000.00 (USD80,000.00), and said capital stock is divided into Eight Million (8,000,000) shares of the par value of Php0.45 (USD0.01) for each share.

On June 16, 2011, the Board of Directors of the Fund, by a vote of the majority of all its members, resolved to increase PABFI's authorized capital stock from Three Million Six Hundred Thousand Pesos Php3,600,000.00 (USD80,000.00) to Sixteen Million Two Hundred Thousand Pesos (Php16,200,000.00).

On July 3, 2012, the SEC approved the Amended Articles of Incorporation of PABFI thereby increasing its authorized capital stock to Sixteen Million Two Hundred Thousand Pesos (Php16,200,000.00), divided into thirty six million shares (36,000,000) with par value of Php0.45 (USD0.01) per share. Of the increase in the authorized capital stock, twenty eight million (28,000,000) new shares will be offered to the public with an offer price equivalent to the Net Asset Value per Share ("NAVPS") plus an entry fee or sales load.

Each share of PABFI stock is a voting stock with voting rights equal to every other outstanding stock. Furthermore, each share of stock is subject to the following rights:

1. Right of Redemption at NAVPS
2. Power of Inspection
3. Right to Information
4. Right to Dividends
5. Appraisal Right

However, each share of PABFI stock is subject to the following restrictions:

1. Waiver of pre-emptive rights – No stockholder shall, because of his ownership of stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the Corporation.
2. Restriction on transfer – No transfer of stock of the Corporation which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the proper books of the Corporation.

There is no provision in the Company's Articles of Incorporation or By-Laws that would delay, deter, or prevent a change in control of the registrant.

The Company has not sold any unregistered or exempt securities and is prohibited from selling these types of securities. Hence, no exceptions from registration were claimed nor were there any dealings with underwriters to that effect.

CORPORATE PROFILE OF PABFI

PABFI is a stock corporation incorporated on February 10, 2009. The company's sole product is shares (securities) of PABFI. PAMI will directly distribute the Fund's shares. PABFI is an open-ended mutual fund offering shares to the public at net asset value.

As of June 30, 2016, there were 57 registered mutual funds in the industry with over Php247 billion in assets under management¹. The principal method of competition within the mutual fund industry is performance and service.

There are only four (4) foreign currency-denominated balanced funds in the market. The competitors of PABFI are Sun Life Prosperity Dollar Advantage Fund, Inc. (SLPDAF), Sun Life Prosperity Dollar Wellspring Fund, Inc. (SLPDWF), and Cocolife Dollar Fund Builder, Inc. (CDFBI).

The following table summarizes the comparison of PABFI against its competitors for January to June 2016²:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Cocolife Dollar Fund Builder, Inc.	1,148,832.60	329,173.32	819,659.29
PAMI Asia Balanced Fund, Inc.	7,707,261.90	48,942,956.82	(41,235,694.91)
Sun Life Prosperity Dollar Advantage Fund, Inc.	28,388,356.59	122,526,522.28	(94,138,165.69)
Sun Life Prosperity Dollar Wellspring Fund, Inc.	96,291,730.95	0.00	96,291,730.95

The following table summarizes a comparison of PABFI against its competitors for January to December 2015³:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Cocolife Dollar Fund Builder, Inc.	61,314,770.34	366,389.82	60,948,380.52
PAMI Asia Balanced Fund, Inc.	811,188,526.74	13,361,394.73	797,827,132.00
Sun Life Prosperity Dollar Advantage Fund, Inc.	2,517,030,696.90	4,762,366.12	2,512,268,330.79

The following table summarizes a comparison of PABFI against its competitors for January to December 2014⁴:

FUND NAME	SALES	REDEMPTIONS	NET SALES
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¹ Source: Philippine Investment Funds Association (PIFA)

² Source: Philippine Investment Funds Association (PIFA)

³ Source: Philippine Investment Fund Association (PIFA)

⁴ Source: Philippine Investment Fund Association (PIFA)

Cocolife Dollar Fund Builder, Inc.	905,570.87	2,409,841.15	(1,504,270.29)
PAMI Asia Balanced Fund, Inc.	2,530,405.63	411,829,834.12	(409,299,428.49)
Sun Life Prosperity Dollar Advantage Fund, Inc.	1,530,031,981.64	593,264,786.00	936,767,195.64

PABFI competes very well with all the other balanced funds given PAMI's financial muscle and distribution capabilities. PAMI's main distribution channel is the Philam Life agency force, which has over 8,000 agents. PAMI also leverages on the established corporate relationships of the Philam Group and AIA to tap the institutional investor segment. Another distribution channel is the direct sales channel which caters to the high net worth segment of the investing public.

Hence, based on the above discussion, we believe that the Fund will perform well in terms of both yield and sales.

PAMI is the investment manager of PABFI. As investment manager, PAMI is tasked to provide and render management and technical services to PABFI. PAMI has a sub-management agreement with Amundi Singapore Limited, a wholly-owned subsidiary of Amundi, which is the combined asset management arm of Cr dit Agricole S.A. and Soci t  G n rale. Established in 1989, Amundi Singapore is one of the investment centers of the Group. With over 20 years of experience in the region, Amundi Singapore is well-resourced and equipped to serve institutions (public institutions, pension funds, insurance companies, and corporates) and distributors in SE Asia.

PAMI also functions as the principal distributor of PABFI. As such, it takes charge of selling and distributing the PABFI shares to prospective investors. The Management and Distribution Agreement with PABFI defines the guidelines for the management of the resources and operations of PABFI. PAMI is wholly owned by Philippine American Life and General Insurance Company (Philam Life), an affiliate of American International Assurance (AIA).

The Custodial Agreement establishes the relationship between PABFI, PAMI and Citibank, N.A. as the custodian bank. The Custodial Agreement covers the custodian bank's duties on receipt of securities, identification and segregation of assets, registration of assets, reports and records to be accomplished by the custodian bank, custody of PABFI investments and fees of the custodian bank.

The transfer agent of PABFI is the Philam Asset Management, Inc. ("PAMI"). The primary responsibility of the transfer agent is the accurate record keeping of individual shareholdings and the issuance and cancellation of stock certificates.

The management fee to be charged by PAMI is a maximum of 2% per year. A sales load not exceeding 3% shall also be charged. Load arrangements can be negotiated with institutional investors on a case to-case basis.

COMPLIANCE WITH REGULATIONS

Investment Company Act of 1960

Investment companies are primarily regulated by Republic Act No. 2629, the Investment Company Act of 1960, and its implementing rules and regulations. Subject to exceptions under R.A. 2629, an investment company is any issuer which or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities. Investment companies may be either open-end or closed-end. An open-end company is an investment company that offers for sale, or has outstanding, any redeemable security of which it is the issuer. A closed-end company is any investment company other than an open-end company.

Investment companies must be organized as stock corporations and must comply with the requirements of the Corporation Code of the Philippines, as well as with the following additional requirements under R.A. 2629:

1. Minimum subscribed and paid-in capital of at least PhP50,000,000.00;
2. All members of the Board of Directors must be Filipino citizens;
3. All shares of its capital stock must be common and voting shares; and
4. In the case of open-end companies, the Articles of Incorporation shall provide for the waiver of pre-emptive rights of shareholders.

The Company has complied with the above requirements.

R.A. 2629 requires every investment company organized or created under Philippine laws to register by filing with the SEC a registration statement, which shall set forth such information that the SEC may require. Furthermore, any securities proposed to be issued and distributed or sold by the investment company must likewise be registered with the SEC.

For the protection of its investors, every registered investment company is required to place and maintain its securities and similar investments in the custody of a duly organized local commercial bank of good repute; or a company which is a member of a securities exchange as defined in the Securities Act (now the Securities Regulation Code), subject to such rules and regulations as the SEC may from time to time prescribe; or such registered company, but only in accordance with such rules and regulations or orders as the SEC may from time to time prescribe for the protection of investors.

Registered investment companies are subject to the reporting provisions of SRC Rule 17.1. Moreover, ICA Rule 35-1(i) requires the registered investment companies, within the first ten (10) days of every month, to submit to the SEC reports under oath executed on behalf of the investment companies by their Treasurer or any other officer, showing the following information:

1. Total amount received from the sale of shares;
2. Total amount of redemption;
3. Number of shares outstanding at the beginning of the month;
4. Number of shares sold during the month;
5. Number of shares redeemed during the month;
6. Number of shares outstanding at the end of the month; and
7. The percentage of the outstanding shares owned by Filipinos.

Investment companies are also required to file with the SEC such information and documents including financial statements as the SEC may require, on a semi-annual or quarterly basis, to keep reasonably current the information and documents contained in the registration

statements filed by the investment companies when they registered as investment companies as required under R.A. 2629.

Anti-Money Laundering Act

SEC Memorandum Circular No. 2, Series of 2015, describes Money Laundering as “the processing of the proceeds of a crime to disguise their origin. It is a process intended to mask the benefits derived from serious offenses or criminal conduct as described under the Act, so that they appear to have originated from a legitimate source.” Money Laundering whether it be facilitating or assisting in such act is considered as a criminal offense.

PAMI strictly enforces its PAMI Anti-Money Laundering SOP and Guidelines, procedures and training. This is also in compliance with the laws and regulations under the Anti-Money Laundering Act.

PAMI Sales Representatives shall ascertain the identity of each client by performing their KYC (Know Your Customer). PAMI Sales Representative shall also obtain competent evidence of their client's identity and/or proof of source of funds by requiring the submission of certain documents as stated in the Anti-Money Laundering Guidelines prior to opening an account. Any additional subscriptions /top ups should also be in compliance of the said guidelines.

PAMI reserves the right to reject any application to purchase shares of the Fund if found to be non-compliant with the foregoing.

Foreign Account Tax Compliance Act (“FATCA”)

The U.S. Foreign Account Tax Compliance Act (“FATCA”) has the objective of preventing tax evasion by U.S. persons by placing certain compliance and reporting obligations on Foreign Financial Institutions (“FFIs”) including mutual funds such as PAMI Asia Balanced Fund. If the Fund is found to be non-compliant it may be subject to a 30% withholding on U.S. source income or proceeds. As such, establishing and continually maintaining FATCA-compliant processes across all business functions is of critical importance to PAMI and the mutual funds it manages.

The requirements of FATCA are complex and requires FFIs such as PAMI Income Payout Fund to undertake due diligence to identify U.S. customers, report U.S. customers to the U.S. Inland Revenue Services (“IRS”) or the Philippines Bureau of Internal Revenue (“BIR”) together with customers who are unable or unwilling to confirm their corresponding U.S. status (recalcitrant customers) and in certain circumstances to withhold against or terminate accounts of recalcitrant customers. In line with this, PAMI strictly enforces its PAMI FATCA SOP and Guidelines, procedures and training.

Similarly, as an internal control, PAMI will not accept clients who are U.S. Citizens. However, PAMI will accept clients with U.S. Indicias provided that, together with the Customer Information Sheet or Subscription form, they submit the required FATCA documents.

PAMI reserves the right to reject any application to purchase shares of the Fund if found to be non-compliant with the foregoing.

Employees

PABFI employs no personnel as it functions solely through its Fund Manager, PAMI.

Properties

PABFI does not own any real or personal properties (such as real estate, plant and equipment, mines, patent, etc.). Neither does the Fund lease any property nor does it intend to acquire any real or personal properties within the next 12 months.

Legal Proceedings

There is no pending litigation or arbitration proceedings where the Company is a party and no litigation or claim of material importance is known to the Directors of PABFI to be pending or threatened against the Company, since the time of its incorporation in February 10, 2009 up to the date of this prospectus.

MARKET FOR ISSUER'S COMMON EQUITY & RELATED STOCKHOLDERS' MATTERS

Market Information

Net Asset Value per Share per Quarter

QTR	YEAR		DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
1	2014	LOW	6-Feb	0.9525	2015	7-Jan	0.9736	2016	22-Jan	0.8101
		HIGH	10-Mar	1.0044		27-Feb	1.0035		21-Mar	0.8932
LOW		1-Apr	0.9955	30-Jun		0.9782	25-May		0.8613	
HIGH		13-Jun	1.0289	29-Apr		1.0499	20-Apr		0.9062	
2		LOW	30-Sep	0.9975		25-Aug	0.8488			
		HIGH	4-Sep	1.0594		2-Jul	0.9883			
3		LOW	18-Dec	0.9635		15-Dec	0.8645			
		HIGH	30-Oct	1.0058		27-Oct	0.9243			

Holders

As of June 30, 2016, there were 285 holders of redeemable common stock (one class of shares only) totalling 18,148,016 shares. Following are the top 20 shareholders:

	Name	# of Shares	% to Total
1	CITICORP FINANCIAL SERVICES & INSURANCE BROKERAGE PHILS INC FAO CITIBANK NA	9,816,656	54.0922%
2	BPI-PHILAM LIFE ASSURANCE CORPORATION	2,093,353	11.5349%
3	PHILAM ASSET MANAGEMENT, INC.	1,538,462	8.4773%
4	FOODSPHERE, INC.	335,154	1.8468%
5	ORLINA, CARMENCITA TORIBIO	279,206	1.5385%
6	BACANI, SENEN C	218,221	1.2025%
7	CREUS, CELSA T	167,639	0.9237%
8	KAKIHARA, JIRO GONZALES	146,473	0.8071%
9	DEAN, MARIA TERESITA REYES	125,053	0.6891%
10	NAIDAS, LUCILLA MENDOZA	110,699	0.6100%
11	TAN, LOZANO A.	95,114	0.5241%
12	DY, SANTIAGO C.	93,013	0.5125%
13	CHUA, MILA MITRA	91,007	0.5015%
14	RCBC SAVINGS BANK TRUST SERVICES DIVISION TA#515-62-08662-9	69,006	0.3802%
15	BINDER, MICHAEL GEORGE	64,169	0.3536%
16	VILLANUEVA, MARLON MARASIGAN	52,073	0.2869%
17	MONTINOLA, AURELIO III REYES	51,477	0.2837%
18	DULAM, MEL-BRYANT LOMO	50,732	0.2795%
19	RCBC SAVINGS BANK TRUST SERVICES DIVISION 515-62-08731-5	50,441	0.2779%
20	TAN, MARGOT AISSA CHOA	47,529	0.2619%

Dividends

The Company does not plan to declare cash dividends. Surplus profits of the Company (if any), will be used as additional proceeds to invest in eligible securities.

Under R.A. 2629, it shall be unlawful for any registered investment company to pay any dividend, or make any distribution in the nature of a dividend payment, wholly or partly from any source other than: (i) from the investment company's accumulated undistributed net income, determined in accordance with good accounting practice and including profits or losses realized upon the sale of securities or properties; or (ii) from the Fund's earned surplus so determined for the current or preceding fiscal year, unless such payment is accompanied by a written statement which adequately discloses the source or sources of such payment. The SEC may prescribe the form of such statement by rules or regulations or by order in the public interest and for the protection of investors. It shall also be unlawful to advertise such dividends in terms of centavos or pesos per share without also stating the percentage they bear to the par value per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

OPERATIONAL HIGHLIGHTS/TOP 5 PERFORMANCE INDICATORS

1. Assets Under Management

Interim Year for the Period Ending June 30, 2016

The Fund's total assets decreased by only USD463 thousand or 2.63% from December 31, 2015 to June 30, 2016. This is attributable to the performance of Asian Market and client redemptions during the period ended June 30, 2016.

Interim Year for the Period Ending March 31, 2016

The Fund's Assets Under Management ("AUM") as of March 31, 2016 decreased by USD0.2 Million from December 31, 2015. This is brought about by the client redemptions while having less subscriptions during the quarter.

Loans and Receivables¹

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held for trading, designated as AFS or FVTPL. This accounting policy applies to cash in banks and loans and receivables.

After initial measurement, the loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in Interest income in profit or loss. The losses arising from impairment of such loans and receivables are recognized in Provision for impairment losses in profit or loss.

FY 2015 vs. FY 2014

PABF's AUM contracted by 16.6% from USD22.33 billion in 2014 to USD16.95 billion in 2015. This is due to continuous client redemption and performance of the Asian Market.

FY 2014 vs. FY 2013

The Fund's Assets Under Management deflated by 32.1% from USD 30.54 billion in 2013 to USD22.33 billion in 2014 mainly due to increased client redemption.

2. Net Asset Value per Share per Quarter

Net Asset Value per Share ("NAVPS") is computed by dividing the net assets over the outstanding shares. It represents the current value of each outstanding share.

QTR	YEAR		DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
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¹ Source: SEC Form F-17Q as of 31 March 2016, Note 2.3, page 14, paragraph 2. Form can be downloaded from philamfunds.com

1	2014	LOW	6-Feb	0.9525	2015	7-Jan	0.9736	2016	22-Jan	0.8101
		HIGH	10-Mar	1.0044		27-Feb	1.0035		21-Mar	0.8932
2		LOW	1-Apr	0.9955		30-Jun	0.9782		25-May	0.8613
		HIGH	13-Jun	1.0289		29-Apr	1.0499		20-Apr	0.9062
3		LOW	30-Sep	0.9975		25-Aug	0.8488			
		HIGH	4-Sep	1.0594		2-Jul	0.9883			
4		LOW	18-Dec	0.9635		15-Dec	0.8645			
		HIGH	30-Oct	1.0058		27-Oct	0.9243			

3. Sales and Redemption

The following table summarizes the performance of PABF (January to June 2016) in USD*:

FUND NAME	SALES	REDEMPTIONS	NET SALES
PAMI Asia Balanced Fund, Inc.	7,707,261.90	48,942,956.82	(41,235,694.91)

*Source: Philippine Investment Funds Association (PIFA); converted to USD using USD1:PHP47.06.

The following table summarizes the performance of PABF (January to December 2015) in USD*:

FUND NAME	SALES	REDEMPTIONS	NET SALES
PAMI Asia Balanced Fund, Inc.	3,684,621.82	5,120,229.60	(1,435,607.78)

*Source: Philippine Investment Funds Association (PIFA); converted to USD using USD1:PHP47.06.

The following table summarizes the performance of PABF (January to December 2014) in USD*:

FUND NAME	SALES	REDEMPTIONS	NET SALES
PAMI Asia Balanced Fund, Inc.	2,530,405.63	411,829,834.12	(409,299,428.49)

*Source: Philippine Investment Funds Association (PIFA); converted to USD using USD1:PHP47.16.

The entire PAMI sales force conducts regular visits to all its distribution channels (Philam Life Agencies, bank partners and third party distributors) and direct clients to better generate new, additional investments and contain redemptions.

4. Fund Performance Against Competitors

The following table summarizes a comparison of PABF against its competitors for January to June 2016 in USD*:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Cocolife Dollar Fund Builder, Inc.	1,148,832.60	329,173.32	819,659.29
PAMI Asia Balanced Fund, Inc.	7,707,261.90	48,942,956.82	(41,235,694.91)
Sun Life Prosperity Dollar Advantage Fund, Inc.	28,388,356.59	122,526,522.28	(94,138,165.69)
Sun Life Prosperity Dollar Wellspring Fund, Inc.	96,291,730.95	0.00	96,291,730.95

*Source: Philippine Investment Funds Association (PIFA); converted to USD using USD1:PHP47.06.

The following table summarizes a comparison of PABF against its competitors for January to December 2015 in USD*:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Cocolife Dollar Fund Builder, Inc.	53,482.45	30,021.26	23,461.19
PAMI Asia Balanced Fund, Inc.	3,684,621.82	5,120,229.60	(1,435,607.78)
Sun Life Prosperity Dollar Advantage Fund, Inc.	2,683,419.83	15,819,694.39	(13,136,274.56)

** Source: Philippine Investment Funds Association (PIFA); converted to USD using USD1:PHP47.06.*

The following table summarizes a comparison of PABF against its competitors for January to December 2014 in USD*:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Cocolife Dollar Fund Builder, Inc.	19,306.49	51,377.06	(32,070.57)
PAMI Asia Balanced Fund, Inc.	53,947.46	8,780,083.87	(8,726,136.41)
Sun Life Prosperity Dollar Advantage Fund, Inc.	32,619,805.60	12,648,220.57	19,971,585.03

** Source: Philippine Investment Funds Association (PIFA); converted to USD using USD1:PHP47.16*

5. Fund Management & Environmental Analysis

Fixed Income and Equities Market and Economic Review

Financial market were in somewhat of a tailspin immediately post the “Leave” vote at the UK European Union referendum on 23 June 2016. The outcome shook investor confidence and saw global markets take a nosedive on 24 June 2016. Investors were seen fleeing to safety, with the US 10-year and 30-year yield declining to 1.4% and 2.3% respectively, while gold and quality US stocks rebounded. Emerging markets Asia, UK and European equities continued to stay depressed.

On the economic front, global growth is likely to stay subdued with domestic demand being one of the few remaining levers of growth for the Developed Markets. In EM Asia, China is showing signs of economic stabilisation. In the fixed income space, Asian hard currency bonds continued their rally for the year to end positively in June 2016. All countries were in positive territory, with Indonesia being the top performer.

The Fund had a neutral asset allocation position as of end June 2016. Prior to the Brexit vote, the fund manager adopted a more conservative risk profile – increased exposure to long dated government bonds. In line with the intention of reducing risk, positions in cyclical stocks in EM Asia were further trimmed.

Fixed Income and Equities Outlook

Moving forward, the Fund would continue to look for defensive and low beta credits such as those in telecommunications, utilities and insurance sectors.

Given the view that global central banks are likely to stay accommodative, the Fund will keep its bond duration profile extended in the near term. There would be biasness toward high quality Investment Grade credits and selected bank capital debt.

In the equity markets, the Fund would maintain its focus on quality stocks whose longer term growth drivers and valuation are insulated from the EU referendum and more dependent on local, stock specific merits. There may be a short term bias to selected blue chips in EM Asia to weather near term volatility.

FINANCIAL HIGHLIGHTS

Income

Interim Year for the Period Ending June 30, 2016

PABF ended the first half of 2016 with a net investment income of USD76 thousand due to the performance of the Asian market in the current year where the Fund's securities are invested and the fluctuations in foreign exchange rates as compared to USD109 thousand for the same period in 2015.

Earnings Per Share (EPS) as of June 30, 2016 was at USD0.0004, dropping by USD0.006 from the EPS reported the previous year, June 30, 2015.

Interim Year for the Period Ending March 31, 2016

The Fund reported net income of USD0.2 million and USD0.3 million for the quarter ended March 31, 2016 and March 31, 2015, respectively, due to the movement in variable expenses.

Earnings per Share (EPS) as of March 31, 2016 was at USD0.01, which is half of the EPS posted on March 31, 2015.

FY 2015 vs. FY 2014

Net investment income of the Fund amounted to USD1.9 million for the period ended December 31, 2015, a USD2.4 million increase from December 31, 2014's USD0.53 million net investment loss.

Earnings Per Share (EPS) as of December 31, 2015 was USD0.10, a USD0.12 improvement from the EPS as of December 31, 2014.

FY 2014 vs. FY 2013

Net loss for 2014 was USD0.53 million. This figure amounted to a USD0.09 million decrease from the previous year's loss of USD0.44 million.

Loss Per Share increased to USD0.02 in 2014. A USD0.01 decrease from 2013's Loss Per Share of USD0.01.

Net Assets and Net Asset Value Per Share

Interim Year for the Period Ending June 30, 2016

The Fund's net assets as of June 30, 2016 decreased by USD1.1 million from December 31, 2015. This is brought about by the client redemptions while having less subscriptions during the quarter.

NAVPS on June 30, 2016 was at USD0.8897, which diminished by 1.65% from the NAVPS on December 31, 2015 at USD0.9046.

Interim Year for the Period Ending March 31, 2016

PABF's net assets decreased by only USD22 thousand or 0.13% from December 31, 2015 to March 31, 2016. This is attributable to the performance of the Asian Market and client redemptions during the period ended March 31, 2016.

NAVPS on March 31, 2016 was at USD0.8963, signifying a drop of USD0.0083 from the same period ending December 31, 2015, which posted a NAVPS of USD0.9046.

FY 2015 vs. FY 2014

The net assets of the Fund decreased by USD1.59 million from December 31, 2014 to December 31, 2015. This is brought about by client redemptions and a decrease in subscriptions during the period.

NAVPS on December 31, 2015 was at USD0.9046, a decrease of USD0.0697 from the NAVPS of December 31, 2014.

FY 2014 vs. FY 2013

Net assets for 2014 was USD20.73 million, a 32% decrease from 2013's USD30.54 million.

NAVPS on December 31, 2014 was at USD0.9743, a 2% decrease from the previous year's USD0.9935.

Liquidity and Other Issues

There are no demands, commitments, events or uncertainties which will impair the liquidity of the Fund. The Fund is mandated by SEC, through the Investment Company Act, to maintain at least 10% of its net assets to be invested at liquid assets (ICA Rule 35 – 1 p. d4). There are no events that triggered direct or contingent financial obligations that are material to the Fund.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANT ON ACCOUNTING AND FINANCIAL DISCLOSURES

There are no changes in and disagreements with Isla Lipana on accounting and financial disclosures.

CORPORATE GOVERNANCE

The evaluation system adopted by PABF to determine the level of compliance of the Board and top level management with its Manual of Corporate Governance is based primarily on the SEC Corporate Governance Self-Rating Form (CG-SRF).

PABF has undertaken the following measures to fully comply with the adopted leading practices on good corporate governance:

- Consider changes, improvements, or additions to current corporate disclosure procedures
- Implement processes for identifying items where timely corporate disclosure is necessary

Except for the required changes mandated by SEC, PABF has no material deviations from its Manual of Corporate Governance since it filed its CG-SRF with the SEC on January 5, 2012.

Apart from the foregoing changes or improvements being considered for corporate disclosures, there are no plans to improve the current corporate governance of PABF.

Other Disclosures

- There were no disagreements with the former accountant, on any matter of accounting any financial disclosure.
- There were no known trends, events or uncertainties with material impact on liquidity and sales. Neither were there events that would trigger direct or contingent financial obligations that are material to the Fund, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) and other relationships of the Fund with unconsolidated entities or other persons created during the reporting period.
- There were no material commitments for capital expenditures. , The realized and unrealized gains on stock and fixed income investments brought by market appreciation represent the significant element of income from continuing operations.

PABFI DIRECTORS AND EXECUTIVE OFFICERS

Incorporated on July 3, 2012, PABFI incorporators are, as follows:

Jose L. Cuisia, Jr.
 Karen Liza M. Roa
 Omar T. Cruz
 Reynaldo C. Centeno
 Victor A. Lim
 Francisco M. Ortigas III

As of the date of this Prospectus, the Board of Directors and Executive Officers of PABF are the following:

Name	Age	Citizenship	Position	Term of Office	Years of Service
Roberto F. De Ocampo	70	Filipino	Chairman	2016 - 2017	8 Years
Reynaldo G. Geronimo	71	Filipino	President	2016 - 2017	5 Years
Arleen May S. Guevara	54	Filipino	Director	2016 - 2017	5 Years
Ferdinand L. Berba	58	Filipino	Director	2016 - 2017	2 Years
Elenita G. Villamar	53	Filipino	Director and Treasurer	2016 - 2017	2 Years
Armand F. Braun, Jr.	78	Filipino	Independent Director	2016 - 2017	8 Years
Meliton B. Salazar, Jr.	50	Filipino	Independent Director	2016 - 2017	2 Years
Jose Ivan T. Justiniano	57	Filipino	Compliance Officer	2016 - 2017	< 1 Year
Ma. Adelina S. Gatdula	53	Filipino	Corporate Secretary	2016 - 2017	< 1 Year
Charles Albert R. Lejano	31	Filipino	Asst. Corporate Secretary	2016 - 2017	< 1 Year

ROBERTO F. DE OCAMPO

Chairman

Dr. De Ocampo is a Cum Laude graduate with a Bachelor of Arts degree in Economics from the Ateneo de Manila University. He has a Master's degree in Business Administration from the University of Michigan and a post-graduate diploma from the London School of Economics. He has also been conferred three Doctorates (Honoris Causas). Since 2008, Mr. De Ocampo is Chairman of the Board of the following PAMI-managed funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc. (each since 2005), PAMI Global Bond Fund, Inc. (since 2008), PAMI Horizon Fund, Inc. (since 2011), and PAMI Equity Index Fund, Inc. (since 2014). Dr. De Ocampo was previously the President of the Asian Institute of Management. From 1992 to 1998, he served as the Secretary of Finance under the Ramos administration and was widely recognized as the principal architect of the resurgence of the Philippine economy. He was the first Filipino and the first ASEAN finance minister to be recognized and was cited as the "Finance Minister of the Year" in 1996 by Euromoney. He was conferred the Legion of Honor in 1998, the highest honor conferred on Filipino civilians by the Philippine government and was conferred the Ordre National de la Legion d' Honneur by the Republic of France with the rank of Chevalier.

REYNALDO G. GERONIMO

President

Atty. Geronimo is a Cum Laude graduate of Bachelor of Arts (A.B.) at the Ateneo de Manila University. He graduated Second Honors from Ateneo Law School in 1968. He also has a Master of Laws with specialization in Trusts and Estates from the University of Pennsylvania. He is currently a partner in the Romulo Mabanta Buenaventura Sayoc & de los Angeles Law Firm and a co-Chairman of the Banking Group. Atty. Geronimo is known as the Trust Guru, with a regular column in the Manila Standard Today. He is also a bar reviewer in Taxation at the UP Law Center, the UP College of Law, the Law School of UST's Civil Law Faculty, the College of Law of Liceo de Cagayan, and the Ateneo Law School. Atty. Geronimo is President and Director of the following PAMI-managed funds since 2010: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc. (since 2014).

ARLEEN MAY S. GUEVARA

Director

Ms. Guevara is the Senior Vice President and Chief Investment Officer of Philamlife and is currently a Director of PAMI. Ms. Guevara was the PAMI Chairman from 2011-2013. Since 2012, Ms. Guevara has been the director of Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc. She is also a director (since 2008) at the following - Science Park of the Phils., Inc., Manila Exposition Complex, Inc., Beacon Property Ventures, Inc., Regatta Properties, Inc., and Cebu Light Industrial Park, Inc. Prior to joining Philamlife, she was Deputy Director of the Treasury Department of the Bangko Sentral ng Pilipinas. Ms. Guevara is a Magna Cum Laude graduate of Bachelor of Science in Applied Mathematics from the University of the Philippines. She holds a Master of Policy Science from the Saitama University, Japan under a Monbusho (Japan Ministry of Education) scholarship and has completed Academic units towards a Masters in Economics at the De La Salle University, Manila.

FERDINAND L. BERBA

Director

Mr. Berba is the incumbent Chief Executive Officer of Philam Asset Management, Inc. He has more than 23 years of experience in the insurance industry. He held various senior roles in Philam Life including Director of Philam Financial Advisory Services and Group Training Director (2003-2008). Previously, he was Director of Agency Development, Director of Client Services, and President of Sun Life Financial Plans (1990-2003). Mr. Berba also worked in other insurance companies such as Pioneer Life and Pioneer Group (2008-2014) and Great Pacific Life Assurance Corporation (1980-1982). He holds an AB Psychology degree from De La Salle University. Since August 2014, Mr. Berba has been a Director of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

ELENITA G. VILLAMAR

Director and Treasurer

Ms. Villamar is the Head of Finance for Philam Asset Management, Inc. (PAMI). As PAMI's Head of Finance, she is responsible for developing financial strategies and its related performance metrics, ensuring adequate and effective financial control measures, and managing capital requirements and budget process. She has been with Philam Life for 30 years and has occupied various senior positions within the company. Prior to joining Philam Life, she worked for SGV & Co. Ms. Villamar is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. She is a Fellow with distinction at the Life Management Institute. She has also completed various certification courses like the Advanced Life Insurance Course and the Trust Operations and Investment Management Course. She was a National State Scholar and received her Bachelor's degree in Commerce, Accountancy from the University of Santo Tomas, graduating cum laude. Since 2014, Ms. Villamar has been a Director of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

ARMAND F. BRAUN, JR.

Independent Director

Mr. Armand Braun, Jr. is a graduate of the Ateneo de Manila University where he earned a degree of Bachelor of Science in Business Administration. He also took an Advance Management Program for Overseas Bankers at the Wharton School in Philadelphia, USA. He is an Independent Director of the following: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc. (each since 1998), Philam Managed Income Fund, Inc. (since 2005), and PAMI Global Bond Fund, Inc. (since 2008), PAMI Horizon Fund, Inc. (since 2011), and PAMI Equity Index Fund, Inc. (each since 2009). Mr. Braun also sits on the board of various other companies: AFBraun & Co. Holdings (1995 – present), A-1 Microfinance, Inc. (2002 – present), Iligan Pizza Corp. (1999 – present), North Iligan Foods Corp. (2004 – present), and Al-Rose Foods Corp. (1999 – present). Also, Mr. Braun was an independent director of Union Bank of the Philippines (2003 – May 2014).

MELITON B. SALAZAR, JR.

Independent Director

Mr. Salazar has a Ph.D. in International Relations, Major in International Development and Development Management from the School of International Service, The American University, Washington, D.C.; an M.A. in International Political Economy and Development from Fordham University, New York and a B.S. Management Engineering degree from the Ateneo de Manila University. Dr. Salazar is an established figure in the academe being currently the president of the following: University of Iloilo, Iloilo City (since 2009), University of Pangasinan (since 2009 to present), Cagayan de Oro College (since 2005), and Araullo University (since 2004). Dr. Salazar is also Senior Vice President of PHINMA Education Network (since 2003). Among Dr. Salazar's previous positions were President & CEO, STI International (2002 to 2003), President & CEO, iAcademy (2002 to 2003), President & CEO, Systems Technology Institute, Inc. (2001 to 2002) and COO of Systems Technology Institute, Inc. (2000 to 2001). Since November 2013, Mr. Salazar has been Director of the following PAMI-managed mutual funds - Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

JOSE IVAN T. JUSTINIANO

Compliance Officer

Mr. Justiniano is currently the Head of Compliance of PhilamLife. He has over 15 years of senior management experience in compliance, governance and risk management. He held various compliance roles in PRU Life U.K., PNOC-Exploration Corporation and Sun Life Financial Plans. Mr. Justiniano is a Certified Public Accountant with a Bachelor of Science degree in Accounting from San Beda College. He has an M.A. in Business Administration from De La Salle University; and holds several certifications in the financial services industry. Mr. Justiniano has been the Compliance Officer since October 2015 of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

MARIA ADELINA S. GATDULA

Corporate Secretary

Atty. Gatdula has been a Partner in Picazo Buyco Tan Fider & Santos Law Office since July 1995. She joined the said law office in September 1989. Prior thereto, she worked as a Confidential Attorney of Justice Irene R. Cortes in the Supreme Court. Atty. Gatdula obtained her Bachelor of Laws from the University of the Philippines in 1987, and Bachelor of Arts in Economics (cum laude) also from the same university in November 1982. She represents private companies engaged in real estate development and services, outsource business processing, software development, finance, investment, insurance and insurance brokerage and consultancy, manufacturing and trading, and radio broadcasting, in a wide array of corporate and financial matters, and various condominium corporations and non-government religious and charitable organizations. Atty. Gatdula has served as Corporate Secretary since October 2015 of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

CHARLES ALBERT R. LEJANO

Assistant Corporate Secretary

Atty. Lejano joined Picazo Buyco Tan Fider & Santos Law Office in February 2011. He obtained his Juris Doctor from the University of the Philippines in 2010 and Bachelor of Arts in Management Economics from the Ateneo de Manila University in 2006. He represents various private corporations in litigation and corporate matters, including car manufacturing, telecommunications, and broadcast media companies. Atty. Lejano is also a licensed real estate broker. Atty. Lejano has served as Assistant Corporate Secretary since October 2015 of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

Significant Employee

There is no significant employee who is expected by the Company to make a significant contribution to the business.

Family Relationships

None of the Company's Directors and Executive Officers is related to each other up to the fourth civil degree of consanguinity or affinity.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence since the time of its incorporation on February 10, 2009 up to the date of this Prospectus of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer or controlling person of the Company:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Executive Compensation

The Fund pays its directors a per diem of Php7,500 for every Board Meeting. The Fund estimates total aggregate per diems of Php187,500 for the year 2016.

There are no other arrangements between the Fund and each of the Directors, pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including any additional amounts payable for committee participation or special assignments, for the last completed fiscal year and the ensuing year. Neither are there arrangements, including consulting contracts, pursuant to which any director of the Company was compensated, or is to be compensated directly or indirectly, since incorporation, for any service.

Directors' Compensation

The Fund does not have any executive under its employ and therefore does not pay any executive compensation. For every board meeting attended by each Director, he will receive a per diem of Php7,500.00.

Information as to the aggregate compensation paid or accrued during the current fiscal year and the preceding two fiscal years to the PABF Board of Directors is, as follows:

Payment Period	Aggregate Amount Received (in Php)
2014	Php91,309
2015	Php91,418
2016 (estimated)	Php187,500

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

None of the Executive Officers have employment contracts with the Company.

There are no arrangements that exist which could result in a change in control of the Company.

Warrants and Options Outstanding

As of the date of this Prospectus, none of the Company's common shares are subject to outstanding options or warrants to purchase, or securities convertible into common shares of the Company.

Security Ownership of Certain Record and Beneficial Owners (as of June 30, 2016)

Prior to the offer, and after the increase in the number of common shares, the following shareholders are the only owners of more than 5.0% of the Company's voting capital stock, whether directly or indirectly, as record owner or beneficial owner:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO OF SHARES HELD AND OUTSTANDING	PERCENT OF CLASS
Common	CITICORP FINANCIAL SERVICES & INSURANCE BROKERAGE PHILS INC FAO CITIBANK NA 10th Floor, Citibank Square Building 1 Eastwood Avenue, Eastwood City Barangay Bagumbayan, Quezon City No relationship with Issuer.	CITI BANK NA ¹	FILIPINO	9,816,656	54.0922%
Common	BPI-PHILAM LIFE ASSURANCE CORPORATION 15/F AYALA LIFE-FGU CENTER 6811 Ayala Avenue Makati City The Record Owner is an affiliate company of the Issuer/Fund Manager under the AIA Group.	BPI-PHILAM LIFE ASSURANCE CORPORATION ²	Filipino	2,093,353	11.5349%
Common	PHILAM ASSET MANAGEMENT, INC. 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig Philam Asset Management, Inc. is fund manager, distributor, company adviser and the provider of the initial capital of the fund.	PHILAM ASSET MANAGEMENT, INC. ³	Filipino	1,538,462	8.4773%

Security Ownership of Management (as of June 30, 2016)

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
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¹ Citicorp Financial Services and Insurance Brokerage Philippines, Inc. (CFSI) is represented by its President, Mr. Ser Lester A. Cruz, effective January 1, 2016.

² BPI-Philam Life Assurance Corporation (BPLAC) is represented by its Chief Executive Officer, Surendra Menon.

³ Philam Asset Management, Inc. (PAMI) is represented by its President & Chief Executive Officer, Ferdinand L. Berba.

Common	Roberto F. De Ocampo Eugenio Lopez Foundation Bldg., Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City (Chairman)	1	(R)	Filipino	0.000006%
Common	Reynaldo G. Geronimo No. 5 Zinia St., Valle Verde 2, Pasig City (President)	1	(R)	Filipino	0.000006%
Common	Arleen May S. Guevara 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Director)	2,730	(R)	Filipino	0.0150%
Common	Ferdinand L. Berba 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Director)	1	(R)	Filipino	0.000006%
Common	Elenita D.G. Villamar 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Treasurer)	1	(R)	Filipino	0.000006%
Common	Armand F. Braun, Jr. No. 45 Magdalena Circle , Magallanes Village, Makati City (Independent Director)	1	(R)	Filipino	0.000006%
Common	Meliton B. Salazar, Jr. No. 28 Hunt Street, Filinvest East, Quezon City (Independent Director)	1	(R)	Filipino	0.000006%
Common	Ma. Adelina S. Gatdula Penthouse Liberty Center 104HV De La Costa St Salcedo Village Makati City (Corporate Secretary)	0		0	0.00%
Common	Charles Albert R. Lejano Penthouse Liberty Center 104HV De La Costa St Salcedo Village Makati City (Assistant Corporate Secretary)	0		0	0.00%
Common	J. Ivan Justiniano 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Compliance Officer)	0		0	0.00%

TOTAL	2,736		0.0151%
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Voting Trust

The Company knows of no persons holding more than 5.0% of its shares under a voting trust or similar agreement which may result in a change in control of the Company.

Change of Control

No change in control of PABF occurred since the beginning of its last fiscal year.

Certain Relationships and Related Transactions

During the last two years, there are no transactions - either proposed or series of similar transactions – with or involving the company in which a director, executive officer, or stockholder owning ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

PARTIES INVOLVED IN THE FUND

THE FUND MANAGER PHILAM ASSET MANAGEMENT, INC.

Philam Asset Management, Inc. (PAMI) is an asset management company that resulted from a strategic partnership between Philippine American Life & General Insurance Company and AIG Asset Management, Inc. PAMI was established in 1992 to take advantage of the improved business climate and expected recovery of the economy.

INVESTMENT MANAGER AND PRINCIPAL DISTRIBUTOR

PAMI is the investment manager of PABFI. As investment manager, PAMI is tasked to provide and render management and technical services to PABFI. PAMI also functions as the principal distributor of PABFI. As such, it takes charge of sales and distribution of the PABFI shares to prospective investors. Through its Management and Distribution Agreement with PABFI, the guidelines for the management of the resources and operations of PABFI by PAMI are set.

PAMI is wholly-owned by Philippine American Life Insurance Company (Philam Life) and an affiliate of AIA Ltd. Philam Life, which started in 1947, is the country's largest and most diversified insurance company and the market leader for over half a century. It is a wholly owned subsidiary of AIA. At present, PAMI manages and distributes eight other investment companies, namely: PAMI Equity Index Fund, Inc., PAMI Global Bond Fund Philippines, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc. and PAMI Horizon Fund, Inc. (formerly GSIS Mutual Fund, Inc.).

The management fee to be charged by PAMI is a maximum of 2% per year. The 2% per year Management Fee to be paid to PAMI already includes the fees/charges for the Investment Management services to be performed by Amundi Singapore, Ltd. A sales load not exceeding

3% shall also be charged. Load arrangements can be negotiated with institutional investors on a case-to-case basis.

In addition, PAMI shall be entitled to a performance fee subject to the High Water Marking. This performance fee shall be on the positive outperformance of the Fund as determined by computing the increase in the current net asset value per share less the High Water Mark or the Fund's benchmark rate, whichever is higher. The High Water Mark is based on the highest net asset value per share generated by the Fund in the prior periods starting from the time the Fund is launched. PAMI shall be entitled to one-tenth (1/10) of the positive outperformance, if any, multiplied by the average daily number of shares outstanding of the Fund for such year.

PAMI Board of Directors

J. Axel Bromley

Chairman of the Board

J. Axel Bromley is the Chief Executive Officer of Philam Life. He has over 20 years of experience in the international arena. He joined AIG Life, ALICO in 2002 and has held various roles working in South and Central America, the Middle East, the Indian Sub-Continent and Eastern and Central Europe. He is a three-time Country/General Manager for ALICO and later MetLife International. Prior to the election, Mr. Bromley was Director of Strategic Initiatives at AIA Group. Mr. Bromley holds two Masters' degrees - an MBA in Marketing from the Arizona State University and a Master's degree in International Management from the American Graduate School of International Management in Arizona. He speaks seven languages. His exposure in a two-year volunteer mission for the Church of Jesus Christ of Latter-day Saints enabled him to work with more than 20 different nationalities.

Ferdinand L. Berba

President and Chief Executive Officer

Mr. Ferdinand Berba is the President and Chief Executive Officer of Philam Asset Management, Inc. He has more than 23 years of experience in the insurance industry. He held various senior roles in Philam Life including Director of Philam Financial Advisory Services and Group Training Director. Previously, he was Director of Agency Development, Director of Client Services, and President of Sun Life Financial Plans. Mr. Berba also worked in other insurance companies such as Pioneer Life and Pioneer Group and Great Pacific Life Assurance Corporation. He holds an AB Psychology degree from De La Salle University.

Gerard Raymond M. Carioso

Director

Mr. Carioso is Senior Vice President and Head of Corporate Solutions Resources of Philam Life and has been with the company since 2010. Prior to his position at Philam Life, Mr. Carioso was Managing Director of Mercer Philippines, Inc. from 2007 to 2009 and President of Via Sacra, Inc. from 2005 to 2007. Mr. Carioso was also a Director and Regional HR Head – Asia for Cemex Philippines (Cemex SA De CV) from 1997 to 2005. Prior to his stint at Cemex, Mr. Carioso was Vice President – HR for Rockwell Land Corporation. Mr. Carioso obtained his Bachelor of Arts degree, Major in Psychology from De La Salle University and he holds a Masters in Industrial Relations Major in Human Resource Development from the University of the Philippines.

Arleen May S. Guevara

Director

Ms. Guevara is the Senior Vice President and Chief Investment Officer of Philam Life. She is also a director at the following companies - Science Park of the Phils., Inc., Manila Exposition Complex, Inc., Beacon Property Ventures, Inc., Regatta Properties, Inc., and Cebu Light Industrial Park, Inc. Prior to joining Philam Life, she was Deputy Director of the Treasury Department of the Bangko Sentral ng Pilipinas. Ms. Guevara is a magna cum laude graduate of Bachelor of Science in Applied Mathematics from the University of the Philippines. She holds a Master of Policy Science from the Saitama University, Japan under a Monbusho (Japan Ministry of Education) scholarship and has completed Academic units towards a Masters in Economics at the De La Salle University, Manila.

Ling Chi Kevin Ng

Director

Mr. Ng holds a degree in Bachelor of Information Technology (Economics) from the Australian National University and completed his MSc in International Management and MSc in Financial Economics from the University of London. He is likewise a Chartered Financial Analyst. He is currently the Vice-President, Head of Asset Allocation Advisory of AIA. He was formerly the Vice-President for Wealth Management Products, Asia at ABNAMRO Bank, where he set up a regional investment advisory platform and a structured product development platform for all ABN AMRO branches in Asia.

Edgardo A. Grau

Independent Director

Mr. Grau is a graduate of the De La Salle University with a degree in Bachelor of Science in Mechanical Engineering and graduated with an MBA degree, major in Industrial Management at Wharton Graduate School, University of Pennsylvania. He was previously the Executive Vice-President and Chief Investment Officer of Philamlife. Mr. Grau also held positions at Meralco's Technical Services Group as Assistant Vice-President, Philippine Commercial International Bank as Vice-President, Atlantic Gulf & Pacific Company of Manila, Inc. as Executive Vice-President & Chief Operating Officer, Magellan Capital Holdings Corporation as Senior Vice-President and Chief Financial Officer, and Philippine Asia Equity Securities, Inc. as Senior Vice-President for Investment Banking.

Javier J. Calero

Independent Director

Mr. Calero was previously Senior Adviser for the International Foundation for Elections Systems based in Washington D.C. which is currently working on strengthening national and provincial legislative governance in Pakistan. He was also the Chairman of the Zenith Optimedia and ZMG Signium Ward Howell, an executive development Search Firm. He was involved in the Indonesian presidential elections in 1999, where he became part of the post-election program funded by the United States Agency for International Development. He was then President and Chief Executive Office of J. Walter Thompson, Philippines. He was thereafter promoted as its Regional Director in countries like Sri Lanka, Malaysia, Indonesia, and Singapore where he was responsible in ensuring the profitability of the said countries. He currently serves as a director in various organizations, such as the Institute of Corporate Directors, Philippine Band of Mercy, Asian Institute for Journalism and Communication,

Dearborn Motors-Ford Dealership, Performance Auto Motors Group, Inc. and World Association of Psychosocial Rehabilitation. He is also a Trustee and Vice Chairman of the University of Asia and the Pacific.

CITIBANK, N.A.

CUSTODIAN BANK

The Custodial Agreement establishes the relationship among PABF, PAMI, and Citibank, N.A. ("CTI") as the custodian bank. The Custodial Agreement covers the custodian bank's duties on receipt of securities, identification and segregation of assets, registration of assets, reports and records to be accomplished by the custodian bank, custody of PABF investments and fees of the custodian bank. The custodian bank is entitled to a custodianship fee amounting to 0.12% per annum based on the market value of the portfolio at the end of each month. Furthermore, transaction charges (for receipt, delivery, payment, stock rights, income collection) of PHP500.00 per transaction will likewise be charged by the custodian bank.

Address: Citibank Tower, 8741 Paseo de Roxas, Makati City Tel No.: 894-7921

PHILAM ASSET MANAGEMENT, INC.

TRANSFER AGENT

Philam Asset Management, Inc. (PAMI) serves as the Stock Transfer agent of PABF.

Address: 17th Floor Net Lima Building, 5th Avenue Corner 26th Street

BONIFACIO GLOBAL CITY, TAGUIG 1634

Telephone Numbers: (632) 5216300

Fax Numbers: (632) 5285093

PICAZO BUYCO TAN FIDER & SANTOS

LEGAL COUNSEL

Picazo Buyco Tan Fider & Santos serves as the legal counsel for the Fund.

Address: Penthouse, Liberty Center, 104 H.V. Dela Costa St., Salcedo Village, Makati City

Tel No.: (632) 888-0999 ; 888-0311

ISLA LIPANA AND CO.

EXTERNAL AUDITOR

The accounting firm of Isla Lipana & Co. (Isla Lipana) has been retained by the Company as its external auditor.

Address: 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City

Tel No.: (632) 845 2728; Fax: (632) 845 2806

Scope of Service

Isla Lipana's professional service for PSGF is limited only to the regular annual audit report.

Fees

The following are the aggregate fees billed by the external auditors for each of the last two calendar years (in Php):

Year	Amount
2014	USD90,000

2015	USD55,000*
Total	USD235,000

*under negotiation

Note:

- No tax fees were paid since there were no professional services rendered by Isla Lipana for tax accounting compliance, advice, planning and any other form of tax service.
- Similarly, no other fees were paid for products and services provided by Isla Lipana other than the regular annual audit report.

DIRECT OR INDIRECT INTEREST OF EXTERNAL AUDITOR AND INDEPENDENT COUNSEL

Isla Lipana & Picazo Law, PABFI External Auditor Legal Counsel, respectively, have not been retained on a contingency basis. Both will not receive any direct or indirect interest in the Fund pursuant to or in connection with the offer.

With the exception of Picazo Law Attys. Maria Adelina S. Gatdula and Charles Albert R. Lejano, PABFI Corporate Secretary and Assistant Corporate Secretary, respectively, Picazo Law has not acted or will not act as promoter, voting trustee, officer or employee of the Company.

MATERIAL CONTRACTS AND AGREEMENTS

The following is a summary of the material contracts and agreements relating to the Fund:

Management and Distribution Agreement

Under this Agreement, Philam Asset Management, Inc. ("PAMI") was engaged by PABFI to act as the Fund Manager.

The services to be rendered by PAMI under the Fund Management Agreement include the following:

1. Investment and re-investment of the assets of PABFI;
2. Preparation of reports, circulars, notices and other information on internal corporate affairs as may be required by PABFI, its stockholders or its Board of Directors, including monthly reports on:
 - a. revenues and disbursements broken down as investments and expenses,
 - b. sales and redemption, and
 - c. performance of PABFI's investment portfolio and changes in the net asset value of the Fund;
3. Preparation and submission of such reports that the SEC may require;
4. Registration and/or transfer of all investments made and/or held by PAMI under the Fund Management Agreement in PABFI's name, or its nominee, or to retain the investments unregistered or in any form permitting transferability by delivery, but the books and records of PAMI should at all times show that all such investments belong to PABFI;
5. Procurement of any and all licenses, permits and authorizations in making, holding and disposing of the investments as well as the distribution of PABFI's capital stock;
6. Transactions with stockbrokers for the account of PABFI in connection with PAMI's investment and re-investment of PABFI's assets; and
7. Execution of any and all acts necessary to collect or realize any securities or investments, in the event of default.

In purchasing and selling securities or otherwise making or disposing of investments for the account of the Fund, PAMI may act without need of prior approval or notification from PABFI, provided that it acts within the limits of the investment policies and guidelines prescribed by PABFI's Board of Directors and subject to the provisions of the ICA and the registration statements of PABFI.

The Certificates and other evidence of title to assets in the investment portfolio of the Fund shall be under the custody of the designated Custodian. However, PAMI may, either directly or through the Custodian, take charge of the collection of interests or other payments on all securities owned by the Fund, and shall exercise any and all rights of the Fund pertaining to such securities.

PAMI also acts as the principal distributor of the capital stock of PABFI. PAMI shall use its best efforts to sell PABFI stock, and it is agreed that PAMI does not undertake to buy or sell any or any specific portion of the capital stock of the Fund.

The initial term of the Fund Management Agreement is two years, after which the agreement shall continue in effect from year to year, provided that the continuation

shall be specifically approved at least annually by PABFI's Board of Directors or by a vote of the shareholders holding or representing majority of the outstanding stock of PABFI.

The Fund Management Agreement may be terminated at any time, upon written notice of not less than 60 days, by PABFI's Board of Directors, or by a vote of the shareholders holding or representing majority of the outstanding capital stock of PABFI, or by PAMI. The Fund Management Agreement is also deemed automatically terminated after a new fund manager is qualified and selected in the event that PAMI has signified its intention not to renew.

For services rendered under the Fund Management Agreement, PAMI is entitled to a management fee charged monthly equivalent to and not exceeding one-sixth of one per centum ($1/6$ of 1) per month, or two percent (2%) per year per year. In addition, PAMI shall be entitled to a performance fee subject to the High Water Marking. This performance fee shall be on the positive out performance of the Fund as determined by computing the increase in the current net asset value per share less the High Water Mark or the Fund's benchmark rate, whichever is higher. The High Water Mark is based on the highest net asset value per share generated by the Fund in the prior periods starting from the time the Fund is launched. PAMI shall be entitled to one-tenth ($1/10$) of the positive out performance, if any, multiplied by the average daily number of shares outstanding of the company for such year. The performance fee shall be computed and accrued on a daily basis but payment to PAMI shall be made within the next succeeding year.

The Fund Management Agreement provides that in no case may the total compensation to PAMI exceed any maximum limit prescribed under R.A. 2629. At present, the SEC has not yet issued any guidelines or regulations prescribing the maximum limits for compensation to fund managers.

Direct Custodial Services Agreement

PABFI engaged the services of various Citibank branches around the world as custodian of PABFI's property and cash. The Citibank branches in the following countries were engaged as custodians under this agreement: Australia, Austria, Canada, France, Germany, Hong Kong, Indonesia, India, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Portugal, Singapore, Spain, Switzerland, Taiwan, Thailand, United Kingdom and the United States.

The agreement does not provide for a definite term and shall be terminated at the instance of either party. This agreement may be terminated by PABFI by giving notice to the applicable custodian or to Citibank N.A. (if it wishes to terminate the entire arrangement), by giving written notice of not less than sixty days. Any custodian or Citibank may likewise terminate the agreement by giving the same written notice within the same period.

The services to be rendered by the Custodians under this agreement include the following:

1. Taking custody of the property and cash of PABFI;
2. Collecting and receiving for the account of PABFI all income, payments and distributions in respect of the property held under its custody;

3. Receiving and holding for the account of PABFI all securities received as a result of a stock dividend, share subdivision or reorganization, capitalization of reserves or otherwise; and
4. Making cash disbursements for any expenses incurred in handling the property.

The fees payable by PABFI to each custodian under the agreement varies depending on the country where the custodian bank is located.

Service Agreement

PABFI engaged the services of Philam Asset Management, Inc. ("PAMI") as Stock Transfer Agent.

The services to be rendered by PAMI under this agreement include the following:

1. Taking possession of and safeguarding the following items, among others:
 - a. All unissued stock certificates of PABFI;
 - b. Stock Transfer Journal and Ledgers of PABFI.
2. Issuing certificate of stocks of PABFI upon instruction of PAMI and upon presentation of the proper underlying documents;
3. Attending to all details of stock cancellation and issuance, including the prompt and due recording in the stock and transfer journal and ledgers;
4. Computing and submitting to PAMI the proper amount of Documentary Stamp Tax; and
5. Registering all liens constituted on the shares of stock of PABFI upon receipt thereof and cancelling existing liens upon receipt of notice of release thereof.

The term of this agreement is from April 7, 2016 until terminated. It may be terminated upon thirty days' notice from either party.

For services rendered, PABFI agrees to pay PAMI basis points according to the Fund's Assets under Management (AUM) given the following tiers:

	\$0 – 400M	\$401 – 600M	\$601 – 800M	Above \$800M
Basis Points	5	4	3.5	3

Costs for documentary stamps, forms, stationery, signature cards, checks, certificates and other related expenses shall also be for the account of PABFI.

TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Company. This discussion is based upon laws, rules and regulations, rulings, income tax conventions (treaties), administrative practices, and judicial decisions in effect at the date of this Prospectus. Subsequent legislative, judicial, or administrative changes or interpretations, which may be retroactive in nature, could affect tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be applicable to an investor.

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investment in shares and no information is provided regarding the tax aspects of acquiring, owning, holding, or disposing of the shares under applicable tax laws of other pertinent jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding, and disposing of the shares in such other jurisdictions.

The terms "resident alien," "non-resident citizen," "non-resident alien," "resident foreign corporation," and "non-resident foreign corporation" are used in the same manner as in the Tax Code.

A "resident alien" is an individual whose residence is within the Philippines and who is not a citizen thereof.

A "non-resident citizen" is a citizen of the Philippines who: (a) established to the satisfaction of the Commissioner of Internal Revenue the fact of his/her physical presence abroad with a definite intention to reside therein; (b) leaves the Philippines during the taxable year to reside abroad, either as an immigrant or for employment on a permanent basis; or (c) works and derives income from abroad and whose employment thereat requires him to be physically present abroad most of the time during the taxable year. A citizen of the Philippines who has been previously considered as a non-resident citizen and who arrives in the Philippines at any time during the taxable year to reside permanently in the Philippines shall be treated as a non-resident citizen for the taxable year in which he/she arrives in the Philippines with respect to his/her income derived from sources abroad until the date of his/her arrival in the Philippines.

A "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen thereof. A "non-resident alien" may either be engaged or not engaged in trade or business in the Philippines. A "non-resident alien" who stays in the Philippines for an aggregate period of more than 180 days during any calendar year is deemed a "non-resident alien doing business in the Philippines."

A "resident foreign corporation" refers to a foreign corporation engaged in trade or business in the Philippines, while a "non-resident foreign corporation" refers to a foreign corporation not engaged in trade or business in the Philippines.

A resident citizen is taxed on income from all sources (other than certain passive income and capital gains) at progressive rates ranging from five percent (5%) to thirty two percent (32%) of net taxable income. A non-resident alien engaged in trade or business in the Philippines is generally subject to tax on net income from Philippine sources (other than certain passive

income and capital gains) at the same progressive tax rates imposed on resident aliens and citizens.

A non-resident alien not engaged in trade or business in the Philippines is taxed on gross income from Philippine sources (other than certain passive income and capital gains) at the rate of twenty five percent (25%) withheld at source.

Below is a short discussion of the pertinent taxes with respect to the transactions of the Fund and the shareholders in the Fund.

THE FUND

Corporate Income Tax

A domestic corporation is subject to a tax of thirty percent (30%) since the beginning of 2009 of its taxable income (gross income less allowable deductions) from all sources within and outside the Philippines except those items of income that are subject to final withholding tax, such as: (a) gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties from sources within the Philippines that are generally taxed at the lower final withholding tax rate of twenty percent (20%) of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system that is subject to a final tax at the rate of seven and a half percent (7.50%) of such income

A resident foreign corporation (except certain types of corporations enumerated in the Tax Code) is subject to a tax of thirty percent (30%) since beginning of 2009 of its taxable income (gross income less allowable deductions) from all sources within the Philippines except those items of income that are subject to final withholding tax, such as: (a) gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties from sources within the Philippines that are generally taxed at the lower final withholding tax rate of twenty percent (20%) of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system that is subject to a final tax at the rate of seven and a half percent (7.50%) of such income.

A minimum corporate income tax of two percent (2%) of the gross income as of the end of the taxable year is imposed on a domestic corporation, as well as on a resident foreign corporation (other than an international carrier, an offshore banking unit, or a regional or area headquarters or regional operating headquarters of a multinational company), beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the regular income tax for the taxable year. Any excess of the minimum corporate income tax over the ordinary corporate income tax shall be carried forward and credited against the latter for the three (3) immediately succeeding taxable years. Further, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation that suffers from losses on account of a prolonged labor dispute, or because of force majeure, or because of legitimate business reverses.

The President of the Philippines may, upon the recommendation of the Secretary of Finance and upon occurrence of certain macroeconomic conditions, allow domestic and resident foreign corporations the option to be taxed on a gross basis at the rate of fifteen percent (15%). This authority has not been exercised to date.

A final withholding tax of thirty five percent (35%) is imposed, as a general rule, upon the gross income received during each taxable year of a non-resident foreign corporation from all

sources within the Philippines, subject to the provisions of tax treaties between the Philippines and the country of residence of such foreign corporation.

THE SHAREHOLDER

Tax on Dividends

Cash and property dividends received from a domestic corporation by individual stockholders who are either citizens or residents of the Philippines are subject to final withholding tax at the rate of ten percent (10%). Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a twenty percent (20%) final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are generally subject to final withholding tax at the rate of twenty five percent (25%) of the gross amount subject, however, to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals. A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of more than 180 days during any calendar year will be deemed a non-resident alien engaged in business in the Philippines.

Cash and property dividends received from a domestic corporation by another domestic corporation or by resident foreign corporations are not subject to tax while those received by non-resident foreign corporations (i.e. foreign corporations not engaged in trade or business in the Philippines) are subject to final withholding tax at the rate of thirty percent (30%) from 2009 onwards.

The thirty percent (30%) rate may also be reduced to fifteen percent (15%) if the country in which the non-resident foreign corporation is domiciled imposes no tax on foreign-sourced dividends or allows a credit against the tax due from the non-resident foreign corporation, for taxes deemed to have been paid in the Philippines equivalent to twenty percent (20%). Effective on January 1, 2009, the credit against the tax due shall be fifteen percent (15%).

The thirty percent (30%) rate for dividends paid to a non-resident foreign corporation may be reduced if the country of residence of such foreign corporation has an existing tax treaty with the Philippines and such treaty provides for a preferential tax rate.

Philippine tax authorities have prescribed, through an administrative issuance, certain procedures for availment of tax treaty relief. Subject to the approval by the BIR of the Company's application for tax treaty relief, the Company shall withhold taxes at a reduced rate on dividends to be paid to a nonresident holder, if such non-resident holder provides the Company with proof of residence and if applicable, individual or corporate status. Proof of residence for an individual consists of certification from his/her embassy, consulate, or other equivalent certification issued by the proper government authority, or any other official document proving tax residence. If the regular tax rate is withheld by the Company instead of the reduced rates applicable under the treaty, the non-resident holder of the shares may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal if the claim is denied by the BIR. The filing of a claim for refund may therefore prove to be impractical.

Stock dividends distributed pro-rata to any holder of shares of stock are not subject to Philippine income tax.

Sale, Exchange or Disposition of Shares

Taxes on Capital Gains

Gains realized by the shareholder upon redemption of his shares of stock in the Fund are not subject to tax.

Documentary Stamp Tax

The original issuance of shares of stock is subject to documentary stamp tax of Php1.00 for each Php200.00 par value or a fraction thereof, of the shares of stock issued. On the other hand, the sale, transfer, or other disposition of shares of stock (including the re-issuance of previously redeemed shares of stock) is subject to a documentary stamp tax of Php0.75 for each Php200.00 par value or a fractional part thereof of the shares sold, transferred, or otherwise disposed of.

Estate and Gift Taxes

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine *situs*, and any transfer thereof by way of succession or donation even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate or donor's tax.

Subject to certain exceptions, the transfer of shares upon the death of an individual holder to his/her heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, will be subject to Philippine taxes at progressive rates ranging from five percent (5%) to twenty percent (20%), if the net estate is over Php200,000.00. On the other hand, individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer shares by way of gift or donation will be liable to Philippine donor's tax on such transfers at progressive rates ranging from two percent (2%) to fifteen (15%) of the net gifts during the year exceeding Php100,000.00. The rate of tax with respect to net gifts made to a stranger (i.e. one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by consanguinity within the fourth degree of relationship) is a flat rate of thirty percent (30%) of the net gifts.

Estate and donor's taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his/her death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his/her death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his/her death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS/HER OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE PABFI SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

Board Self-Assessment Form

Rating Scale: 1. Needs Improvement 2. Satisfactory 3. Good 4. Very Good 5. Excellent
(Director to check (✓) the box that corresponds to the selected rating and provide comments, if any)

EVALUATION FACTOR	RATINGS					COMMENTS
	1	2	3	4	5	
A. Strategic Foresight						
1. The Board evaluates the financial results periodically vis-à-vis its investment objectives to assess the PAMI Mutual Funds as well as Management's performance, considers new opportunities and responds promptly to industry trends and external developments.						
2. The Board reviews and evaluates changes in fund features, major investment movements, significant expenses, including key assumptions, major risks and critical issues before approval and monitors outcomes.						
B. Board Structure and Committee Effectiveness						
1. Each PAMI Mutual Fund has an appropriate board size and structure that promotes efficiency, allows critical discussion of issues and thorough review of matters, and proper discharge of its functions, taking into account the nature and complexity of operations, and size and types of risks to which PAMI Mutual Funds are exposed.						
2. The Board is guided by a Manual of Corporate Governance.						
3. The composition of the Board has the right mix of expertise, diversity and independence, allowing it to add value, critical thinking and judgment to effectively govern PAMI Mutual Funds' formulation and implementation of sound corporate strategies and policies.						
4. The Board has appropriately constituted the committees necessary to heighten efficiency of board operations and assist in exercising its authority for oversight of internal control, risk management and performance monitoring of PAMI Mutual Funds, with well-defined charters and board reporting requirements.						
C. Board Meetings and Procedures						
1. The number of board meetings during the year is adequate. The schedule of matters is up to date and regularly reviewed.						

EVALUATION FACTOR	RATINGS					COMMENTS
	1	2	3	4	5	
2. Board members receive accurate minutes and board packs; written agendas and meeting notices; and relevant material to prepare in advance of meetings and enable full and proper consideration to be given to important issues.						
3. Board meetings are conducted with sufficient time and management presence, as well as in a manner that encourages open communication and meaningful participation.						
4. All board decisions, other than those that have been properly delegated are made in the board room.						
5. The level of support from the Corporate Secretary that is placed at the Board's disposal is satisfactory.						
6. There is a proper level of follow-up on outstanding actions arising from board meetings.						
D. Board and Management Relations						
1. The relationship between the Board and the Fund Manager and Principal Distributor strikes the right balance between challenge and mutuality.						
2. The Board's discussions enhance the quality of Fund Manager's decision making (e.g., engaging them in dialogue that stimulates and enhances their thinking and performance).						
3. The Board sets the overall tone and direction of PAMI Mutual Funds and establishes guidelines on the nature and amount of risk that the Funds may take.						
4. The Board has approved comprehensive policies and procedures for all material activities and risks in the organization. The Board is kept fully informed on all material matters between meetings (e.g., appropriate external information on emerging risks, regulatory changes, etc).						
E. Induction and Continuing Education						
1. The continuing education program, special briefings by external advisors, formal courses and conferences and focused seminars received by the Board and new members are timely and appropriate (e.g., regulatory matters, cyber risks, industry developments)						

EVALUATION FACTOR	RATINGS					COMMENTS	
	1	2	3	4	5		
and assist Board members in the execution of their duties.							
F. Performance Evaluation							
1. The Board has in place an appropriate process for regular board, committee and individual board member evaluation.							
2. The Board's performance assessment process enhances Board effectiveness.							
G. Value Creation							
1. The Board has good key relationships with PAMI Mutual Funds' major stakeholders and there is respect for what the Board does.							
2. The Board makes well-informed and high quality decisions based on a clear line of sight into the business that creates stakeholder value.							
3. The Board creates a performance culture that drives value creation without exposing PAMI Mutual Funds to excessive risk of value destruction.							
4. The Board holds executive or private sessions as often as needed to discuss sensitive matters.							
OVERALL RATING OF BOARD PERFORMANCE	Excellent		Very Good		Good	Satisfactory	Needs Improvement
OTHER COMMENTS/ SUGGESTIONS	<div></div> <div></div> <div></div>						
Name of Director: Signature: _____ Date: _____							