

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 Philam 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 **39191**
3. BIR Tax Identification Number **000-507-003**
4. Exact Name of the Issuer as specified in its charter **Philam 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	<i>Provide information or link/reference to a document containing information on the following:</i> <i>1. Academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of directors.</i>	
2	The Board has an appropriate mix of competence and expertise.	Compliant	<i>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.</i>	
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"> <li>1. Roberto F. De Ocampo</li> <li>2. Reynaldo G. Geronimo</li> <li>3. Ramon Paulo L. Tayag</li> <li>4. Tomas S. Chuidian</li> <li>5. Fernando J. Sison, III</li> <li>6. Simon R. Paterno</li> <li>7. Lee Longa</li> </ol> <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"), the attached General Information Sheet of the Fund for the Year 2023, and in the Company's website:</p> <ul style="list-style-type: none"> <li>• <a href="https://www.pamifunds.com/">https://www.pamifunds.com/</a></li> </ul> <p>The directors remain qualified for their positions individually and collectively to</p>	

			enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	
<b>Recommendation 1.2</b>				
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"> <li>Annex 1 – SEC 17-A, Page 13</li> <li><a href="https://pamifunds.com/board-of-directors">https://pamifunds.com/board-of-directors</a></li> </ul>	
<b>Recommendation 1.3</b>				
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"> <li>Annex 2 – MOCG, Page 12</li> </ul>	
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"> <li>Annex 2 – MOCG, Page 5</li> </ul> <p>For the annual continuing training for the directors, please refer to:</p> <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Page 12</li> </ul>	
3	The company has relevant annual continuing training for all directors.	Compliant		
<b>Recommendation 1.4</b>				

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"> <li>Annex 2 – MOCG, Page 4 to 5</li> </ul>	
<b>Recommendation 1.5</b>				
1	The Board is assisted by a Corporate Secretary.	Compliant	<p><i>Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></p> <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"> <li>Annex 1 – SEC 17-A, Page 15</li> <li>Annex 2 – MOCG, Page 23 to 24</li> <li><a href="https://pamifunds.com/board-of-directors">https://pamifunds.com/board-of-directors</a></li> </ul> <p>The Corporate Secretary is not a member of the Board.</p>	
2	The Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3	The Corporate Secretary is not a member of the Board of Directors.	Compliant		
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>	
<b>Recommendation 1.6</b>				
1	The Board is assisted by a Compliance Officer.	Compliant	<p><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></p> <p>The Compliance Officer of 2023 was Glenn Noel L. Llaneta. Please refer to Annex 1 – SEC 17-A, Page 15.</p>	<p>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.</p>
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>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	<p><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></p> <p>In 2023, the Compliance Officer attended the 2023 Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit training.</p>	
<b>Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD</b>				
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.				
<b>Recommendation 2.1</b>				
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	<p><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></p> <p>This is one of the responsibilities, duties, and functions of the Board. Please refer to:</p> <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Pages 4 and 10</li> </ul>	
<b>Recommendation 2.2</b>				
1	The Board oversees the development and approval of the company's business objectives and strategy.	Compliant	<p><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></p>	
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p><i>Indicate frequency of development of business objectives and strategy.</i></p> <p>This is one of the responsibilities, duties, and functions of the Board. Please refer to:</p> <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Pages 10</li> </ul>	
<b>Recommendation 2.3</b>				
1	The Board ensures and adopts an effective succession planning program for directors, key officers, and management.	Compliant	<p><i>Disclose and provide information or link/reference to a document containing the</i></p>	

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"><li>Annex 2 – MOCG, Pages 17 to 18</li></ul> The Nomination Process is also detailed in the MOCG. <ul style="list-style-type: none"><li>Annex 2 – MOCG, Pages 9 to 10</li></ul> 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"><li>Annex 2 – MOCG, Page 26</li></ul>
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"><li>Annex 2 – MOCG, Page 13 to 14</li></ul>
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"> <li>Annex 2 – MOCG, Pages 9, 26, 27 and 28</li> </ul> <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"> <li>Annex 2, MOCG, Page 18</li> </ul>

#### 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"> <li>Annex 2 – MOCG, Page 11</li> </ul>
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"> <li>Annex 2 – MOCG, Page 11</li> </ul>	
<b>Recommendation 2.8</b>				
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"> <li>Annex 4 – Self-Assessment Form</li> </ul>	
<b>Recommendation 2.9</b>				
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"> <li>Annex 2 – MOCG, Page 12</li> </ul>	
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"> <li>Annex 2 – MOCG, Page 15</li> </ul>
<b>Recommendation 2.10</b>				
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"><li>Annex 2 – MOCG, Page 19</li></ul>
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: <a href="https://pamifunds.com/">https://pamifunds.com/</a>
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"><li>Annex 2 – MOCG, Page 14</li></ul>
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"> <li>Annex 2 – MOCG, Page 15</li> </ul>	
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"> <li>Fernando J. Sison III</li> </ul> <p>Members:</p> <ul style="list-style-type: none"> <li>Simon R. Paterno</li> <li>Roberto de Ocampo</li> </ul>	
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"> <li>Annex 1 – SEC 17-A, Pages 12 to 14</li> </ul>	
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"> <li>Annex 1 – SEC 17-A, Pages 12 to 13</li> </ul>	
<b>Recommendation 3.3</b>				
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"> <li>Annex 2 – MOCG, Pages 14 to 19</li> </ul>	

#### 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"> <li>Annex 2 – MOCG, Pages 13 and 28</li> </ul> <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"> <li>Annex 2 – MOCG, Page 13</li> </ul>	
<b>Recommendation 4.2</b>				
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"> <li>Annex 1 – SEC 17-A, Page 11</li> </ul>	
<b>Recommendation 4.3</b>				
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"> <li>Annex 2 – MOCG, Page 12</li> </ul>	

**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 (6) non-executive directors. <ol style="list-style-type: none"><li>1. Roberto F. De Ocampo</li><li>2. Ramon Paulo L. Tayag</li><li>3. Tomas S. Chuidian</li><li>4. Fernando J. Sison, III</li><li>5. Simon R. Paterno</li><li>6. Lee Longa</li></ol> Please refer to: <ul style="list-style-type: none"><li>• Annex 1 – SEC 17-A, Page 11</li><li>• General Information Sheet for the Year 2023</li></ul>	
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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"><li>• Simon R. Paterno</li><li>• Fernando J. Sison III</li></ul> Please refer to <ul style="list-style-type: none"><li>• Annex 1 – SEC 17-A, Page 17</li></ul>	
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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"><li>• Annex 1 – SEC 17-A, Page 13</li><li>• <a href="https://pamifunds.com/board-of-directors">https://pamifunds.com/board-of-directors</a></li></ul>	
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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>	
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			<p>The company prohibits independent directors from being reappointed to the same position after the term limit of nine (9) years, ensuring that there is a rotation of directors and fresh perspectives are brought in. Please refer to:</p> <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Page 7</li> </ul>	
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>	
<b>Recommendation 5.5</b>				
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:</p> <ul style="list-style-type: none"> <li>Annex 1 – SEC 17-A, page 12</li> </ul>	
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:</p> <ul style="list-style-type: none"> <li>Annex 2 – MOCG, page 5</li> </ul>	
<b>Recommendation 5.6</b>				
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>	
<b>Recommendation 5.7</b>				

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 deliberations for the same, and recuse from voting on the approval of transaction.	Compliant	<i>Provide proof of full disclosure and abstention, if any, of the interested director/trustee.</i>  The Directors are required to abstain from transactions in which he has adverse interest. Please refer to: <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Page 12</li> </ul>	
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#### 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>  Please refer to Page 20 of Annex 1 - SEC Form 17-A for exhibits and schedules of Annex 1 - SEC 17-A_Philam Fund Inc	
2	The meetings are chaired by the lead independent director, if applicable.	Compliant		

### 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>  Please see attached copy of the Self-assessment form. <ul style="list-style-type: none"> <li>Annex 4 – Self-Assessment Form</li> </ul>	
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		

#### 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"> <li>Annex 2 – MOCG, Page 11</li> </ul>	

### 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	<i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i>	
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_Philam Fund, Inc and fund website: <a href="https://pamifunds.com/">https://pamifunds.com/</a></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_Philam Fund, Inc and fund website: <a href="https://pamifunds.com/">https://pamifunds.com/</a></p>	

## 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"> <li>Annex 2 – MOCG, Page 25</li> </ul>	
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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"> <li>Annex 2 – MOCG, Page 25</li> </ul>	

## 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"> <li>Annex 2 – MOCG</li> </ul> <p>Please refer to:</p> <ul style="list-style-type: none"> <li><a href="https://pamifunds.com/">https://pamifunds.com/</a></li> </ul>	
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"> <li><a href="https://pamifunds.com/">https://pamifunds.com/</a></li> </ul>	
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	<p><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></p> <p>Please refer to:</p> <ul style="list-style-type: none"> <li>Annex 1 – SEC 17-A, Page 20</li> <li>Annex 2 – MOCG, Page 22</li> </ul>	
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	<p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> <li>Annex 1 – SEC 17-A, Page 20</li> <li>Annex 2 – MOCG, Page 16</li> </ul>	
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	<p><i>Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.</i></p> <p>Please refer to:</p> <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Page 22</li> </ul>	

### 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	<p><i>Provide link/reference to the company's Audit Committee Charter.</i></p> <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"> <li>Annex 2 – MOCG, Pages 15 to 16</li> </ul>	
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	<p><i>Disclose the nature of non-audit services performed by the external auditor, if any.</i></p> <p>The Company did not engage the external auditor for other services.</p> <p>Please refer to:</p>	
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			<ul style="list-style-type: none"> <li>Annex 1, SEC 17-A, Page 20</li> </ul>	
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"> <li>Annex 2, MOCG, Page 20</li> </ul>	


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: <a href="https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report">https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</a> .  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"> <li><a href="https://pamifunds.com/">https://pamifunds.com/</a></li> </ul>	
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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><a href="https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report">https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</a>.</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"> <li><i>1. Company's risk management procedures and processes.</i></li> <li><i>2. Key risks the company is currently facing.</i></li> <li><i>3. How the company manages the key risks.</i></li> </ol> <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><a href="https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report">https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</a>.</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"> <li>Annex 1 – SEC 17-A, Page 30</li> </ul>	
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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"> <li>Annex 2 – MOCG, Pages 26 to 28</li> </ul>	
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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: <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Page 29</li> </ul>	
<b>Recommendation 13.3</b>				
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.	
<b>Recommendation 13.4</b>				
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: <ul style="list-style-type: none"> <li>Annex 2 – MOCG, Page 28</li> </ul>	

**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 <a href="mailto:bpi_investment@bpi.com.ph">bpi_investment@bpi.com.ph</a></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"> <li>Annex 2 – MOCG, Page 29</li> </ul>	
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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"> <li>Annex 2 – MOCG, Page 29</li> </ul>	
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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><a href="https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report">https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</a></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>	
<b>Recommendation 15.2</b>				
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><a href="https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report">https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</a></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>	
<b>Recommendation 15.3</b>				
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:  <a href="https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report">https://www.bpi.com.ph/wealth/assetandwealth/who-we-are/annual-report</a>  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"> <li>Annex 2 – MOCG, Page 4</li> </ul>	
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## CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above **Philam 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 102 - 043 - 114	
Hany Mae V. Dureza	Passport P9201603B	DFA NCR East

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**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 VII 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

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SEC REGISTRATION Number

						P	H	I	L	A	M		F	U	N	D	,		I	N	C	.								

(Company's Full Name)

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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																			
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(Contact Person)

(632) 8580-3575									
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(Company Telephone Number)

1	2		3	1
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Month Day  
Fiscal Year

17-A				
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FORM TYPE

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Month Day  
Annual Meeting

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Secondary License Type, if Applicable

C	G	F	D
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Dept. Requiring this Doc.

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(Amended Articles Number/Section)

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Total No. of Stockholders

(Total Amount of Borrowings)									
Domestic					Foreign				

To be accomplished by SEC Personnel Concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS									
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**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 **39191**
3. BIR Tax Identification No. **000-507-003**
4. Exact name of registrant as specified in its charter **Philam 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 Bldg, 5<sup>th</sup> Avenue Corner 26<sup>th</sup> St., 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 31, 2023

Common voting stock

**126,612,263**

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**

Philam Fund Inc. (PFI) is a stock corporation incorporated on August 29, 1969. The Fund's sole product is shares (securities) of PFI. Philam Asset Management Inc. (PAMI) is the investment adviser and distributor of 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.

PFI is an open-ended mutual fund whose shares will be offered to the public at net asset value with a minimum initial investment of Php1,000 and minimum additional purchase of Php500. PFI considers a medium to long-term investment horizon for its shareholders.

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 size of assets under management, return on investment and service. PFI is categorized under the peso-denominated balanced fund segment with twelve (12) other competitors.

The major competitor of PFI is the Sun Life Prosperity Balanced Fund, Inc. (the “Sun Life Fund”). Sold by distribution agents, the Sun Life Fund has over PhP 6.74 Billion in Net Asset (as of December 2023). Other competitors include: First Metro Save & Learn Balanced Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., ATRAM Philippine Balanced Fund, Inc., NCM Mutual Fund of the Phils., Inc., Solidaritas Fund, Inc. (formerly, Bahay Pari Solidaritas Fund, Inc.), ATRAM Dynamic Allocation Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., and the other BPI Wealth-managed fund, PAMI Horizon Fund, Inc.

PFI 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 PFI, 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 Net Asset Value 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 PFI, 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 PFI investments.

As Transfer Agent of PFI, 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.

### **Employees**

PFI employs no personnel as it functions solely through its Fund Manager, BPI Wealth – A Trust Corporation.

### **Government Regulations and Risks**

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

The Fund may also invest in SEC-registered debt papers or other certificate of indebtedness/obligations, issuers of whom had been determined as financially sound and approved by the Investment Committee of the Fund Manager.

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), market interest rates (fair value interest rate risk) and market prices (equity price 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 products, all of 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.

### **ITEM NO. 2 PROPERTIES**

PFI 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 is no pending litigation or arbitration proceedings where PFI is a party and no litigation or claim of material importance is known to the Directors of PFI to be pending or threatened against the Fund during the past five (5) years up to the date of this document.

### **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

PFI 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.

#### Net Asset Value Per Share Per Quarter for the year 2023:

QUARTER	DATE	NAVPS	
<b>1st</b>	14-Mar-23	14.9925	<b>LOW</b>
	18-Jan-23	15.8628	<b>HIGH</b>
<b>2nd</b>	19-Apr-23	15.1781	<b>LOW</b>
	19-May-23	15.6460	<b>HIGH</b>
<b>3rd</b>	20-Sep-23	14.8205	<b>LOW</b>
	27-Jul-23	15.5797	<b>HIGH</b>
<b>4th</b>	30-Oct-23	14.6645	<b>LOW</b>
	19-Dec-23	15.6653	<b>HIGH</b>

#### Net Asset Value Per Share Per Quarter for the year 2022:

QUARTER	DATE	NAVPS	
<b>1st</b>	14-Mar-22	16.1231	<b>LOW</b>
	09-Feb-22	17.0691	<b>HIGH</b>
<b>2nd</b>	23-Jun-22	14.9826	<b>LOW</b>
	01-Apr-22	16.6080	<b>HIGH</b>
<b>3rd</b>	30-Sep-22	14.2808	<b>LOW</b>
	06-Jul-22	15.4259	<b>HIGH</b>
<b>4th</b>	02-Oct-22	14.2808	<b>LOW</b>
	29-Nov-22	15.4639	<b>HIGH</b>

#### Net Asset Value Per Share Per Quarter for the year 2021:

QUARTER	DATE	NAVPS	
<b>1st</b>	22-Mar-21	15.7302	<b>LOW</b>
	11-Jan-21	17.1517	<b>HIGH</b>
<b>2nd</b>	24-May-21	15.5074	<b>LOW</b>
	16-Jun-21	16.6266	<b>HIGH</b>
<b>3rd</b>	30-Jul-21	15.6904	<b>LOW</b>
	05-Jul-21	16.7134	<b>HIGH</b>
<b>4th</b>	01-Dec-21	16.3982	<b>LOW</b>
	09-Nov-21	16.9970	<b>HIGH</b>

#### Dividends

Although there are no restrictions that limit the Fund's ability to pay dividends, PFI has not declared any cash dividends for the last three (3) years. The Board of Directors of PFI 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 PFI Board may deem proper and in accordance with the pertinent laws.

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.

## **Holders**

As of December 31, 2023, there were a total of 7,840 holders of redeemable common stock (one class of shares only). Following are the top 20 shareholders:

<b>No.</b>	<b>Name of Client</b>	<b># of Shares</b>	<b>% of Ownership</b>
1	TELENGTAN BROTHERS AND SONS, INC.	8,388,274	6.63%
2	LHUIILLIER, JEAN HENRI D	4,690,039	3.70%
3	JIAO, MARY ANNE D	2,271,996	1.79%
4	GUANIO, LISA V	2,200,089	1.74%
5	STATEFIELDS SCHOOL INC	1,671,777	1.32%
6	KALAYAAN DEVELOPMENT & INDUSTRIAL CORP.	1,659,930	1.31%
7	PHILIPPINE GOLF FOUNDATION INC	1,507,502	1.19%
8	BDO PB TRUST FAO 1214899301	1,236,413	0.98%
9	SYCIP SALAZAR EMPLOYEES RETIREMENT PLAN	1,203,793	0.95%
10	CTC BPO INC.	1,186,030	0.94%
11	MANILA POLO CLUB, INC.	1,134,488	0.90%
12	CASTRO, CHARMAINE ONG	1,081,578	0.85%
13	PHILIPPINE STOCK EXCHANGE CENTRE CONDOMINIUM CORP.	986,007	0.78%
14	JEPP REAL ESTATE CO., INC.	776,860	0.61%
15	CUA, MARY ANN BARRIOS	681,422	0.54%
16	HEALTH MAINTENANCE, INC.	662,183	0.52%
17	ST ELIZABETH COMMUNITY DEVELOPMENT PROGRAM INC	647,272	0.51%
18	DE VERA, MA. CORAZON	639,195	0.50%
19	RCBC SAVINGS BANK TRUST SERVICES DIVISION TA# 515-40-04403-9	618,253	0.49%
20	ONG, JOSEPH JEROME DAYRO	599,926	0.47%

As of December 31, 2022, there were a total of 8,220 holders of redeemable common stock (one class of shares only)

<b>NO</b>	<b>Name of Client</b>	<b># of Shares</b>	<b>% of Ownership</b>
1	TELENGTAN BROTHERS AND SONS, INC.	8,388,274	6.15%
2	LHUIILLIER, JEAN HENRI D	4,329,315	3.17%
3	JIAO, MARY ANNE D	2,271,996	1.66%
4	GUANIO, LISA V	2,200,089	1.61%
5	STATEFIELDS SCHOOL INC	1,671,777	1.22%
6	KALAYAAN DEVELOPMENT & INDUSTRIAL CORP.	1,659,930	1.22%

7	PHILIPPINE GOLF FOUNDATION INC	1,507,502	1.10%
8	BDO PB TRUST FAO 1214899301	1,236,413	0.91%
9	SYCIP SALAZAR EMPLOYEES RETIREMENT PLAN	1,203,793	0.88%
10	CTC BPO INC.	1,147,300	0.84%
11	MANILA POLO CLUB, INC.	1,134,488	0.83%
12	CASTRO, CHARMAINE ONG	1,081,578	0.79%
13	PHILIPPINE STOCK EXCHANGE CENTRE CONDOMINIUM CORP.	986,007	0.72%
14	CALICA, GODOFREDO JR	963,258	0.71%
15	PERPETUAL SUCCOUR HOSPITAL OF CEBU, INC	957,328	0.70%
16	JEPP REAL ESTATE CO., INC.	776,860	0.57%
17	CUA, MARY ANN BARRIOS	681,422	0.50%
18	HEALTH MAINTENANCE, INC.	662,183	0.49%
19	ST ELIZABETH COMMUNITY DEVELOPMENT PROGRAM INC	647,272	0.47%
20	DE VERA, MA. CORAZON	639,195	0.47%

As of December 31, 2021, there were a total of 8,456 holders of redeemable common stock (one class of shares only)

No.	Name of Client	# of Shares	# of Ownership
1	THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE)	580,449,051.00	70.87%
2	KALAYAAN DEVELOPMENT & INDUSTRIAL CORP.	12,944,020.00	1.58%
3	TELENGTAN BROTHERS AND SONS, INC.	8,388,274.00	1.02%
4	CRUZ, MA. ELENA A	5,210,594.00	0.64%
5	PERPETUAL SUCCOUR HOSPITAL OF CEBU, INC	4,885,190.00	0.60%
6	LHUILIER, JEAN HENRI D	4,788,568.00	0.58%
7	YUPANGCO, NITA L	3,450,118.00	0.42%
8	CARAL INVESTMENT AND REALTY CORPORATION	2,571,922.00	0.31%
9	SESE, VIRGILIO C	2,539,747.00	0.31%
10	PHILIPPINE STOCK EXCHANGE CENTRE CONDOMINIUM CORP.	2,332,540.00	0.28%
11	GUANIO, LISA V	2,274,215.00	0.28%
12	JIAO, MARY ANNE D	2,271,996.00	0.28%
13	PHILIPPINE GOLF FOUNDATION INC	1,938,390.00	0.24%
14	MANILA POLO CLUB, INC.	1,820,994.00	0.22%
15	PHILIPPINE BAPTIST, SBC INC.	1,811,131.00	0.22%
16	PIONEER HIGHLANDS SOUTH CONDOMINIUM CORPORATION	1,796,678.00	0.22%
17	STATEFIELDS SCHOOL INC	1,671,777.00	0.20%
18	SUN MARINE CORP	1,587,541.00	0.19%
19	HEALTH MAINTENANCE, INC.	1,544,086.00	0.19%
20	DE VERA, MA. CORAZON	1,491,908.00	0.18%

### **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.

<b>Philam Fund</b>	<b>Retail</b>	<b>Institutional</b>
Number of investors	6,693	1,147
Percentage of investments	60.59%	39.41%

### **Geographic concentration of investments**

The geographic concentration of investments as of 31 December 2023 is as follows: Luzon (77.61%), Visayas (12.09%), and Mindanao (10.30%).

### **Level of compliance with FATCA regulations**

FATCA Review as of 31 December 2023

<b>PFI</b>	<b>No. of Transaction</b>	<b>More than USD50 Thousand</b>	<b>Less than USD50 Thousand</b>
US CITIZEN	12	9	3
US INDICIA	36	18	18

### **Investment company return information**

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

<b>1 YR</b>	<b>2 YRS</b>	<b>3 YRS</b>	<b>4 YRS</b>	<b>5 YRS</b>
1.77	-3.27	-0.93	-0.74	-0.83

### **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 BPI Wealth – A Trust Corporation through SEC Certified Investment Solicitors (CISols) as well as institutional third-party distributors.

### **Use of Proceeds**

The Fund plans to use the proceeds from the sale of PFI shares to build up its investment in equities of companies listed in the primary and secondary boards of the PSE. Likewise, proceeds will also be used to build up the investment in domestic fixed-income instruments, including but not limited to, treasury bills, Bangko Sentral ng Pilipinas' (BSP) Certificate of Indebtedness, other government securities or bonds and such other evidences of obligations issued by the BSP or guaranteed by the Philippine Government.

### **Determination of Offering Price**

The offering price is determined at Net Asset Value (NAV) per share computed for the current banking day, if payment is made within the daily cut-off time. Otherwise, the NAV per share 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 PSEi continued to be challenged in 2023 returning -1.77% for the year, settling somewhere in the middle of how its ASEAN peers performed. Foreign investors continued to be sellers, with net outflows reaching USD863.3 million according to Bloomberg data. On a per sector basis, only Financials saw gains buoyed by the high interest rate environment which supported expansion of net interest margins. All other sectors underperformed the index as overall sentiment was dragged by macroeconomic concerns (e.g., high inflation & decelerating growth) and lingering hawkishness of central banks.

Market valuation remained close to 13x PE based on consensus estimates, below its 10-year mean of around 17x.

As of 31 December 2023, Philam Fund's net asset value (NAV) per share stood at P15.5631, up by 2.79% year-on-year.

### **Top Five Key Performance Indicators**

a) Performance vis-à-vis the Benchmark – Philam Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equity investment instruments. The Fund's return on investment (ROI) as of December 2023 is 2.79% net of fees and taxes, underperforming its benchmark by 202 bps.

b) Portfolio Quality – The Fund's portfolio should adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities.

c) Market Share in the Industry – Philam Fund cornered 16.0% of the P12.30 Billion total net asset value of peso balanced funds as of December 2023.

d) NAV Growth vis-à-vis Industry Growth – For the year ended 31 December 2023, Philam Fund's NAV contracted by 4.65% compared to the 10.37% contraction in peso balanced mutual funds.

e) Performance vis-a-vis Competition – Philam Fund ranked 4th in 2023 returns among peso balanced mutual funds.

### **AS OF DECEMBER 31, 2022**

The PSEi was down 7.8% in 2022, underperforming much of its ASEAN peers. In the Philippines, Telcos underperformed mainly on issues surrounding its capex as well as tough competitions along with Property amid unfavorable macro from high interest rates. On the other hand, Banks and Consumers remain to outperform.

The PSEi closed at almost 13x forward PE, below its 10 year mean of around 17x. The index valuations remains at its lowest since the pandemic low in 2020.

The major theme for 2022 was inflation. The BSP has managed to match the Fed's aggressive tightening to manage the Peso and tame inflation. Peso managed to bottom in mid-October.

As of 31 December 2022, Philam Fund's net asset value (NAV) per share stood at P15.1413, down by 8.87% year-on-year.

### **Top Five Key Performance Indicators**

- a) Performance vis-à-vis the Benchmark – Philam Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equity investment instruments. The Fund's return on investment (ROI) as of December 2022 is -8.87% net of fees and taxes, underperforming its benchmark by 442 bps.
- b) Portfolio Quality – The Fund's portfolio should adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities.
- c) Market Share in the Industry – Philam Fund cornered 15.1% of the P13.72 Billion total net asset value of peso balanced funds as of December 2022.
- d) NAV Growth vis-à-vis Industry Growth – For the year ended 31 December 2022, Philam Fund's NAV contracted by 81.49% compared to the 43.07% contraction in peso balanced mutual funds.
- e) Performance vis-a-vis Competition – Philam Fund ranked 8th in 2022 returns among peso balanced mutual funds as of December 2022.

### **ITEM NO.7 FINANCIAL STATEMENTS**

Copies of the following audited financial statements are attached:

- Statement of Financial Position as of December 31, 2023 and 2022
- Statement of Total Comprehensive Income for the years ended December 31, 2023 and 2022
- Statement of Changes in Equity for the years ended December 31, 2023 and 2022
- 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 date of this document, the Board of Directors and Executive Officers of PFI are as follows:

<b>Name</b>	<b>Age</b>	<b>Citizenship</b>	<b>Position</b>	<b>Term</b>	<b>Years of Service</b>
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 BIMI. 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. Cesar N. Sarino
- 2) Mr. Amante R. Rimando
- 3) Mr. Sixto Roxas
- 4) Mr. Teodoro Locsin Jr.
- 5) Mr. Alfredo Antonio
- 6) Mr. Leonardo Quisumbing
- 7) Mr. Corazon Alma G. De Leon

**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 of 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 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 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 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**

Information as to the aggregate compensation paid or accrued during the last previous fiscal year and the preceding two fiscal years to the PFI Board of Directors is as follows:

<b>Year</b>	<b>Total</b> (In Thousands of Philippine Peso)
2023	81
2022	202.5
2021	150
2020	396
2019	397

Estimated per diem of PFI directors, excluding bonus, for year 2024 is Php 245,300.

##### **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 Php 7,500.00.

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

None of the Executive Officers have employment contracts 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**

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Building, Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City, (Chairman)	1 (record)	Filipino	0.0000%
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%

**AS OF DECEMBER 31, 2022**

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Building, Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City (Chairman)	1 (record)	Filipino	0.000000
Common	Reynaldo G. Geronimo No. 5 Zinia Street, Valle Verde 2, Pasig City, (President/Director)	1 (record)	Filipino	0.000000

Common	Angel Marie Pacis 101 Cordova Las Villas de Valle Verde, Kaimito St. Valle Verde2, Ugong Psig City, (Director)	0.000000	Filipino	0.000000
Common	Lee Longa 3 Carbine Loop Alabang 400 Village Muntinlupa City, (Director)	100 (record)	Filipino	0.000000
Common	Elenita D.G. Villamar 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City, (Director)	100 (record)	Filipino	0.000000
Common	Simon R. Paterno 58 McKinley Road, Forbes Park, Makati City, (Independent Director)	1 (record)	Filipino	0.000000
Common	Fernando J. Sison III 3 Jocson St., Xavierville 1, Loyola Heights, Quezon City, (Independent Director)	0	Filipino	0.000000
Common	Ma. Floriliz L. Pedernal 17/F Net Lima Bldg., 5th Avenue cor. 26th Street, Bonifacio Global City, Taguig City, (Treasurer)	0	Filipino	0.000000
Common	Ma. Adelina S. Gatdula Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, (Corporate Secretary)	0	Filipino	0.000000
Common	Meriza R. De Guzman, 22 F. BPI Buendia Center Building Sen. Gil Puyat Avenue, Makati City 2100, (Compliance and Risk Officer)	0	Filipino	0.000000

**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
Common	THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE) 26th Street corner 5th Avenue, Bonifacio Global City, Taguig City (Stockholder)	THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE) <sup>1</sup>	Filipino	248,243,692	41.15%

<sup>1</sup>Ms. Arleen May S. Guevara, Chief Investment Officer, will represent and vote the shares of THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE).

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
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Common	Roberto F. De Ocampo Eugenio Lopez Foundation Building, Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City (Chairman)	1	(R)	Filipino	0.0000%
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 Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, (Corporate Secretary)	0		Filipino	0.0000%
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%
<b>TOTAL</b>		<b>8,195</b>	<b>(R)</b>	<b>Filipino</b>	<b>0.0013%</b>

### 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.

<b>Year</b>	<b>Total</b>
2023	Php615,845.63
2022	Php298,004.00
2021	Php248,336.00
2020	Php542,106.00
2019	Php443,458.00

**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 and 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 with PFI 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 PFI about internal controls and 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 PFI's external auditor for the next calendar year.
  - b. PFI may not engage the external auditor for any services unless they are approved by the Audit Committee in advance of the engagement.
  - c. If PFI wishes to engage the external auditor for any services, PFI 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. PFI will report to the Audit Committee regarding the actual spending for these projects and services, compared to the approved amounts on a quarterly basis.
  - e. 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 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.

**PART IV - CORPORATE GOVERNANCE**

**ITEM NO.13 CORPORATE GOVERNANCE**

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

PFI 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

PFI has no material deviations from its Manual of Corporate Governance since it filed its CG-SRF with the SEC.

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

## **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:

<b>Items Reported</b>	<b>Date Filed</b>
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 **QUEZON CITY** **15 APR 2024** 2024.

**PHILAM FUND INC.**  
Issuer

For: **PFI (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

SUBSCRIBED AND SWORN to before me this **15 APR 2024** 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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Series of 20 **24**

  
**ATTY. BOGELIO 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 # 129-871-009-003  
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 **Philam 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. Moriliz L. Pedernal  
Treasurer

15 APR 2024

Sign this \_\_\_\_ day of \_\_\_\_ 20\_\_\_\_

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES

**QUEZON CITY** METRO 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. Pedernal

**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)

)S.S.

**QUEZON CITY**


**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 Philam 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. 39191 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.

**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. 466:  
Page No. 95:  
Book No. 1x:  
Series of 20 19:

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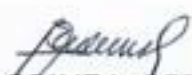
REPUBLIC OF THE PHILIPPINES)  
**QUEZON CITY** )S.S.

**TREASURER'S CERTIFICATION**

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1. I am Treasurer of Philam 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. 39191 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.

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 \_\_\_\_\_ at \_\_\_\_\_. Affiant exhibited to me his Tax Identification No. 149-792-248 **QUEZON CITY**

Doc. No. 15 :  
Page No. ay :  
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)  
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MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025  
Address: 31-F Harvard St. Cubao, Q.C.

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## **Independent Auditor's Report**

To the Board of Directors and Shareholders of  
**Philam Fund, Inc.**

(An Open-End Mutual Fund Company)  
17F Philam Life Head Office, Net Lima Building  
5<sup>th</sup> Avenue corner 26<sup>th</sup> 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 Philam 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  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)

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Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Philam 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  
Philam 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  
Philam 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 15 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.**

A handwritten signature in black ink, reading "Dexter 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



## **Statements Required by Rule 68 Securities Regulation Code (SRC)**

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

We have audited the financial statements of Philam Fund, Inc. 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

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Makati City  
April 8, 2024

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**Philam Fund, Inc.**  
(An Open-End Mutual Fund Company)

Statements of Financial Position  
December 31, 2023 and 2022  
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
<b>Assets</b>			
<b>Assets</b>			
Cash and cash equivalents	2	81,788	342,725
Financial assets at fair value through profit or loss	3	1,899,691	1,856,965
Other financial assets at amortized cost	4	10,118	43,013
Other assets		2,029	2,101
<b>Total assets</b>		<b>1,993,626</b>	<b>2,244,804</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	5	14,925	175,438
Due to fund manager	10	2,903	3,051
<b>Total liabilities</b>		<b>17,828</b>	<b>178,489</b>
<b>Equity</b>	6		
Share capital		126,612	136,482
Share premium		367,553	509,291
Retained earnings		1,481,633	1,420,542
<b>Total equity</b>		<b>1,975,798</b>	<b>2,066,315</b>
<b>Total liabilities and equity</b>		<b>1,993,626</b>	<b>2,244,804</b>

(The notes on pages 1 to 22 are an integral part of these financial statements)

**Philam 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  
(All amounts in thousands of Philippine Peso, except per share amounts)

	Notes	2023	2022	2021
<b>Income</b>				
Income (losses) from financial assets at fair value through profit or loss, net	3	82,112	(936,355)	(45,725)
Dividend	3	22,828	93,779	107,728
Interest from cash and cash equivalents	7	4,999	7,714	11,683
Others		5,260	(834)	(3,009)
		115,199	(835,696)	70,677
<b>Expenses</b>				
Management fees	10	40,755	143,744	223,792
Fees and other charges	8	2,027	9,024	11,710
Taxes and licenses		402	1,473	1,251
		43,184	154,241	236,753
<b>Income (loss) before income tax</b>		72,015	(989,937)	(166,076)
Income tax expense	9	10,924	27,957	41,700
<b>Net income (loss) for the year</b>		61,091	(1,017,894)	(207,776)
Other comprehensive income		-	-	-
<b>Total comprehensive income (loss) for the year</b>		61,091	(1,017,894)	(207,776)
<b>Basic earnings (loss) per share</b>	6	0.47	(2.30)	(0.31)

(The notes on pages 1 to 22 are an integral part of these financial statements)

**Philam 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  
(All amounts in thousands of Philippine Peso)

	Notes	Share Capital	Share Premium	Deposits for future subscriptions	Retained earnings	Total
<b>Balance at January 1, 2021</b>	6	603,316	6,993,794	855,388	2,646,212	11,098,710
<b>Comprehensive loss</b>						
Net loss for the year		-	-	-	(207,776)	(207,776)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(207,776)	(207,776)
<b>Transactions with shareholders</b>						
Issuance of shares		16,599	255,357	-	-	271,956
Redemption of shares		(16,599)	(255,357)	-	-	(271,956)
Deposits for future subscriptions		-	-	272,548	-	272,548
Total transactions with shareholders	1,6	-	-	272,548	-	272,548
<b>Balance at December 31, 2021</b>	6	603,316	6,993,794	1,127,936	2,438,436	11,163,482
<b>Comprehensive loss</b>						
Net loss for the year		-	-	-	(1,017,894)	(1,017,894)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(1,017,894)	(1,017,894)
<b>Transactions with shareholders</b>						
Issuance of shares		12,514	189,301	-	-	201,815
Redemption of shares and application of deposits for future subscriptions		(479,348)	(6,673,804)	(1,127,936)	-	(8,281,088)
Total transactions with shareholders	1,6	(466,834)	(6,484,503)	(1,127,936)	-	(8,079,273)
<b>Balance at December 31, 2022</b>	6	136,482	509,291	-	1,420,542	2,066,315
<b>Comprehensive income</b>						
Net income for the year		-	-	-	61,091	61,091
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	61,091	61,091
<b>Transactions with shareholders</b>						
Issuance of shares		1,585	22,664	-	-	24,249
Redemption of shares		(11,455)	(164,402)	-	-	(175,857)
Total transactions with shareholders	1,6	(9,870)	(141,738)	-	-	(151,608)
<b>Balance at December 31, 2023</b>		126,612	367,553	-	1,481,633	1,975,798

(The notes on pages 1 to 22 are an integral part of these financial statements)

**Philam 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  
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
<b>Cash flows from operating activities</b>				
Income (loss) before tax		72,015	(989,937)	(166,076)
Adjustments for:				
(Income) losses from financial assets at fair value through profit or loss, net	3	(82,112)	936,355	45,725
Dividend income	3	(22,828)	(93,779)	(107,728)
Interest income from cash and cash equivalents	7	(4,999)	(7,714)	(11,683)
Operating loss before changes in operating assets and liabilities		(37,924)	(155,075)	(239,762)
Changes in operating assets and liabilities				
Decrease (increase) in:				
Financial assets at fair value through profit or loss		39,386	7,998,906	(316,584)
Other financial assets at amortized cost		68,483	(18,766)	35,780
Other assets		72	(164)	(79)
(Decrease) increase in:				
Accounts payable and accrued expenses		(160,513)	122,369	27,358
Due to fund manager		(148)	(11,806)	(1,913)
Net cash (absorbed by) generated from operations		(90,644)	7,935,464	(495,200)
Interest received		13,458	7,814	11,683
Dividends received		(21,219)	80,959	107,673
Income taxes paid		(10,924)	(27,957)	(41,700)
Net cash (used in) from operating activities		(109,329)	7,996,280	(417,544)
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	6	24,249	201,815	271,956
Payments for shares redeemed and application of deposits for future subscription	6	(175,857)	(8,281,088)	(271,956)
Proceeds from deposits for future subscription	6	-	-	272,548
Net cash (used in) from financing activities		(151,608)	(8,079,273)	272,548
<b>Net decrease in cash and cash equivalents</b>		(260,937)	(82,993)	(144,996)
<b>Cash and cash equivalents</b>				
January 1		342,725	425,718	570,714
December 31	2	81,788	342,725	425,718

(The notes on pages 1 to 22 are an integral part of these financial statements)



**Philam 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

(All amounts are shown in thousands of Philippine Peso, unless otherwise stated)

**1 General information**

Philam 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. It was registered with the Securities and Exchange Commission (SEC) on August 29, 1969 under the Investment Company Act of 1960 or Republic Act 2629 and The Revised Securities Act or Batas Pambansa Blg. 178.

The Fund aims to achieve long term capital appreciation by investing in a diversified portfolio of equities and fixed income instruments. As an open-end investment company, the Fund stands ready at any time to redeem its outstanding shares at a value defined under the Fund's prospectus (note 6).

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 shares and permit to offer securities for sale were approved by the SEC (Note 6).

The Fund's registered office address, which is also its principal place of business, is at F et ima 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 I ealth, A Trust Corporation I ealth the Fund anager (note 0).

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. The principal management and administration functions of the Fund are outsourced from BPI Investment Management, Inc. (BIMI) until March 31, 2023.

Effective April 1, 2023, BIMI transferred all its rights, interest and obligations as fund manager and fund advisor to I ealth, A Trust Corporation I ealth the Fund anager (note 0). 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 and cash equivalents

The account at December 31 consists of:

	2023	2022
Cash in banks	3,868	77,694
Short-term deposits	77,920	265,031
	81,788	342,725

Cash in banks earn interest at prevailing bank deposit rates.

Short-term deposits as at December 31, 2023 have average maturities of 4 days (2022 - 4 days) and carry effective interest rates in 2023 of 3.50% to 5.50% (2022 - 1.25% to 5.50%).

Interest earned from cash and cash equivalents is disclosed in Note 7.

Cash and cash equivalents 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
Listed equity securities	980,425	1,076,858
Corporate debt securities	476,714	577,561
Government securities	442,552	202,546
	1,899,691	1,856,965

For the year ended December 31, 2023, dividends earned from investments in equity securities amount to P22,828 (2022 - P93,779; 2021 - P107,728). As of December 31, 2023, dividends receivable amount to P609 (2022 - P15,038) (Note 4).

Government securities and corporate debt securities as at December 31, 2023 have average terms of 0.18 to 18.91 years and 0.08 and 1.82 years (2022 - 1.19 to 12.97 years and 0.02 and 2.95 years) and carry effective interest rates of 2.375% to 8.125% and 2.9% to 6.64% (2022 - 2.375% to 8.125% and 2.81% to 6.64%), respectively.

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

	2023	2022
At January 1	1,856,965	10,792,226
Additions	434,053	4,159,118
Disposals	(423,847)	(11,966,296)
Fair value gains (losses), net	20,841	(1,070,254)
Other movements	11,679	(57,829)
At December 31	1,899,691	1,856,965

Proceeds from disposals of financial assets at FVTPL made for the year ended December 31, 2023 amount to P435,494 (2022 - P10,913,035). Realized gain on sale of financial assets at FVTPL in 2023 amounts to P11,647 [2022 - (P1,053,261); 2021 - (P61,852)] and is presented in the statement of total comprehensive income.

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

The composition of losses on/income from financial assets at FVTPL, net for the years ended December 31 are summarized as follows:

	2023	2022	2021
Interest income on financial assets at FVTPL	49,624	133,899	214,227
Other changes on financial assets at FVTPL			
Net realized fair value gains (losses)	11,647	(1,053,261)	(61,852)
Net unrealized fair value gains (losses)	20,841	(16,993)	(198,100)
	82,112	(936,355)	(45,725)

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

### 3.1 Breakdown of financial assets at fair value through profit or loss

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

2023			
(in absolute amounts)	Number of shares held	Cost	Market Value
SM Investments Corporation	178,110	148,690,752	155,311,920
SM Prime Holdings, Inc.	2,844,360	98,784,806	93,579,444
BDO Unibank, Inc.	700,740	73,161,775	91,446,570
Ayala Land, Inc.	2,414,205	69,230,357	83,169,362
Bank of the Philippine Islands	733,879	62,898,251	76,176,640
Ayala Corporation	109,715	75,894,999	74,715,915
Int'l Container Terminal Services, Inc.	284,620	53,039,400	70,244,216
Jollibee Foods Corporation	176,670	42,526,056	44,414,838
Metropolitan Bank & Trust Company	783,931	42,426,557	40,215,660
Universal Robina Corporation	330,000	45,526,108	39,006,000
Aboitiz Equity Ventures, Inc.	874,120	51,016,202	38,985,752
JG Summit Holdings, Inc.	890,401	44,103,115	33,968,798
Manila Electric Company "A"	83,930	26,581,191	33,488,070
PLDT, Inc.	24,490	31,499,869	31,322,710
Globe Telecom, Inc.	16,160	35,785,114	27,795,200
GT Capital Holdings, Inc.	33,873	15,108,726	19,985,070
Monde Nissin Corporation	1,594,200	23,063,122	13,359,396
AC Energy Corporation	1,315,530	9,208,710	5,762,021
Semirara Mining & Power Corporation	130,000	3,881,610	3,932,500
Wilcon Depot, Inc.	168,275	5,081,888	3,516,948
Century Pacific Food, Inc.	887	22,451	27,453
		957,531,059	980,424,483

2022			
(in absolute amounts)	Number of shares held	Cost	Market Value
SM Investments Corporation	190,110	158,708,657	171,099,000
SM Prime Holdings, Inc.	3,904,360	135,918,083	138,604,780
Bank of the Philippine Islands	1,071,473	100,064,048	109,290,246
BDO Unibank, Inc.	857,740	89,553,588	90,663,118
Ayala Corporation	127,635	88,291,101	88,706,325
Ayala Land, Inc.	2,859,205	81,991,290	88,063,514
Int'l Container Terminal Services, Inc.	413,340	77,026,582	82,668,000
Aboitiz Equity Ventures, Inc.	874,120	51,016,201	50,436,724
Universal Robina Corporation	360,000	49,664,846	48,960,000
Jollibee Foods Corporation	176,670	42,526,056	40,634,100
Metropolitan Bank & Trust Company	713,431	38,609,872	38,525,274
Globe Telecom, Inc.	17,000	37,645,231	37,060,000
GT Capital Holdings, Inc.	67,873	30,274,099	29,524,755
Wilcon Depot, Inc.	782,945	23,644,860	23,096,877
JG Summit Holdings, Inc.	433,001	21,917,593	21,779,950
Century Pacific Food, Inc.	426,887	10,805,044	11,013,685
Manila Electric Company "A"	22,530	6,537,902	6,731,964
		1,044,195,053	1,076,858,312

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

<i>In absolute amounts</i>		
As at December 31, 2023		
Description	Maturity Date	Market Value
<i>Government debt securities</i>		
FXTN 20-25 PIBD2042K253 8.125% DUE 24NOV2042	November 24, 2042	181,702,864
FXTN 10-68 PIBD1032F689 7.25% DUE 23JUN32	June 23, 2032	106,646,471
FXTN PIBD1032J701 7.5% DUE 20OCT2032	October 20, 2023	55,082,710
FXTN PIID0528B176 6.125% DUE 22AUG2028	August 22, 2028	50,792,455
GB R512 PHY6972HDG84 6.25% DUE ON 12MAR2024	March 12, 2024	9,124,416
FXTN 07-62 PHY6972HDE37 6.25% DUE ON 14FEB26	February 14, 2026	7,786,501
GB R3-11 PIID0324C115 2.375% DUE 09MAR2024	March 9, 2024	6,872,560
FXTN 20-17 PHY6972FPV67 8.00% DUE 19JULY31	July 19, 2031	5,260,269
GB R513 PIID0525H130 2.625% 12AUG2025	August 12, 2025	4,715,315
FXTN 25-8 PHY6972FNA49 8.125% DUE 16DEC2035	December 16, 2035	4,126,291
GB R25-1 PHY6972FRD42 DUE 6.125% 24OCT2037	October 24, 2037	3,657,704
FXTN 10-64 PIBD1029A644 6.875% DUE 10JAN2029	January 10, 2029	2,853,740
GB PIID0527C159 4.875% DUE 04MAR2027	March 4, 2027	2,100,592
FXTN1063 6.25% PHY6972HAJ50 DUE ON 22MAR28	March 22, 2028	920,745
GB R7-61 PHY6972HAL07 5.75% DUE ON 12APR2025	April 12, 2025	909,611
		442,552,244
Description	Maturity Date	Market Value
<i>Corporate debt securities</i>		
CB SMPH2025 6.0804% DUE ON 01MAR2025	March 1, 2025	151,588,350
CB BPI 2.8068% 31JAN2024	January 31, 2024	125,243,871
CB SMFBFXBD2025 5.05% DUE 10MAR25	March 10, 2025	117,842,604
CB BDO 2.9% 28JAN2024	January 28, 2024	33,334,289
CB ALI 4.75% DUE 25OCT2025	October 25, 2025	32,580,034
CB NLEX CORP 6.6407% DUE 04JUL2025	July 4, 2025	16,124,998
		476,714,146

*In absolute amounts*  
As at December 31, 2022

Description	Maturity Date	Market Value
<i>Government debt securities</i>		
FXTN 10-68 PIBD1032F689 7.25%	June 23, 2032	102,216,952
FXTN PIBD1032J701 7.5%	October 20, 2032	52,361,030
GB R512 PHY6972HDG84 6.25%	March 12, 2024	9,142,359
FXTN 7-62 PHY6972HDE37 6.25%	February 14, 2026	7,733,983
GB R3-11 PHY6972HJA50 2.375%	March 9, 2024	6,686,689
FXTN 2017 PHY6972FPV67 8.00%	July 19, 2031	5,111,820
GB R513 PIID0525H130 2.625%	August 12, 2025	4,589,023
FXTN 25-8 PHY6972FNA49 8.125%	December 16, 2035	3,800,818
GB R25-1 PHY6972FRD42 DUE 6.125%	October 24, 2037	3,301,693
FXTN 10-64 PIBD1029A644 6.875%	January 10, 2029	2,820,481
GB PIID0527C159 4.875%	March 4, 2027	2,051,688
FXTN 05-75 PHY6972HAF39 5.5%	March 8, 2023	916,407
FXTN1063 6.25% PHY6972HAJ50	March 22, 2028	907,424
GB R7-61 PHY6972HAL07 5.75%	April 12, 2025	905,492
		202,545,859
<i>Corporate debt securities</i>		
CB SMPH2025 6.0804%	March 1, 2025	198,846,400
CB BPI 2.8068%	January 31, 2024	121,467,621
CB SMFBFXBD2025 5.05%	March 10, 2025	118,036,354
CB CYBERZONE PROPERTIES INC 5.0496%	January 7, 2023	40,465,616
CB ALI 4.75%	October 25, 2025	32,304,396
CB BDO 2.9%	January 28, 2024	31,778,388
MANILA ELECTRIC COMPANY 20 4.8750%	December 12, 2025	18,626,458
CB NLEX CORP 6.6407%	July 4, 2025	16,035,686
		577,560,919

#### 4 Other financial assets at amortized cost

The account at December 31 consists of:

	2023	2022
Due from brokers	4,594	22,381
Others	5,524	20,632
	10,118	43,013

Others is composed of dividends receivable, interest receivable and due from affiliates.

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

#### 5 Accounts payable and accrued expenses

The account at December 31 consists of:

	2023	2022
Accounts payable	13,867	14,889
Accrued expenses	1,058	6,097
Due to brokers	-	154,452
	14,925	175,438

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.

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

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

In December 2015, the Fund further approved an additional increase in the Fund's authorized share capital of 329,662,808 at P1 par value per share, increasing the authorized capital from P603,315,664 to P932,978,472. On January 4, 2016, the Fund filed an application with the SEC for the increase in authorized share capital. As at January 1, 2020, the Fund has outstanding deposits for future subscriptions (DFFS) for 30,045,337 shares amounting to P510,272 classified as a separate line item in equity.

On various dates in 2021, DFFS were further received from investors for 16,602,859 shares amounting to P272,548 (2020 - 21,995,185 shares amounting to P345,116). The application for the increase in authorized share capital file on January 4, 2016, is yet to be approved by the SEC as of December 31, 2021.

The total DFFS is presented as a separate line item in equity. As of December 31, 2023, there is no outstanding DFFS (2022 - nil; 2021 - 68,643,381 shares amounting to P1,127,936).

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

	2023	2022	2021
Share capital - P1.00 par value			
Authorized - 603,315,664 shares			
Issued and outstanding	126,612	136,482	603,316
Share premium	367,553	509,291	6,993,794
Deposits for future subscriptions (DFFS)	-	-	1,127,936
Retained earnings	1,481,633	1,420,542	2,438,436
	1,975,798	2,066,315	11,163,482

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

	Note	2023	2022	2021
Issued and outstanding, January 1		136,482,460	603,315,664	603,315,664
Issuances of shares		1,584,507	12,513,677	16,599,311
Redemptions of shares and application of DFFS		(11,454,704)	(479,346,881)	(16,599,311)
Issued and outstanding, December 31	1	126,612,263	136,482,460	603,315,664

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

	2023		2022			2021	
	Share capital	Share premium	Share capital	Share premium	DFFS	Share capital	Share premium
At January 1	136,482	509,291	603,316	6,993,794	1,127,936	603,316	6,993,794
Issuance of shares	1,585	22,664	12,514	189,301	-	16,599	255,357
Redemptions of shares and application of DFFS	(11,455)	(164,402)	(479,348)	(6,673,804)	(1,127,936)	(16,599)	(255,357)
At December 31	126,612	367,553	136,482	509,291	-	603,316	6,993,794

The DFFS in the statement of financial position as at December 31, 2021 was applied to the related redemptions in 2022 amounting to P1,127,963.

As at December 31, 2023, the Fund has 7,840 shareholders (2022 - 8,220 shareholders).

The Fund computes its NAV per share by dividing the net assets attributable to shareholders, including deposits for future subscriptions 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 deposits for future subscriptions FFS. The total equity as shown in the statement of financial position represents the Fund's A based on Philippine Financial Reporting Standards FRS A.

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 of PHP)	2023	2022	2021
PFRS NAV	1,975.80	2,066.32	11,163.48
DFFS classified as liability	-	-	-
Recognition of transactions which were recorded subsequent to the close of the year	(5.33)	0.19	1.58
Trading NAV	1,970.47	2,066.51	11,165.06

Trading NAV per share at December 31 is computed as follows:

	2023	2022	2021
Trading NAV attributable to shareholders (in millions of PHP)	1,970.47	2,066.51	11,165.06
Number of shares outstanding (in millions), including shares for DFFS	126.6123	136.4825	671.9590
Trading NAV per share	15.56	15.14	16.62

PFRS NAV per share at December 31 is computed as follows:

	2023	2022	2021
PFRS NAV attributable to shareholders (in millions of PHP)	1,975.80	2,066.32	11,163.48
Number of shares outstanding (in millions), including shares for DFFS	126.6123	136.4825	671.9590
PFRS NAV per share	15.61	15.14	16.61

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 A.

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
Net income (loss) for the year	61,091	(1,017,894)	(207,776)
Weighted average number of shares outstanding during the year (in thousands)	131,423	443,419	664,525
Earnings (loss) per share	0.47	(2.30)	(0.31)

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
December 17, 2013	286,160,520	P1.00
August 1, 2008	117,155,144	P1.00
August 29, 1969	200,000,000	P1.00

## 7 Interest income

The interest earned from cash and cash equivalents as at December 31, 2023 amounting to P4,999 (2022 - P7,714; 2021 - P11,683). This is presented under interest income in the statement of total comprehensive income.

## 8 Fees and other charges

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

	Notes	2023	2022	2021
Registry and transfer charges	10	1,019	3,594	5,523
Administration fees	11	560	1,925	3,038
Fees to custodian bank		263	1,964	1,964
Professional fees		185	1,117	683
Directors' fees		-	400	400
Marketing fees		-	24	102
		2,027	9,024	11,710

Registry and transfer agent 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.

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.

Fees to custodian bank pertain to amounts paid to a custodian bank for the safekeeping of the securities, arranging settlement of any purchases and sales and collecting information on and income from such assets.

Professional fees pertain to amounts paid to third party service providers. Directors' fees pertain to per diem of the directors of the Fund.



## 9 Income tax

Income tax expense mainly represents final tax withheld on interest earned from government securities and cash and cash equivalents.

Details of the Fund's net operating loss carry over C which is available for offset against future taxable income follow:

Year of incurrence	Year of expiration	2023	2022	2021
2023	2026	37,922	-	-
2022	2025	150,114	150,114	-
2021	2026	231,773	231,773	231,773
2020	2025	223,416	223,416	223,416
2019	2022	-	264,225	264,225
		643,225	869,528	719,414
Expired NOLCO		-	(264,225)	-
		643,225	605,303	719,414
Income tax rate		25%	25%	25%
Unrecognized DIT asset		160,806	151,326	179,854

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 the benefit from NOLCO can be utilized.

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 the 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 effect of:			
NOLCO not recognized	52.66%	15.16%	139.56%
Interest income subject to final tax	(6.94%)	(0.78%)	(7.03%)
Income exempt from tax	(31.70%)	(9.47%)	(64.87%)
(Non-taxable gains) non-deductible expense	(23.85%)	22.91%	(17.55%)
Effective income tax rate	15.17%	2.82%	25.11%

## 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. A I 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 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 BIMi. Hence, on effective date, the management, distribution, and transfer agency functions were performed by BIMi over the Fund.

On April 1, 2023, BIMi 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 BIMi.

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
<b>Fund Manager</b>			
Management fees			
December 31, 2023	40,755	2,903	- Management fee is computed as 2.0 per year of the Fund's A determined on a daily basis. - Outstanding balance is unguaranteed, unsecured and non-interest bearing; settled in cash at gross amount within the following month
December 31, 2022	143,744	3,038	
December 31, 2021	223,792	14,839	
<b>Transfer agent / Distributor</b>			
Registry and transfer fees			
December 31, 2023	1,019	17	- Registry and transfer fee is computed as one-twentieth (1/20) of one percent per year of the Fund's A determined on a daily basis - Outstanding balance is unguaranteed, unsecured and non-interest bearing; payable in cash at gross amount within the following month
December 31, 2022	3,594	13	
December 31, 2021	5,523	18	

## 11 Fund accounting services

On July 1, 2008, the Fund and Deutsche Bank entered into a fund accounting agreement wherein Deutsche Bank 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, Deutsche Bank shall be entitled to an administration fee equivalent to 0.0275% per annum based on the NAV of the Fund.

Administration fees for the year ended December 31, 2023 amount to P560 (2022 - P1,925; 2021 - P3,038) and is included under Fees and other charges in the statement of total comprehensive income (Note 8). As at December 31, 2023, administration fees payable to Deutsche Bank included in Accounts payable and accrued expenses amount to P47 (2022 - P49) (Note 5).

## 12 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.

### 12.1 Critical accounting judgments

#### *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 9)*

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.

## **13 Capital and financial risk management**

### **13.1 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 Board 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 specific reporting requirements.

### **13.2 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, minimum required capitalization for funds amounts to \$100 million. 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 statement of financial position). As at December 31, 2023, the net assets attributable to shareholders amount to P1,975,798 (2022 - P2,066,315) (Note 6).

### **13.3 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 13.5 - Credit risk).

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

### 13.4 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 through profit or loss as at December 31:

2023	Level 1	Level 2	Level 3	Total
Listed equity securities	980,425	-	-	980,425
Government securities	2,101	440,451	-	442,552
Corporate debt securities	-	476,714	-	476,714
	982,526	917,165	-	1,899,691

2022	Level 1	Level 2	Level 3	Total
Listed equity securities	1,076,858	-	-	1,076,858
Government securities	4,589	197,957	-	202,546
Corporate debt securities	-	577,561	-	577,561
	1,081,447	775,518	-	1,856,965

There are no other assets or liabilities measured at fair value or that would require disclosure of fair value hierarchy as at December 31, 2023 and 2022.

### 13.5 Financial risk

The Fund's equity portfolio shall include securities listed in the primary board of the Philippine Stock Exchange (PSE). However, the Fund may also invest in 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 total investments of the Fund. Furthermore, a maximum of twenty percent (20%) of the Fund may be invested in foreign securities with positive track record of at least three consecutive years.

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

For defensive purposes, the Fund may invest in SEC-registered debt papers or other certificate of indebtedness/obligations, issuers of whom had been determined as financially sound and approved by the Investment Committee of the Fund manager.

The Fund may also trade in medium to long-term government securities (5-year to 20-year notes, bonds and other certificates of indebtedness) issued by the Philippine Government.

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

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 rate and equity securities, 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 Accepted 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
Cash and cash equivalents	81,788	342,725
Financial assets at FVTPL	1,899,691	780,107
Other financial assets at amortized cost	10,118	43,013
	1,991,597	1,165,845

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

*(a) Cash and cash equivalents*

The Fund's cash in banks and short-term deposits are with a highly reputable universal bank in the Philippines with an equivalent credit rating of Baa1 by Moody's.

*(b) Financial asset at FVTPL*

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

*(c) Other financial asset at amortised cost*

Due from brokers arise from sale of investments in equity securities during the last three (3) trading days of the reporting period and are usually settled three (3) days after trade date. The Fund's brokers are registered trading participants of the PSE.

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

Interest receivable is from interest income earned but not yet received as at year-end.

*(d) Other assets*

Other assets comprised of receivables from third-party of which are expected to be collected the next 12 months.

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 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 in foreign exchange rates.

The Fund holds no investment in and does not plan to invest in foreign securities. However, SEC allows mutual fund companies to invest up to 100% of its net assets in foreign securities subject to safety nets and standards set by the SEC.

The transactions of the Fund are mainly carried out in its functional currency (Philippine Peso). Accordingly, the currency risk is minimal.

	Change in interest rate	Impact on pre-tax profit Increase (decrease)
December 31, 2023	+1%	(34,540)
	-1%	38,451
December 31, 2022	+1%	(14,928)
	-1%	15,635
December 31, 2021	+1%	(221,310)
	-1%	242,523

#### *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	Range of rates	Up to a year	1-5 years	Over 5 years	No term	Total
Financial assets at FVTPL						
Government securities	2.375% - 8.125%	15,957	69,427	354,103	-	439,487
Corporate debt securities	2.807% - 6.641%	157,815	314,179	-	-	471,994
		173,772	383,606	354,103	-	911,481

December 31, 2022	Range of rates	Up to a year	1-5 years	Over 5 years	No term	Total
Financial assets at FVTPL						
Government securities	2.375% - 8.125%	916	31,109	170,521	-	202,546
Corporate debt securities	2.807% - 6.641%	40,466	537,095	-	-	577,561
		41,382	568,204	170,521	-	780,107

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.

As at December 31, 2023 and 2022, the Fund determines the reasonable 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 carried at FVTPL.

The Fund is exposed to price risk primarily in respect of its investments in equities listed in the PSE which are classified as financial assets at FVTPL.

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.

As at December 31, 2023, the investments amount to P980,425 (2022 - P1,076,858).



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

	Change in PSE index	Impact on pre-tax profit
December 31, 2023	+/-1.77%	+/-17,372
December 31, 2022	+/-3.45%	+/-37,204

## 14 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.

### 14.1 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 (FSRSC) 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 Philippine peso.

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 12.

### 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 'AS', 'Presentation of Financial Statements', and 'FRS 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 and have a material effect on the financial statement of the Fund.

## 14.2 Financial instruments

### 14.2.1 Classification and subsequent measurement

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

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

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 applicable 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.

The Fund's financial assets at amortized cost include cash and cash equivalents, other financial assets at amortized cost, and other assets.

- 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 debt instruments classified as financial assets at FVTPL are investments in government securities and corporate debt 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 FVTPL.

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 and none occurred during the period.

#### *14.2.2 Impairment*

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets 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.

#### *14.2.3 Cash and cash equivalents*

Short-term deposits of the Fund pertain to highly liquid investments with original maturities of three months or less from the date of acquisition and which are subject to insignificant changes in value.

#### *14.2.4 Classification and measurement of financial liabilities*

The Fund classifies its financial liabilities 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.

### 14.3 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 Fund 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 A 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.

#### *Deposits for future subscriptions*

Deposits for future subscriptions represent funds received by the Fund with a view to applying the same as payment for a future additional issuance of shares either from its authorized but unissued shares, from a proposed increase in authorized share capital, or as share premium. Upon application with the SEC, the amount will be credited to equity while upon the SEC's approval, the amount is transferred to Share capital for the par value of the shares and Share premium for the amount in excess of the par value.

Based on Financial Reporting Bulletin (FRB) No.006 revised on January 6, 2022, the Fund shall classify a contract to deliver its own equity instruments under equity as a separate account (e.g., DFFS) if and only if, all of the following are present at the end of the reporting period:

- (a) The unissued authorized share capital is insufficient to cover the amount of shares indicated in the contract;
- (b) There is \_\_\_\_\_'s approval on the proposed increase in authorized share capital (ACS) (for which a deposit was received);
- (c) There is stockholders' approval of said proposed increase and
- (d) The application for the approval of the proposed increase has been proposed for filing or has been filed with the SEC.

If the criteria above are not met, the DFFS will be presented as liabilities in the statement of financial position.

To deter abuse of the Rule, it is expected that the approval of the application to increase ACS be obtained within one (1) year from the date the said application was presented to the Commission through Company Registration and Monitoring Department.

Following the issuance of SEC Memorandum Circular No. 33, series of 2020, which took effect on December 20, 2020, an investment company is no longer required to comply with the minimum subscribed and paid-up capital relative to the increase in its authorized capital stock. Thus, an investment company is no longer allowed to accept any DFFS starting December 20, 2020.

Any DFFS recognized as equity in the financial statements are still acceptable provided that all the elements above are present as of the end of the reporting period and the application for an increase in authorized capital stock has been filed with the Commission prior to December 20, 2020.

#### **14.4 Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the profit attributable to shareholders of the Fund by the weighted average number of shares outstanding and shares covered by DFFS during the year.

#### **14.5 Current and deferred income 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 or MCIT) to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized.

#### **14.6 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 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 thousands of Philippine Peso.

#### *(i) All other local and national taxes*

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

	Paid	Accrued	Total
unicipal taxes mayor's permit	353	-	353
Documentary stamp tax	16	1	17
Community tax	11	-	11
	380	1	381

Accrued documentary stamp tax as at December 31, 2023 is included under accounts payable and accrued expenses in the statement of financial position.

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	5,417	479	5,896

Accrued expanded withholding tax as at December 31, 2023 is included under accounts payable and accrued expenses in the statement of financial position.

Other assets as at December 31, 2023 includes creditable withholding taxes amounting to P2,027,200.

(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.

**Philam 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)

<b>Unappropriated Retained Earnings, beginning of the year/period</b>		1,420,542
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)	-	-
<b>Unappropriated Retained Earnings, as adjusted</b>		1,420,542
Add/Less: Net Income (loss) for the current year/period		61,091
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)</b>		
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)	15,631	
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)	-	15,631

**Philam 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)

<b>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)</b>		-
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)	-	-
<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>		-
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)	-	-
<b>Adjusted net income/loss</b>		<b>45,460</b>
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
<b>Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP</b>		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-



**Philam 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

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

<b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</b>		
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	-	-
<b>Total Retained Earnings, end of the year/period available for dividend declaration</b>		<b>1,466,002</b>

**Philam Fund, Inc.**  
**Schedule A - Financial Assets**  
**December 31, 2023**  
**(All amounts in Philippine Peso)**

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 at end of Reporting Period	Income received and accrued
<b>Cash and cash equivalents</b>				
<i>Cash in banks</i>	3,867,912	3,867,912	3,867,912	-
<i>Time deposits</i>				
BPI TIME DEPOSIT PHP	42,920,000	42,920,000	42,920,000	-
RCBC TIME DEPOSIT	35,000,000	35,000,000	35,000,000	-
<b>Total cash and cash equivalents</b>	<b>81,787,912</b>	<b>81,787,912</b>	<b>81,787,912</b>	<b>-</b>
<b>Financial assets at fair value through profit or loss</b>				
<i>Equities</i>				
SM Investments Corporation	178,110	155,311,920	155,311,920	-
SM Prime Holdings, Inc.	2,844,360	93,579,444	93,579,444	-
BDO Unibank, Inc.	700,740	91,446,570	91,446,570	-
Ayala Land, Inc.	2,414,205	83,169,362	83,169,362	-
Bank of the Philippine Islands	733,879	76,176,640	76,176,640	-
Ayala Corporation	109,715	74,715,915	74,715,915	-
Int'l Container Terminal Services, Inc.	284,620	70,244,216	70,244,216	-
Jollibee Foods Corporation	176,670	44,414,838	44,414,838	-
Metropolitan Bank & Trust Company	783,931	40,215,660	40,215,660	-
Universal Robina Corporation	330,000	39,006,000	39,006,000	-
Aboitiz Equity Ventures, Inc.	874,120	38,985,752	38,985,752	-
JG Summit Holdings, Inc.	890,401	33,968,798	33,968,798	-
Manila Electric Company "A"	83,930	33,488,070	33,488,070	-
PLDT, Inc.	24,490	31,322,710	31,322,710	-
Globe Telecom, Inc.	16,160	27,795,200	27,795,200	-
GT Capital Holdings, Inc.	33,873	19,985,070	19,985,070	-
Monde Nissin Corporation	1,594,200	13,359,396	13,359,396	-
AC Energy Corporation	1,315,530	5,762,021	5,762,021	-
Semirara Mining & Power Corporation	130,000	3,932,500	3,932,500	-
Wilcon Depot, Inc.	168,275	3,516,948	3,516,948	-
Century Pacific Food, Inc.	887	27,453	27,453	-
	13,688,096	980,424,483	980,424,483	-
<i>Government Securities</i>				
FXTN 20-25 PIBD2042K253 8.125% DUE 24NOV2042	180,450,260	181,702,864	180,450,260	1,252,604
FXTN 10-68 PIBD1032F689 7.25% DUE 23JUN32	106,485,360	106,646,471	106,485,360	161,111
FXTN PIBD1032J701 7.5% DUE 20OCT2032	54,343,127	55,082,710	54,343,127	739,583
FXTN PIID0528B176 6.125% DUE 22AUG2028	50,460,685	50,792,456	50,460,685	331,771
GB R512 PHY6972HDG84 6.25% DUE ON 12MAR2024	9,094,431	9,124,415	9,094,431	29,984
FXTN 07-62 PHY6972HDE37 6.25% DUE ON 14FEB26	7,606,450	7,786,500	7,606,450	180,050
GB R3-11 PIID0324C115 2.375% DUE 09MAR2024	6,862,546	6,872,561	6,862,546	10,015
FXTN 20-17 PHY6972FPV67 8.00% DUE 19JULY31	5,093,229	5,260,269	5,093,229	167,040
GB R513 PIID0525H130 2.625% 12AUG2025	4,697,808	4,715,315	4,697,808	17,507
FXTN 25-8 PHY6972FNA49 8.125% DUE 16DEC2035	4,114,205	4,126,291	4,114,205	12,086
GB R25-1 PHY6972FRD42 DUE 6.125% 24OCT2037	3,617,009	3,657,704	3,617,008	40,696
FXTN 10-64 PIBD1029A644 6.875% DUE 10JAN2029	2,766,221	2,853,740	2,766,221	87,519
GB PIID0527C159 4.875% DUE 04MAR2027	2,092,768	2,100,592	2,092,768	7,824
FXTN1063 6.25% PHY6972HAJ50 DUE ON 22MAR28	905,276	920,745	905,276	15,469
GB R7-61 PHY6972HAL07 5.75% DUE ON 12APR2025	898,255	909,611	898,255	11,356
	439,487,627	442,552,244	439,487,629	3,064,615
<i>Corporate Securities</i>				
CB SMPH2025 6.0804% DUE ON 01MAR2025	148,548,150	151,588,350	148,548,150	3,040,203
CB BPI 2.8068% 31JAN2024	124,649,375	125,243,871	124,649,375	594,496
CB SMFBFXBD2025 5.05% DUE 10MAR25	117,474,375	117,842,604	117,474,375	368,229
CB BDO 2.9% 28JAN2024	33,165,545	33,334,289	33,165,545	168,744
CB ALI 4.75% DUE 25OCT2025	32,288,305	32,580,034	32,288,305	291,729
CB NLEX CORP 6.6407% DUE 04JUL2025	15,868,224	16,124,998	15,868,224	256,771
	471,993,974	476,714,146	471,993,974	4,720,172
<b>Total financial assets at fair value through profit or loss</b>	<b>925,169,700</b>	<b>1,899,690,873</b>	<b>1,891,906,086</b>	<b>7,784,787</b>
<b>Other financial assets at amortized cost</b>	<b>10,118</b>	<b>10,118</b>	<b>10,118</b>	<b>-</b>
<b>Other assets, excluding CWT</b>	<b>2,029</b>	<b>2,029</b>	<b>2,029</b>	<b>-</b>
<b>Total(s)</b>		<b>1,981,490,932</b>	<b>1,973,706,145</b>	<b>7,784,787</b>

**Philam 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					

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							

**Philam Fund, Inc.**  
Schedule D - Long-Term Debt  
As at 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		

**Philam Fund, Inc.**  
Schedule E - Indebtedness to Related Parties  
As at December 31, 2023

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

**Philam 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				

**Philam 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	603,315,664	126,612,263	-	-	6	126,612,257



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

NAME OF CORPORATION: PHILAM FUND, INC.

CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City

TEL. NO.: 521-6300

FAX NO.: \_\_\_\_\_

COMPANY TYPE : 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 P'000 )	2022 ( in P'000 )
<b>A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)</b>	<b>1,993,626</b>	<b>2,244,804</b>
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	1,981,479	2,199,690
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	81,788	342,725
A.1.1.1 On hand		
A.1.1.2 In domestic banks/entities	81,788	342,725
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 Interest Receivable		
A.1.2.1.3.2 Dividend Receivable		
A.1.2.1.4 Allowance for doubtful accounts <i>(negative entry)</i>		
A.1.2.2 Due from foreign entities, specify (A.1.3.2.1 + A.1.3.2.2 + A.1.3.2.3 + A.1.3.2.4)		
A.1.2.2.1		
A.1.2.2.2		
A.1.2.2.3		
A.1.2.2.4 Allowance for doubtful accounts <i>(negative entry)</i>		
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)	1,899,691	1,856,965
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	-	202,546
A.1.4.1.2 Public Financial Institutions	980,425	1,076,858
A.1.4.1.3 Public Non-Financial Institutions		
A.1.4.1.4 Private Financial Institutions	476,714	-
A.1.4.1.5 Private Non-Financial Institutions	442,552	577,561
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: PHILAM FUND, INC.

CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City Taguig

TEL. NO.: 521-6300

FAX NO.: \_\_\_\_\_

COMPANY TYPE : 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 P'000 )	2022 ( in P'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)		
A.1.4.5.1 Financial Assets at fair value through profit or loss		
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)	10,118	43,013
A.1.5.1 Investment securities at amortized cost	-	-
A.1.5.2 Other financial assets at amortized cost	10,118	43,013
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.2.6.1		
A.2.6.2		
A.2.6.3		
A.2.6.4		
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.3.1 Equity in domestic subsidiaries/affiliates		
A.3.2 Equity in foreign branches/subsidiaries/affiliates		
A.3.3 Others, specify (A.3.1.1 + A.3.2.1 + A.3.3.1 + A.3.3.4)		
A.3.3.1		
A.3.3.2		
A.3.3.3		
A.3.3.4		
A.4 Investment Property		
A.5 Biological Assets		
A.6 Intangible Assets (A.6.1 + A.6.2)		
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2 + A.6.1.3 + A.6.1.4)		
A.6.1.1		
A.6.1.2		
A.6.1.3		
A.6.1.4		
A.6.2 Others, specify (A.6.2.1 + A.6.2.2 + A.6.2.3 + A.6.2.4)		
A.6.2.1		
A.6.2.2		
A.6.2.3		
A.6.2.4		
A.7 Assets Classified as Held for Sale		
A.8 Assets included in Disposal Groups Classified as Held for Sale		

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

NAME OF CORPORATION: PHILAM FUND, INC.  
CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City Taguig  
TEL. NO.: 521-6300 FAX NO.: \_\_\_\_\_  
COMPANY TYPE : Mutual Fund PSIC: \_\_\_\_\_

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

**Table 1. Balance Sheet**

<b>FINANCIAL DATA</b>	<b>2023 ( in P'000 )</b>	<b>2022 ( in P'000 )</b>
<b>A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)</b>		
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3 + A.9.1.4)		
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.1.4		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3 + A.9.2.4)		
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.2.4		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
<b>A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)</b>	<b>2,029</b>	<b>2,101</b>
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax		
A.10.3 Advance/Miscellaneous deposits	2,029	2,101
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4)		
A.10.4.1		
A.10.4.2		
A.10.4.3		
A.10.4.4		
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)		
<b>B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)</b>	<b>17,828</b>	<b>178,489</b>
<b>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)</b>	<b>17,828</b>	<b>178,489</b>
B.1.1 Trade and Other Payables to Domestic Entities		
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	13,867	14,899
B.1.1.3 Payables to Related Parties, specify (B.1.1.3.1 + B.1.1.3.2 + B.1.1.3.3)		
B.1.1.3.1 Due To Philam Asset Management, Inc.	2,903	3,051
B.1.1.3.2		
B.1.1.3.3		
B.1.1.4 Others, specify (B.1.1.4.1 + B.1.1.4.2 + B.1.1.4.3)		
B.1.1.4.1 Accrued Expenses	1,058	6,095
B.1.1.4.2 Due to Brokers	-	154,453
B.1.1.4.3		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1+B.1.2.2+B.1.2.3+B.1.2.4)		
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.2.4		
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.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.5 Liabilities for Current Tax		
B.1.6 Deferred Tax Liabilities		
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 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 + B.1.7.6.4)		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		
B.1.7.6.4		

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

NAME OF CORPORATION: PHILAM FUND, INC.

CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City Taguig

TEL. NO.: 521-6300

FAX NO.: \_\_\_\_\_

COMPANY TYPE: 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 P'000 )	2022 ( in P'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 Income Tax			
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4)			
B.5.2.1			
B.5.2.2			
B.5.2.3			
B.5.2.4			
<b>C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)</b>		<b>1,975,798</b>	<b>2,066,315</b>
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)			
C.1.1 Common shares	(603,315,664 shares in 2023 and 2022)	603,316	603,316
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)		126,612	136,482
C.2.1 Common shares	(126,612,263 shares in 2023 and 136,482,460 in 2022)	126,612	136,482
C.2.2 Preferred Shares			
C.2.3 Others			
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)		126,612	136,482
C.3.1 Common shares	(126,612,263 shares in 2023 and 136,482,460 in 2022)	126,612	136,482
C.3.2 Preferred Shares			
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		367,553	509,291
C.5 Minority Interest			
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4 + C.6.5)		-	-
C.6.1 Deposit for future stock subscriptions		-	-
C.6.2 Reserve for fluctuation on available-for-sale-financial assets			
C.6.3			
C.6.4			
C.6.5			
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus			
C.8 Retained Earnings (C.8.1 + C.8.2)		1,481,633	1,420,542
C.8.1 Appropriated			
C.8.2 Unappropriated		1,481,633	1,420,542
C.9 Head / Home Office Account (for Foreign Branches only)			
C.10 Cost of Stocks Held in Treasury (negative entry)			
<b>D. TOTAL LIABILITIES AND EQUITY (B + C)</b>		<b>1,993,626</b>	<b>2,244,804</b>

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

NAME OF CORPORATION: PHILAM FUND, INC.  
CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City Taguig  
TEL. NO.: 521-6300 FAX NO.: \_\_\_\_\_  
COMPANY TYPE : 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 P'000 )	2022 ( in P'000 )	2021 ( in P'000 )
<b>A. REVENUE / INCOME (A.1 + A.2 + A.3)</b>	<b>109,939</b>	<b>101,493</b>	<b>119,411</b>
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)	109,939	101,493	119,411
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)			
A.3.5.1 Fair value gains	-	-	-
A.3.5.2 Interest income	4,999	7,714	11,683
A.3.5.3 Dividend income	22,828	93,779	107,728
A.3.5.4 Income from financial assets at fair value through profit or	82,112	-	-
A.3.5.5 Foreign Exchange gains			
A.3.5.6			
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 Miscellaneous	-	-	-
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>B. COST OF GOODS SOLD (B.1 + B.2 + B.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>
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)			
<b>C. COST OF SALES (C.1 + C.2 + C.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>
C.1 Purchases			
C.2 Merchandise Inventory, Beginning			
C.3 Merchandise Inventory, End (negative entry)			
<b>D. GROSS PROFIT (A - B - C)</b>	<b>109,939</b>	<b>101,493</b>	<b>119,411</b>

**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: PHILAM FUND, INC.  
CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City Taguig  
TEL. NO.: 521-6300 FAX NO.: \_\_\_\_\_  
COMPANY TYPE : 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 P'000 )	2022 ( in P'000 )	2021 ( in P'000 )
<b>E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)</b>	<b>37,924</b>	<b>1,091,430</b>	<b>285,487</b>
E.1 Selling or Marketing Expenses			
E.2 Administrative Expenses			
E.3 General Expenses			
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 Management fees	40,755	143,744	223,792
E.4.2 Fees and other charges	2,027	9,024	11,710
E.4.3 Taxes and licenses	402	1,473	1,251
E.4.4 Fair value losses, net			
E.4.5 Forex exchange Loss, net			
E.4.6 Outperformance fee			
E.4.7 Miscellaneous	(5,260)	834	3,009
E.4.8 Losses from financial assets at fair value through profit or loss, net	-	936,355	45,725
E.4.9			
<b>F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)</b>			
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			
<b>G. NET INCOME (LOSS) BEFORE TAX (D - E - F)</b>	<b>72,015</b>	<b>(989,937)</b>	<b>(166,076)</b>
<b>H. INCOME TAX EXPENSE (negative entry)</b>	<b>10,924</b>	<b>27,957</b>	<b>41,700</b>
<b>I. INCOME(LOSS) AFTER TAX</b>	<b>61,091</b>	<b>(1,017,894)</b>	<b>(207,776)</b>
<b>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)</b>			
J.1 Other Comprehensive Income			
J.2			
<b>K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST</b>			
<b>L. PROFIT OR LOSS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>61,091</b>	<b>(1,017,894)</b>	<b>(207,776)</b>
<b>M. EARNINGS (LOSS) PER SHARE</b>	<b>0.4700</b>	<b>(2.3000)</b>	<b>(0.3100)</b>
M.1 Basic	0.4700	(2.3000)	(0.3100)
M.2 Diluted			

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

NAME OF CORPORATION: PHILAM FUND, INC.

CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City Taguig

TEL. NO.: 521-6300

FAX NO.: \_\_\_\_\_

COMPANY TYPE 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 P'000 )	2022 ( in P'000 )	2021 ( in P'000 )
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Income (Loss) Before Tax and Extraordinary Items	72,015	(989,937)	(166,076)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation			
Amortization, specify: Premium amortization on Available-for-sale securities			-
Others, specify: (Income) losses from financial assets at fair value through profit or loss	-	936,355	45,725
Unrealized forex value (gains) losses			-
Interest Income	(4,999)	(7,714)	(11,683)
Dividend Income	(22,828)	(93,779)	(107,728)
Write-down of Property, Plant, and Equipment			
Changes in Assets and Liabilities:			
Decrease (Increase) in:			
Receivables			
Inventories			
Other Current Assets			
Others, specify: Financial assets at fair value through profit or loss	(42,726)	7,998,906	(316,584)
Available-for-sale financial assets			-
Loans and receivables			-
Other assets			-
Other financial assets at amortized cost	52,139	(18,766)	35,780
Investment securities at amortized cost	72	(164)	(79)
Accrued income			
Increase (Decrease) in:			
Trade and Other Payables	(160,513)	122,369	27,358
Income and Other Taxes Payable			
Others, specify: Due to Philam Asset Management, Inc.	(148)	(11,806)	(1,913)
Interest Received	95	7,814	11,683
Dividend Received	8,488	80,959	107,673
Income taxes paid	(10,924)	(27,957)	(41,700)
<b>A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)</b>	<b>(109,329)</b>	<b>7,996,280</b>	<b>(417,544)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of:			
Financial assets at fair value through profit or loss			
Available-for-sale securities			
Proceeds from disposal of:			
Financial assets at fair value through profit or loss			
Available-for-sale securities			
<b>B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)</b>			-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from:			
Loans			
Long-term Debt			
Issuance of Securities	24,249	201,815	271,956
Others, specify: Proceeds from deposit for share subscriptions			
Payments of:			
(Loans)			
(Long-term Debt)			
(Payments for shares redeemed)	-	(8,281,088)	(271,956)
Others, specify (negative entry): Proceeds from deposit for share subscriptions	(175,857)	-	272,548
<b>C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)</b>	<b>(151,608)</b>	<b>(8,079,273)</b>	<b>272,548</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(260,937)</b>	<b>(82,993)</b>	<b>(144,996)</b>
Cash and Cash Equivalents			
Beginning of year	342,725	425,718	570,714
Effect of exchange rate changes on cash and cash equivalents			
End of year	81,788	342,725	425,718

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: PHILAM FUND, INC.  
CURRENT ADDRESS: 17F, Philam Life Head Office, Net Lima Building, 5th Avenue Corner 26th Street, Bonifacio Global City Taguig  
TEL. NO.: 521-6300 FAX NO.: \_\_\_\_\_  
COMPANY TYPE: 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 P'000)					TOTAL
	Capital Stock	Additional Paid-in Capital	Deposit for Future Stock	Reserve for fluctuation on available-for-sale	Retained Earnings	
<b>A. Balance, 2021</b>	603,316	6,993,794	1,127,936	-	2,438,436	11,163,482
A.1 Correction of Error(s)						-
A.2 Changes in Accounting Policy						-
<b>B. Restated Balance</b>						-
<b>C. Surplus</b>						-
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						-
<b>D. Net Income (Loss) for the Period</b>					(1,017,894)	(1,017,894)
<b>E. Dividends (negative entry)</b>						-
<b>F. Appropriation for (specify)</b>						-
F.1						-
F.2						-
F.3						-
F.4						-
F.5						-
<b>G. Issuance of Capital Stock</b>						-
G.1 Issuance of Shares	12,514	189,301		-	-	201,815
G.2 Redemption of Shares	(479,348)	(6,673,804)				(8,281,088)
G.3 Deposits for Future Subscriptions			(1,127,936)	-	-	-
<b>H. Balance, 2022</b>	136,482	509,291	-	-	1,420,542	2,066,315
H.1 Correction of Error (s)						-
H.2 Changes in Accounting Policy						-
<b>I. Restated Balance</b>						-
<b>J. Surplus</b>						-
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						-
<b>K. Net Income (Loss) for the Period</b>					61,091	61,091
<b>L. Dividends (negative entry)</b>						-
<b>M. Appropriation for (specify)</b>						-
M.1						-
M.2						-
M.3						-
M.4						-
M.5						-
<b>N. Issuance of Capital Stock</b>						-
N.1 Issuance of Shares	1,585	22,664	-	-	-	24,249
N.2 Redemption of Shares	(11,455)	(164,402)				(175,857)
N.3 Deposits for Future Subscriptions				-	-	-
<b>O. Balance, 2023</b>	126,612	367,553	-	-	1,481,633	1,975,798

**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	61,091	(1,017,894)	(207,776)
<b>Total Recognized Gains (Losses) (A + B + C + D + E)</b>	61,091	(1,017,894)	(207,776)
Effect of Changes in Accounting Policy			

**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.



<b>PHILAM FUND, INC</b> <b>ATTACHMENT TO FINANCIAL STATEMENTS</b> <i>(All amounts in thousands of Philippine Peso)</i>						
TOTAL ASSETS-January 1 to December 31, 2023			1,993,626			
NET ASSET VALUE-January 1 to December 31, 2023			1,975,798			
SECURITY NAME	MARKET VALUE	PERCENTAGE TO NET ASSET VALUE	PERCENTAGE TO TOTAL ASSETS	NO. OF SHARES	OUTSTANDING SECURITIES OF AN INVESTEE CO.	PERCENTAGE TO OUTSTANDING SECURITIES OF AN INVESTEE CO.
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>						
<b>LISTED EQUITY SECURITIES</b>						
BDO UNIBANK, INC. - Common Shares	91,447	4.63%	4.59%	1	682,779,107	0.01%
BANK OF THE PHIL ISLANDS - Common Shares	76,177	3.86%	3.82%	734	545,379,173	0.01%
METROPOLITAN BANK & TRUST COMPANY - Common Shares	40,216	2.04%	2.02%	784	240,611,732	0.02%
AYALA CORPORATION - Common Shares	74,716	3.78%	3.75%	110	439,753,368	0.02%
ABOITIZ EQUITY VENTURES, INC. - Common Shares	38,986	1.97%	1.96%	874	277,898,406	0.01%
GT CAPITAL HOLDINGS, INC. - Common Shares	19,985	1.01%	1.00%	34	129,601,321	0.02%
JG SUMMIT HOLDINGS, INC. - Common Shares	33,969	1.72%	1.70%	890	304,599,838	0.01%
SM INVESTMENTS CORPORATION - Common Shares	155,312	7.86%	7.79%	178	1,085,767,754	0.01%
AC Energy Corporation - Common Shares	5,762	0.29%	0.29%	1,316	169,819,250	0.00%
MANILA ELECTRIC COMPANY "A" - Common Shares	33,488	1.69%	1.68%	84	440,695,594	0.01%
CENTURY PACIFIC FOOD, INC.	27	0.00%	0.00%	1	108,570,226	0.00%
JOLLIBEE FOODS CORPORATION - Common Shares	44,415	2.25%	2.23%	177	283,113,571	0.02%
Monde Nissin Corporation - Common Shares	13,359	0.68%	0.67%	1,594	155,608,176	0.01%
UNIVERSAL ROBINA CORPORATION - Common Shares	39,006	1.97%	1.96%	330	265,210,118	0.01%
SEMIRARA MINING & POWER CORPORATION. - Common	3,933	0.20%	0.20%	130	127,303,901	0.00%
AYALA LAND, INC. - Common Shares	83,169	4.21%	4.17%	2,414	514,010,845	0.02%
SM PRIME HOLDINGS, INC.- Common Shares	93,579	4.74%	4.69%	2,844	971,786,147	0.01%
Wilson Depot, Inc.	3,517	0.18%	0.18%	16	95,113,599	0.00%
GLOBE TELECOM, INC. - Common Shares	27,795	1.41%	1.39%	16	248,605,885	0.01%
PLDT COMPANY - Common Shares	31,323	1.59%	1.57%	24	275,687,169	0.01%
INTL CONTAINER TRMNL SRVCS, INC. - Common Shares	70,244	3.56%	3.52%	285	504,745,969	0.01%
<b>TOTAL LISTED EQUITY SECURITIES</b>	<b>980,424</b>					
<b>GOVERNMENT SECURITIES</b>						
FXTN 07-62 PHY6972HDE37 6.25% DUE ON 14FEB26	7,787	0.39%	0.39%	7,570	232,791,000	0.00%
FXTN 10-64 PIBD1029A644 6.875% DUE 10JAN2029	2,854	0.14%	0.14%	2,680	355,000,000	0.00%
GB R7-61 PHY6972HAL07 5.75% DUE ON 12APR2025	910	0.05%	0.05%	900	96,513,000	0.00%
FXTN 20-17 PHY6972FPV67 8.00% DUE 19JULY31	5,260	0.27%	0.26%	4,640	255,837,150	0.00%
FXTN 10-68 PIBD1032F689 7.25% DUE 23JUN32	106,646	5.40%	5.35%	100,000	139,892,000	0.07%
FXTN PIBD1032J701 7.5% DUE 20OCT2032	55,083	2.79%	2.76%	50,000	35,000,000	0.14%
FXTN 25-8 PHY6972FNA49 8.125% DUE 16DEC2035	4,126	0.21%	0.21%	3,570	211,010,040	0.00%
FXTN 20-25 PIBD2042K253 8.125% DUE 24NOV2042	181,703	9.20%	9.11%	150,000	101,597,000	0.15%
GB R3-11 PIID0324C115 2.375% DUE 09MAR2024	6,873	0.35%	0.34%	6,900	463,318,000	0.00%
GB R512 PHY6972HDG84 6.25% DUE ON 12MAR2024	9,124	0.46%	0.46%	9,090	235,916,440	0.00%
GB R513 PIID0525H130 2.625% 12AUG2025	4,715	0.24%	0.24%	4,900	516,340,790	0.00%
GB PIID0527C159 4.875% DUE 04MAR2027	2,101	0.11%	0.11%	2,140	457,798,870	0.00%
FXTN PIID0528B176 6.125% DUE 22AUG2028	50,792	2.57%	2.55%	50,000	283,763,658	0.02%
FXTN1063 6.25% PHY6972HAJ50 DUE ON 22MAR28	921	0.05%	0.05%	900	126,812,000	0.00%
GB R25-1 PHY6972FRD42 DUE 6.125% 24OCT2037	3,658	0.19%	0.18%	3,570	188,000,000	0.00%
<b>TOTAL GOVERNMENT SECURITIES</b>	<b>442,552</b>					
<b>CORPORATE BONDS</b>						
CB ALI 4.75% DUE 25OCT2025	32,580	1.65%	1.63%	33,500	7,000,000	0.48%
CB BDO 2.9% 28JAN2024	33,334	1.69%	1.67%	33,250	52,700,000	0.06%
CB BPI 2.8068% 31JAN2024	125,244	6.34%	6.28%	125,000	27,000,000	0.46%
CB NLEX CORP 6.6407% DUE 04JUL2025	16,125	0.82%	0.81%	16,000	4,000,000	0.40%
CB SMFBFXBD2025 5.05% DUE 10MAR25	117,843	5.96%	5.91%	125,000	8,000,000	1.56%
CB SMPH2025 6.0804% DUE ON 01MAR2025	151,588	7.67%	7.60%	150,000	10,000,000	1.50%
<b>TOTAL CORPORATE BONDS</b>	<b>476,714</b>					
<b>TOTAL FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT/LOSS</b>	<b>1,899,691</b>					
<b>INVESTMENT IN SEMI LIQUID/ LIQUID INVESTMENTS</b>						
CASH AND CASH EQUIVALENTS	81,788	4.14%	4.10%			
GOVERNMENT SECURITIES	442,552	22.40%	22.20%			
<b>TOTAL</b>	<b>524,340</b>	<b>26.54%</b>	<b>26.30%</b>			
<b>NO BORROWINGS FOR THE PERIOD</b>						
<b>TOTAL OPERATING EXPENSES</b>						
AVERAGE DAILY NET ASSET VALUE - January 1 to December 31, 2023			2,008,772			
NATURE OF EXPENSES	AMOUNT	PERCENTAGE TO NET ASSET VALUE				
Management fees	40,755	2.03%				
Fees and Other Charges	2,027	0.10%				
Taxes and Licenses	402	0.02%				
Miscellaneous	-	0.00%				
	<b>43,184</b>					

<b>PHILAM FUND, INC</b> <b>ATTACHMENT TO FINANCIAL STATEMENTS</b> <i>(All amounts in thousands of Philippine Peso)</i>				
TOTAL ASSETS-January 1 to December 31, 2022		2,244,804		
NET ASSET VALUE-January 1 to December 31, 2022		2,066,315		
SECURITY NAME	MARKET VALUE	PERCENTAGE TO NET ASSET VALUE	PERCENTAGE TO TOTAL ASSETS	NO. OF SHARES
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>				
<b>LISTED EQUITY SECURITIES</b>				
BDO UNIBANK, INC. - Common Shares	90,663	4.39%	4.04%	858
BANK OF THE PHIL ISLANDS - Common Shares	109,290	5.29%	4.87%	1,071
METROPOLITAN BANK & TRUST COMPANY - Common Shares	38,525	1.86%	1.72%	713
AYALA CORPORATION - Common Shares	88,706	4.29%	3.95%	128
ABOITIZ EQUITY VENTURES, INC. - Common Shares	50,437	2.44%	2.25%	874
GT CAPITAL HOLDINGS, INC. - Common Shares	29,525	1.43%	1.32%	68
JG SUMMIT HOLDINGS, INC. - Common Shares	21,780	1.05%	0.97%	433
SM INVESTMENTS CORPORATION - Common Shares	171,099	8.28%	7.62%	190
MANILA ELECTRIC COMPANY 'A' - Common Shares	6,732	0.33%	0.30%	23
CENTURY PACIFIC FOOD, INC.	11,014	0.53%	0.49%	427
JOLLIBEE FOODS CORPORATION - Common Shares	40,634	1.97%	1.81%	177
UNIVERSAL ROBINA CORPORATION - Common Shares	48,960	2.37%	2.18%	360
AYALA LAND, INC. - Common Shares	88,064	4.26%	3.92%	2,859
SM PRIME HOLDINGS, INC.- Common Shares	138,605	6.71%	6.17%	3,904
Wilcon Depot, Inc.	23,097	1.12%	1.03%	783
GLOBE TELECOM, INC. - Common Shares	37,060	1.79%	1.65%	17
INTL CONTAINER TRMNL SRVCS, INC. - Common Shares	82,668	4.00%	3.68%	413
<b>TOTAL LISTED EQUITY SECURITIES</b>	<b>1,076,858</b>			
<b>GOVERNMENT SECURITIES</b>				
FXTN 7-62 PHY6972HDE37 6.25% DUE ON 14FEB26	7,734	0.37%	0.34%	7,570
FXTN 10-64 PIBD1029A644 6.875% DUE 10JAN2029	2,820	0.14%	0.13%	2,680
FXTN 05-75 PHY6972HAF39 5.5% DUE 08MAR2023	916	0.04%	0.04%	900
FXTN 2017 PHY6972FPV67 8.00% DUE 19JULY31	5,112	0.25%	0.23%	4,640
FXTN 10-68 PIBD1032F689 7.25% DUE 23JUN32	102,217	4.95%	4.55%	100,000
FXTN PIBD1032J701 7.5% DUE 20OCT2032	52,361	2.53%	2.33%	50,000
FXTN 25-8 PHY6972FNA49 8.125% DUE 16DEC2035	3,801	0.18%	0.17%	3,570
GB R3-11 PHY6972HJA50 2.375% DUE 09MAR2024	6,687	0.32%	0.30%	6,900
GB R512 PHY6972HDG84 6.25% DUE ON 12MAR2024	9,142	0.44%	0.41%	9,090
GB R513 PIID0525H130 2.625% 12AUG2025	4,589	0.22%	0.20%	4,900
GB PIID0527C159 4.875% DUE 04MAR2027	2,052	0.10%	0.09%	2,140
FXTN1063 6.25% PHY6972HAJ50 DUE ON 22MAR28	907	0.04%	0.04%	900
GB R7-61 PHY6972HAL07 5.75% DUE ON 12APR2025	905	0.04%	0.04%	900
GB R25-1 PHY6972FRD42 DUE 6.125% 24OCT2037	3,302	0.16%	0.15%	3,570
<b>TOTAL GOVERNMENT SECURITIES</b>	<b>202,546</b>			
<b>CORPORATE BONDS</b>				
CB ALI 4.75% DUE 25OCT2025	32,304	1.56%	1.44%	33,500
CB BDO 2.9% 28JAN2024	31,778	1.54%	1.42%	33,250
CB BPI 2.8068% 31JAN2024	121,468	5.88%	5.41%	125,000
CB CYBERZONE PROPERTIES INC 5.0496% DUE 07JAN2023	40,466	1.96%	1.80%	40,000
MANILA ELECTRIC COMPANY 20 4.8750% 12DEC2025	18,626	0.90%	0.83%	20,000
CB NLEX CORP 6.6407% DUE 04JUL2025	16,036	0.78%	0.71%	16,000
CB SMFBFXBD2025 5.05% DUE 10MAR25	118,036	5.71%	5.26%	125,000
CB SMPH2025 6.0804% DUE ON 01MAR2025	198,846	9.62%	8.86%	200,000
<b>TOTAL CORPORATE BONDS</b>	<b>577,561</b>			
<b>TOTAL FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT/LOSS</b>	<b>1,856,965</b>			
<b>INVESTMENT IN SEMI LIQUID/ LIQUID INVESTMENTS</b>				
CASH AND CASH EQUIVALENTS	342,725	16.59%	15.27%	
GOVERNMENT SECURITIES	202,546	9.80%	9.02%	
	<u>450,133</u>			
<b>NO BORROWINGS FOR THE PERIOD</b>				
<b>TOTAL OPERATING EXPENSES</b>				
AVERAGE DAILY NET ASSET VALUE - January 1 to December 31, 2022		7,043,934		
NATURE OF EXPENSES	AMOUNT	PERCENTAGE TO NET ASSET VALUE		
Management fees	143,744	2.04%		
Fees and Other Charges	9,024	0.13%		
Taxes and Licenses	1,473	0.02%		
Miscellaneous	-	0.00%		
	<u>154,241</u>			

**PHILAM FUND, INC**  
Financial Statement Ratios

	January 1 to December 31, 2023	January 1 to December 31, 2022
Current Asset	1,993,626	2,244,804
Current Liabilities	17,828	178,489
Current /Liquidity Ratio	111.83	12.58
 Total Liabilities	 17,828	 178,489
Total Equity	1,975,798	2,066,315
Debt-to-Equity Ratio	0.0090	0.0864
 Total Assets	 1,993,626	 2,244,804
Total Equity	1,975,798	2,066,315
Asset-to-Equity Ratio	1.01	1.09
 Earnings Before Income Tax	 72,015	 (989,937)
Interest Expense	-	-
Interest Rate Coverage Ratio	n.a.	n.a.
 Net Income	 61,091	 (1,017,894)
Total Equity	1,975,798	2,066,315
Return on Equity	0.0309	(0.4926)

**PHILAM FUND, INC.**  
**MANUAL ON CORPORATE GOVERNANCE**  
(Revised July 2020)

Philam Fund, Inc.

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ARTICLE 1: CORPORATE GOVERNANCE PHILOSOPHY

The Board of Directors of the Philam 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”),<sup>1</sup> 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

<sup>1</sup> 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.<sup>2</sup>
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 site<sup>3</sup>.
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

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<sup>2</sup> 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

<sup>3</sup> 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")<sup>4</sup>, 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;

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<sup>4</sup> 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 SEC<sup>5</sup>, 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.

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<sup>5</sup> 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 regulation<sup>6</sup>, 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

<sup>6</sup> 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 regulation<sup>7</sup>, 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;

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<sup>7</sup> 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.<sup>8</sup>
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;

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<sup>8</sup> "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*<sup>9</sup>.

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.

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<sup>9</sup> 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

#### **Property of PHILAM FUND, INC.**

This document and the information herein are proprietary and for the internal use of the Philam Fund, Inc. (the "Fund"). No part of this document shall be reproduced, published, transmitted, or distributed in any form or by any means, or stated in any information storage or retrieval system of any nature, nor should the materials be disclosed in any manner to third parties without prior express written authorization of the Fund.



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 FUND<sup>10</sup>**

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 30<sup>th</sup> of January until all the shares have been fully redeemed<sup>11</sup>.

**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 -

<sup>10</sup> 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

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

**SIGNATURES**

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**ROBERTO F. DE OCAMPO**  
Chairman

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**ATTY. PAOLO JOHN D. PURGANAN**  
Compliance Officer

Philam Fund, Inc.

## **AMENDED PROSPECTUS**

### **PHILAM FUND, INC.**

NINE HUNDRED THIRTY-TWO MILLION NINE HUNDRED SEVENTY-EIGHT THOUSAND FOUR HUNDRED SEVENTY-TWO (932,978,472) SHARES OF COMMON AND VOTING STOCKS OF THE PHILAM FUND, INC. (PFI) AMOUNTING TO PHP932,978,472.00 AT A PAR VALUE OF PHP1.00 WILL BE OFFERED TO THE PUBLIC AT THE CURRENT NET ASSET VALUE PER SHARE. THE FUND SHALL BE READY TO BUY FROM AND SELL SHARES TO THE PUBLIC IN ANY OF ITS OFFICES AND BRANCHES.

THE FUND'S SHARES WILL NOT BE LISTED WITH THE PHILIPPINE STOCK EXCHANGE AND WILL BE SOLD OVER THE COUNTER. PHILAM ASSET MANAGEMENT, INC. IS THE FUND'S DISTRIBUTOR AND MANAGER.

**April 21, 2017**

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.**

## PHILAM FUND, INC.

This Prospectus pertains to the registration and offer to the public of an additional 329,662,808 new shares pursuant to the application for increase in authorized capital stock from 603,315,664 to 932,978,472 common shares. On January 4, 2016, the Fund filed the application with the Securities and Exchange Commission for the increase in authorized capital stock which is still for approval by the SEC as of March 31, 2017.

The application for an increase in the Company's authorized capital stock was brought about by the Fund's successful distribution activities which is a direct result of the Fund's impressive performance in 2015. Subject to the approval of the application for increase and registration of the additional 329,662,808 shares with the SEC, the offering of the same to the public will allow the Fund to further improve its diversification and overall performance.

The Fund applied for an increase in authorized capital stock for 286,160,520 additional shares that was approved by the SEC on December 17, 2013. On March 3, 2008, the SEC approved PFI's application for an additional 117,155,144 shares. These increases were initiated with the successful distribution activities brought about by the Fund's significant performance in previous years.

Estimated gross proceeds of the additional 329,662,808 PFI shares, if sold at net asset value per share ("NAVPS") as of March 22, 2017 at Php16.1334 is Php5,318,581,946.59. All proceeds will be held by the custodian bank.

The Company plans to use the proceeds from the sale of PFI shares to build up its investment in equities of companies listed in the primary and secondary boards of the Philippine Stock Exchange ("PSE"). Likewise, proceeds will also be used to build up the investment in domestic fixed-income instruments, including but not limited to, treasury bills, Bangko Sentral ng Pilipinas' (BSP) Certificate of Indebtedness, other government securities or bonds and such other evidences of obligations issued by the BSP or guaranteed by the Philippine Government. PFI is a balanced fund and is moderate in risk. The Fund's investments are made pursuant to the Investment Restrictions and Guidelines, which are set out in detail in the body of this Prospectus.

The Fund does not plan to invest in foreign securities. However, the SEC, pursuant to SEC Memorandum Circular No. 7, series of 2005, or the "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.

Aside from market conditions, timing will also be a critical area of consideration in the purchase or sale of the Fund's securities.

The Company does not plan to declare dividends<sup>1</sup>. Surplus profits of the Company (if any), will be used as additional proceeds to invest in eligible securities.

Under the Investment Company Act, it shall be unlawful for the 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 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

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<sup>1</sup> As amended by a majority vote of the Board of Directors during its Regular Meeting on 27 October 2016 at Net Lima Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City and ratified by a majority vote of its stockholders during the Special Shareholders' Meeting held at Net Lima Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City on 13 March 2017.

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.

The Fund is engaged primarily in the business of investing, reinvesting and trading in securities and the sale of its shares. As a licensed open-end investment company, it offers to the public, on a continuing basis, redeemable shares of stock, at a price related to the net asset value of the Fund's portfolio.

The Investment Manager (or "Fund Manager") of the Fund is Philam Asset Management, Inc. (PAMI). As investment manager and principal distributor, PAMI is entitled to a management fee equivalent to a 1/6 of 1% of the average net value of the Fund's assets, computed on a daily basis. Furthermore, PAMI is entitled to an incentive fee equivalent to 1/10 of 1% of the appreciation (whether realized or unrealized) in the value of the Fund's net asset value per share in excess of 12% in any calendar year.

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%)
10,000 to 99,999	3.0%	0.36%
100,000 to 249,999	2.0%	0.24%
250,000 to 999,999	1.5%	0.18%
1,000,000 and above	1.0%	0.12%

This Prospectus includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business and operations. Words including, but not limited to "believes", "may", "will", "estimates", "continues", "anticipates", "intends", "expects" and similar words are intended to identify forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances in this Prospectus may not occur. The Company's actual results could differ significantly from those anticipated in the Company's forward-looking statements.

The PFI shares are offered solely on the basis of the information contained and the representations made in this Prospectus. No dealer, salesman or other person has been authorized by the Company or the Fund Manager to issue any advertisement or to give any information or make any representation in connection with the offering other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Company or the Fund Manager to subscribe for or purchase any of the PFI Shares. Neither may this Prospectus be used as an offer to, or solicitation by, anyone in any jurisdiction or in any circumstance in which such offer or solicitation is not authorized or lawful. The distribution of this Prospectus and the offer in certain jurisdictions may be restricted by law. Persons who come into possession of this Prospectus are required by the Company and the Fund Manager to inform themselves about, and to observe any, such restrictions.

The Company is a domestic corporation, incorporated on August 29, 1969, with principal business office address at:

5<sup>th</sup> FLOOR, SALUSTIANA D. TY TOWER  
104 PASEO DE ROXAS CORNER NIEVA & PEREA STREETS  
LEGASPI VILLAGE, MAKATI CITY 1226  
TELEPHONE NUMBERS: (632) 867-39-12 to 18  
FAX NUMBERS: (632) 813-68-13 and 18

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## **THE PHILAM FUND, INC.**

The Philam Fund, Inc. ("PFI" or the "Fund") is an open-end investment company established in accordance with Republic Act No. 2629, otherwise known as the Investment Company Act (RA 2629) and duly registered with and regulated by the Securities and Exchange Commission.

PFI will be denominated in Philippine Peso, and its shares will be offered to the public based on its Net Asset Value per Share (NAVPS) with a minimum investment of Php1,000<sup>2</sup> and minimum additional investment of Php500.00<sup>1</sup>, unless the SEC prescribes otherwise. All sales shall be on a cash basis and installment sales are prohibited.

The investment objective of the Fund is capital growth with returns and inflows derived out of investments in both equity and fixed-income securities. PFI considers a medium to long-term investment horizon for its shareholders. The Fund will be positioned to compete directly with other balanced mutual funds and unit investment trust funds offered by commercial banks.

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 policy changes.

PAMI is the Investment Manager. PAMI, through its Treasury Manager, will handle all investments of the Fund with the guidance from PAMI's Asset Liability Committee (ALCO) and the officers of the Treasury Division of Philam Life.

## **RISKS OF INVESTING**

### **GENERAL RISK WARNING**

- The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- Past performance is not a guide to future performance.
- There is an extra risk of losing money when securities are bought from smaller companies. There may be a big 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 a different level of risk.

### **PRUDENCE REQUIRED**

This risk 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 on the trading of securities before commencing any trading activity. He/she may request information on the securities and issuer thereof from the Commission which are available to the public.

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<sup>2</sup> 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 City and ratified by a majority vote of its stockholders during the Special Shareholders' Meeting held at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City on 13 March 2017.

## PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading securities specially those high risk securities.

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

### PHILAM FUND, INC. Financial Highlights

<b>Year Ended December 31</b>	<b>2016 (Audited)</b>	<b>2015 (Audited)</b>	<b>2014 (Audited)</b>
Gross Investment Income	290,563	275,306	1,242,576
Operating Expenses	392,539	670,137	216,773
Provision for Income Tax	41,548	37,467	24,477
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(143,524)</b>	<b>(432,298)</b>	<b>1,001,326</b>
<b>TOTAL ASSETS</b>	<b>10,357,128</b>	<b>9,985,377</b>	<b>10,015,456</b>
<b>TOTAL LIABILITIES</b>	<b>49,857</b>	<b>1,455,964</b>	<b>262,966</b>
<b>NET ASSETS</b>	<b>10,307,271</b>	<b>8,529,413</b>	<b>9,752,490</b>
<b>NAVPS</b>	<b>15.7516</b>	<b>15.9868</b>	<b>16.7825</b>

## GLOSSARY

<b>TERM</b>	<b>DEFINITION</b>
<b>BSP</b>	Bangko Sentral ng Pilipinas
<b>NAV</b>	Net Asset Value
<b>NAVPS</b>	Net Asset Value Per Share
<b>PAMI or Fund Management Company or Fund Manager</b>	Philam Asset Management, Inc.
<b>PFI or Fund or Company</b>	Philam Fund, Inc.
<b>PHP or Php</b>	Philippine Pesos
<b>Philamlife</b>	The Philippine American Life and General Insurance Company
<b>GMD</b>	Group Management Division
<b>R.A. 2629</b>	Republic Act No. 2629 or the Investment Company Act
<b>SEC</b>	Securities and Exchange Commission
<b>PSE</b>	Philippine Stock Exchange

**A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.**

## RISK FACTORS

PFI is exposed to financial risk through its financial assets and financial liabilities. The most important components of this financial risk are 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. The risk that the Fund 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.

Listed below, in order of importance, is a summary of the above-mentioned risks:

- ❖ **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.

PFI manages the level of credit risk it accepts through the following: setting up of exposure limits by each counterparty or group of counterparties and industry; right of offset where counterparties are both debtors and creditors; guidelines on obtaining collaterals and guarantees; reporting of credit risk exposures; monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment.

In respect of investment securities, PFI secures satisfactory credit quality by setting maximum limits of portfolio securities with a single issuer or group of issuers. The Fund also transacts only with institutions with high credit worthiness.

PFI sets the maximum amounts and limits that may be advanced to/placed with individual corporate counterparties which are set by reference to their long term ratings.

- ❖ **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.

The Fund is exposed to daily cash redemptions of its issued shares. It therefore invests the majority of its assets in investments that can be readily disposed of.

The Fund manages liquidity through the following activities: specifies minimum proportion of funds to meet emergency calls; sets up contingency funding plans; specifies the sources of funding and the events that would trigger the plan; determines concentration of funding sources; reports liquidity risk exposures; monitors compliance with liquidity risk policy and reviews the liquidity risk policy for pertinence and changing environment.

It is unusual for a Fund to predict the requirements of funding with absolute certainty as theory of probability is applied on contracts to ascertain the likely provision and the time period when such liabilities will require settlement. The amounts and maturities in respect of liabilities are thus based on management's best estimate based on statistical techniques and past experience.

- ❖ **Market Risk:** Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market 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 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 fair value financial assets and liabilities; asset allocation and portfolio limit structure; diversification benchmarks by type of instrument; the net exposure limits by each counterparty or group of counterparties and industry segments; control over hedging activities; reports market risk exposures; compliance with market risk policy and review of market risk policy for pertinence and changing environment.

Since the transactions of PFI are generally carried out in its functional currency, its exposure to currency risk is minimal. Likewise, since the Fund is established to invest in fixed-income securities, it is not exposed to cash flow interest rate risk and price risk.

- ❖ **Interest Rate Risk:** 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.

Floating rate instruments expose PFI to cash flow interest risk, whereas fixed interest rate instruments expose the Fund to fair value risk. The Fund's fixed rate investments and receivables in particular are exposed to fair value risk.

The Fund's market risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial liabilities.

- ❖ **Price Risk:** Price risk exposure at year-end relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices, principally FVPL equity securities.

Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

PFI'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.

Please find below additional risk control techniques that PAMI employs in the process:

1. Team approach to decision making: PAMI applies a team approach to account management. PAMI always assigns two portfolio managers per account to have a back-up in case of absence. Decisions on most trades involve an analyst, trader, and two portfolio managers, therefore enforcing quality and consistency in our decisions.
2. Industry review: Once a quarter, every industry in the investment grade universe is reviewed. The objective is to formulate an outlook for each industry. The portfolio managers in conjunction with the traders will then determine from this review what the appropriate industry weightings will be for the next 3 months. This way we maintain consistency in industry weightings across portfolios and time.
3. Investment Committee: The Committee meets monthly and reviews all new purchases. Written and oral presentations are given on new issuers added to the portfolios. Also, even though PAMI's clients' portfolios are constrained by their

investment guidelines, PAMI applies a consistent investment process across all accounts. This practice further ensures the alignment of interest with our clients.

4. Performance risk: This is managed through the independent production of performance data by a separate performance department. That data is distributed monthly to all portfolio managers, as well as senior management. Pricing of portfolios is carried out by the back office, independently of the portfolio managers. The PAMI Performance Team runs performance attribution for the investment teams using Wilshire Axiom. These reports help PAMI analyze the sources of our return and value added.

The Team uses the following portfolio analytical systems to monitor existing positions and risk exposures.

Risk Management System is a proprietary system fed by the Investment DataBase (IDB). It allows portfolio managers to view a group of portfolios and answer the following questions related to credit default risks:

- How much exposure do we have to a specific industry?
- How much exposure do we have to a specific credit?
- What securities of the credit do we own and how much of each?
- Which accounts have the exposure?
- What are our analysts' current outlook and recommendations for the credit?
- When was the outlook last changed?

All holdings and individual security characteristics, including duration, call data, book value, and yield are analyzed for each portfolio. This system is used to view the key structural parameters of a portfolio. The system provides on a daily basis: index weightings; summary statistics; access to specific holdings; and comparisons between each portfolio and its index benchmark.

Investment risk (for example, tracking error, position size, diversification, etc.) is tracked utilizing a number of external systems as well as internal proprietary systems and frameworks. PAMI uses an approach whereby total tracking error at any given time is subdivided in a variety of sources. The aim is to ensure the ordering of tracking error contributions reflects both diversification and the confidence level in the views that prompt us to take on each source of risk.

### **Other Risk Management Policies**

- Fiduciary duty

In managing client portfolios, PAMI has a fiduciary responsibility to treat clients fairly. This duty requires a course 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 Objective**

The investment objective of the Fund is capital growth with returns and inflows derived out of investments in both equity and fixed-income securities.

### **Investment Plans**

PFI will invest in a combination of stocks with large and medium capitalization that can provide good value and capital appreciation over the medium term. Management, earnings potential, strong balance sheet, and attractive valuations will be the primary criteria for stock selection. Changes in the macroeconomic conditions can dictate the equities that the Fund will invest in. Temporary shifts to cash or fixed-income instruments may be done as a defensive move.

### **Shares Offered**

PFI shares are redeemable common stocks (one class of shares only).

## **INVESTMENT RESTRICTIONS**

1. Unless ordered otherwise by the Securities and Exchange Commission, 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.
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 or 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. 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 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 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.
  - 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 or the "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 and corporate borrowers.
11. 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.
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.

### **Portfolio Mix**

The Fund intends to acquire and hold equity securities primarily for long-term capital appreciation and fixed income instruments for maximum yields. However, as market conditions dictate, the Fund may shift between debt and equity securities to meet its objectives.

Equity investments comprise of companies listed in the primary and secondary boards of the PSE. Fixed income investment comprise domestic fixed-income instruments, including but not limited to, treasury bills, BSP Certificate of Indebtedness, other government



securities or bonds and such other evidences of obligations issued by the BSP or guaranteed by the Philippine Government.

However, the Fund Manager may, at its discretion, and when in its judgment the conditions so warrant, invest a substantial amount of the Fund's assets in equity securities up to the maximum allowed under prevailing Philippine laws or up to 100% in fixed income securities.

### **Eligible Applicant**

Shares of the Fund may be held by any person of legal age or any duly organized and existing corporation, partnership, or any other legal entity regardless of citizenship or nationality. 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, must be submitted with the application.

### **Offering Price**

The PFI shares shall be sold at NAVPS for the banking day, if payment is made within the daily cut-off time; otherwise, the NAVPS on the following banking day will be used if payment is made after the daily cut-off time plus an entry fee or sales load depending on the investment amount. The daily cut-off time will 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.

### **Sales Load**

Sales load for each investment will not be more than 3.0% based on the following schedule:

Investment Amount (in Php)	Sales Load	VAT on Sales Load (12%)
10,000 to 99,999	3.0%	0.360%
100,000 to 249,999	2.0%	0.240%
250,000 to 999,999	1.5%	0.180%
1,000,000 and above	1.0%	0.120%

### **Purchase Policy**

All investments shall be on 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.<sup>3</sup>

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<sup>3</sup> 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 City and ratified by a majority vote of its stockholders during the Special Shareholders' Meeting held at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City on 13 March 2017.

## PROCEDURES IN THE SUBSCRIPTION AND REDEMPTION OF SECURITIES

### Opening an Account

Any qualified investor may purchase PFI shares, through the principal distributor, PAMI, or through any authorized investment solicitor.

Opening an account requires filling-out, disclosing and presenting the following information and documents:

#### 1. Individual Accounts

- Client Information Sheet (CIS) for the primary, secondary and principal investors, including 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.

1. Bureau of Internal Revenue (BIR) Tax Identification No. (TIN) I.D.
2. Department of Foreign Affairs I.D.
3. Social Security System (SSS) I.D.
4. Government Service Insurance System (GSIS) I.D.
5. Philippine Health Insurance Corp. (Philhealth) I.D.
6. Home Development Mutual Fund (PAG-IBIG) I.D.
7. Commission on Election (COMELEC) Voters I.D.
8. Philippine Regulatory Commission (PRC) I.D.
9. Philippine Postal Office I.D.
10. Land Transportation Office (LTO) Driver's License
11. Philippine Passport
12. Barangay Office or Center I.D.

- 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 IAF 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 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

The receiving agent, PAMI sales or sales & administrative assistant personnel should confirm that he has verified the authority and identification of the person transacting in behalf of the corporate client by writing in the IAF: *“Capacity of Mr. X to transact in behalf of “name of company” authenticated by “name of receiving”* and affixing his signature after the statement.

### **Additional Investment**

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 designated as such 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, 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.

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 periodic basis. PAMI shall also send reports, fund updates, fund manager reports and various information materials on a periodic basis to apprise investors of the outlook and performance of the Company and its funds. Upon the request of the investor, PAMI shall issue certifications, for a fee, and annual reports, which can also be viewed or downloaded from the 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 of the Fund will be posted on 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 part or in full. Partial redemption is allowed if number of shares do not go below the prescribed minimum investment.

### **Redemption**

The price of securities surrendered for redemption within the daily cut-off time shall be the current banking day's NAVPS after the redemption is received, while those surrendered after the daily cut-off time shall be deemed to have been received the following banking day. The daily cut-off time for redemption shall be 12:00 o'clock noon. Payment shall be made no later than seven (7) days from receipt of redemption request, at the principal office of the investment manager.

### **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**

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:

<b>Placement Period</b>	<b>Exit Fee</b>	<b>Exit Fee + 12% VAT</b>
Less than six (6) months	1.00%	1.12%
Six months and above	0.00%	0.00%

### **Special Considerations**

PFI shall not suspend the right of redemption or postpone the date of payment or satisfaction upon redemption of any redeemable security for more than seven 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 PFI shares to build up its investment in equities of companies listed in the primary and secondary boards of the PSE. Proceeds will also be used to build up investment in domestic fixed-income instruments, including but not limited to, treasury bills, BSP Certificate of Indebtedness, other government securities or bonds and such other evidences of obligations issued by the BSP or guaranteed by the Philippine Government.

The Fund does not plan to invest in foreign securities. SEC Memorandum Circular #7 Series of 2005 or the “Guidelines on the Evaluation of Foreign Investments by Mutual Fund Companies” nevertheless allows mutual fund companies to invest up to 100% of its assets in foreign securities.

The Fund’s NAVPS will be valued based on market prices and its performance benchmarked against a comparable Government Securities Index, hence, the Fund’s portfolio duration will approximate that of the chosen index. However, the investment manager, may, at any time, change the reference index where, for reasons outside the investment manager’s control, the index has been replaced by another index, or where another index may be reasonably be considered to have become the industry standard for the relevant exposure. Shareholders will be advised of any change in the reference index in the next annual report of the Fund. A custodian bank duly appointed by the board of directors will safe keep the proceeds of the sale of shares.

Estimated gross proceeds of the additional 329,662,808 PFI shares, if sold at NAVPS (i.e., Php16.1334) as of March 22, 2017, is Php5,318,581,946.59. 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 PFI shares.

<b>PARTICULARS</b>	<b>AMOUNT</b>
Estimated Gross Proceeds	5,318,581,946.59
Less: Estimated Expenses	
SEC Registration & Filing Fees	1,892,145.49
Documentary Stamp Taxes	1,648,314.04
Legal Fees	150,000
Management Fees	106,371,638.93
Directors Fees	210,000
Advertising (Print)	50,000
Sales & Marketing	55,000
Prospectus, Letters & Envelopes	25,000
Postage	25,000
<i>Total Estimated Expenses</i>	<i>110,427,098.46</i>
<b>Estimated Net Proceeds</b>	<b>5,208,154,848.13</b>

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.

## 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 the trade date shall be included in the NAVPS calculation on the same day. Other trades which do not meet the custodian's cut-off time are included in the NAVPS calculation one business day from trade date (T+1). 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**

Based on Portion II Section 7 of the Management & Distribution Agreement, PAMI functions only as the principal distributor of the Fund. PAMI does not have any arrangement to designate or nominate a member or members of the board of directors of PFI. Similarly, PAMI does not have the right to designate or sell shares to specified persons

Investments in the Fund will be offered as single one-time placement and through innovative savings program. Packaging contributions through programmed designs will essentially make investing in the Fund a strategic option for the Philamlife and Philam Plans policyholders who want to augment plan benefits. It will also be a good competitive tool for agents who encounter "buy term - invest the difference" concepts in the market. The programmed financial packages will be presented as simple savings programs that will be easy to sell.

The Market Regulation Department of SEC issued PAMI its license for the current year to operate as an Investment Company Adviser on 27 November 2015, 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 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. Campaigns will utilize print media, direct mailers, and telemarketing. Promotions will be directed at both the distribution channels and the retail investor.

As investment manager and principal distributor, PAMI is entitled to a management fee equivalent 1/6 of 1% of the average net value of the Fund's assets, computed on a daily basis. Furthermore, PAMI is entitled to an incentive fee equivalent to 1/10 of 1% of the appreciation (whether realized or unrealized) in the value of the Fund's net asset value per share in excess of 12% in any calendar year.

As an investment company, Philam Fund, Inc. is governed by the rules and regulations of the SEC, particularly the Investment Company Act, ICA Rule 35-1, Corporation code of the Philippines, and the Securities Regulation Code. PFI observes and complies with all government laws, rules and regulations that exist. PFI is not aware of any probable government regulations that may materially affect its business.

## **DESCRIPTION OF SECURITIES TO BE REGISTERED**

PFI was incorporated with an authorized capital stock of Two Hundred Million Pesos (Php200,000,000.00), divided into two hundred million redeemable common shares with par value of One Peso (Php1.00) for each share.

On 22 March 2007, the Board of Directors of the Fund, by a vote of the majority of all its members, resolved to increase PFI's authorized capital stock from Two Hundred Million Pesos (P200,000,000.00) to Five Billion Pesos (P5,000,000,000.00), which increase shall

be implemented in tranches. In a stockholders' meeting held on 11 May 2007, the stockholders owning or representing at least two-thirds of the outstanding capital stock of the Fund, approved the proposed increase in PFI's authorized capital stock. On 3 March 2008, the SEC approved the Amended Articles of Incorporation of PFI thereby increasing its authorized capital stock to Three Hundred Seventeen Million One Hundred Fifty Five Thousand One Hundred Forty Four Pesos (Php317,155,144), and said capital stock is divided into Three Hundred Seventeen Million One Hundred Fifty Five Thousand One Hundred Forty Four (317,155,144) shares of the par value of One Peso (P1.00) each. Of the increase in the authorized capital stock, One Hundred Seventeen Million One Hundred Fifty Five Thousand One Hundred Forty Four (117,155,144) 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.

During its regular meeting held on 31 January 2013, the PFI Board of Directors approved the second tranche increase in the fund's authorized capital stock. On December 17, 2013, the SEC approved the Amended Articles of Incorporation of PFI thereby increasing its authorized capital stock to Six Hundred Three Million Three Hundred Fifteen Thousand Six Hundred Sixty Four Pesos (Php603,315,664.00), and said capital stock is divided into Six Hundred Three Million Three Hundred Fifteen Thousand Six Hundred Sixty Four (603,315,664) shares of the par value of One Peso (P1.00) each. Of the increase in the authorized capital stock, Two Hundred Eighty Six Million One Hundred Sixty Thousand Five Hundred Twenty (286,160,520) new shares were offered to the public with an offer price equivalent to the Net Asset Value per Share ("NAVPS") plus an entry fee or sales load. On July 21, 2015, the permit-to-sell 286,160,520 shares to the public was approved by the SEC.

On December 10, 2015, the BOD further approved an additional increase in the Fund's authorized share capital from 603,315,664 shares to 932,978,472 shares with par value of P1 per share. On January 4, 2016, the Fund filed an application with the SEC for the increase in authorized share capital. This is still for approval of the SEC as at December 31, 2016.

Each share of PFI 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 PFI 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 PFI

PFI is a stock corporation incorporated on August 29, 1969 as Trinity Shares, Inc.<sup>4</sup> The Company's sole product is shares (securities) of PFI. PAMI will directly distribute the Fund's shares.

PFI is an open-ended mutual fund whose shares will be offered to the public at net asset value. PFI considers a medium to long-term investment horizon for its shareholders.

There are currently 57 registered mutual funds in the industry<sup>5</sup> with over Php243B in assets under management. The principal method of competition within the mutual fund industry is performance and service. PFI belongs in the peso-denominated balanced fund segment with 9 other competitors, including another PAMI-managed mutual fund, PAMI Horizon Fund, Inc.

The following table summarizes a comparison of PFI against its competitors for January to December 2016<sup>6</sup>:

<b>FUND NAME</b>	<b>SALES</b>	<b>REDEMPTIONS</b>	<b>NET SALES</b>
ATRAM Dynamic Allocation Fund, Inc. (formerly, Optima Balanced Fund, Inc.)	1,876,380.29	9,161,686.13	(7,285,305.84)
ATRAM Philippine Balanced Fund, Inc. (formerly, ATRKE Philippine Balanced Fund, Inc.)	112,651,103.41	712,606,826.51	(599,955,723.10)
Bahay Pari Solidaritas Fund, Inc.	299,999.32	15,554,494.80	(15,254,495.48)
First Metro Save and Learn Balanced Fund, Inc.	85,710,137.37	184,402,383.76	(98,692,246.39)
NCM Mutual Fund of the Phils., Inc.	264,448,245.97	380,910,009.71	(116,461,763.74)
PAMI Horizon Fund, Inc.	155,339,440.97	309,793,762.36	(154,454,321.39)
Philam Fund, Inc.	1,747,468,062.72	1,232,609,344.50	514,858,718.22
Sun Life Prosperity Balanced Fund, Inc.	1,142,931,385.75	3,091,462,276.38	(1,948,530,890.63)
Sun Life Prosperity Dynamic Fund, Inc.	0.00	308,713,759.07	(308,713,759.07)

The following table summarizes a comparison of PFI against its competitors for January to December 2015<sup>7</sup>:

<b>FUND NAME</b>	<b>SALES</b>	<b>REDEMPTIONS</b>	<b>NET SALES</b>
ATRAM Dynamic Allocation Fund, Inc. (formerly, Optima Balanced Fund, Inc.)	10,880,054.41	6,561,465.56	4,318,588.85
ATRAM Philippine Balanced Fund, Inc. (formerly, ATRKE Philippine Balanced Fund, Inc.)	589,054,752.61	1,471,312,132.69	(882,257,380.08)
Bahay Pari Solidaritas Fund, Inc.	0.00	9,249,664.10	(9,249,664.10)

<sup>4</sup> As amended at the special meeting of the Board of Directors and at the annual meeting of stockholders both held on November 13, 1992 changing the name from Trinity Shares, Inc. to Philam Fund, Inc.

<sup>5</sup> Source: Philippine Investment Funds Association, Inc. (PIFA)

<sup>6</sup> Source: Philippine Investment Funds Association, Inc. (PIFA)

<sup>7</sup> Source: Philippine Investment Funds Association, Inc. (PIFA)

First Metro Save and Learn Balanced Fund, Inc.	223,567,302.63	346,764,190.63	(123,196,888.00)
NCM Mutual Fund of the Phils., Inc.	923,556,235.44	940,002,189.24	(16,445,953.80)
One Wealthy Nation Fund, Inc.	82,229,478.08	17,512,471.76	64,717,006.32
PAMI Horizon Fund, Inc.	130,828,837.19	176,077,653.39	(45,248,816.20)
Philam Fund, Inc.	2,391,996,511.42	1,674,438,084.20	717,558,427.22
Sun Life Prosperity Balanced Fund, Inc.	1,762,892,562.63	2,477,385,675.72	(714,493,113.09)
Sun Life Prosperity Dynamic Fund, Inc.	50,000.00	107,355,610.16	(107,305,610.16)

The following table summarizes a comparison of PFI against its competitors for January to December 2014<sup>8</sup>:

<b>FUND NAME</b>	<b>SALES</b>	<b>REDEMPTIONS</b>	<b>NET SALES</b>
ATRKE Philippine Balanced Fund, Inc.	2,045,168,047.94	1,224,725,060.88	820,442,987.06
Bahay Pari Solidaritas Fund, Inc.	39,198.92	28,444,216.79	(28,405,017.87)
First Metro Save and Learn Balanced Fund, Inc.	280,837,728.29	404,103,684.60	(123,265,956.31)
NCM Mutual Fund of the Phils., Inc.	633,590,662.94	563,052,644.42	70,538,018.52
One Wealthy Nation Fund, Inc.	66,282,315.90	38,886,955.26	27,395,360.64
Optima Balanced Fund, Inc.	23,479,503.08	24,928,227.08	(1,448,724.00)
PAMI Horizon Fund, Inc.	307,013,348.28	236,370,206.12	70,643,142.16
Philam Fund, Inc.	2,834,587,694.50	1,296,066,355.88	1,538,521,338.62
Sun Life Prosperity Balanced Fund, Inc.	1,477,980,838.17	2,889,019,831.15	(1,411,038,992.98)
Sun Life Prosperity Dynamic Fund, Inc.	2,795,226,460.00	40,957,022.22	2,754,269,437.78

PFI can compete 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 7,800 agents. PAMI also maximizes on the established corporate relationships of the Philam Group and AIA to tap the institutional investor segment. Another distribution channel is the third party distributor group which grows their customer relationships by expanding their product and service offerings.

Hence, based on the above discussion, we believe that the Fund will perform well in terms of both yield and sales. Furthermore, the Fund's cash flow facility will be a major differential advantage that will attract long-term investors.

As investment manager, PAMI is tasked to provide and render management and technical services to PFI. PAMI also functions as the principal distributor of PFI. As such, it takes charge of sales of the PFI shares to prospective investors. Through its Management and Distribution Agreement with PFI, the guidelines for the management of the resources and operations of PFI by PAMI are set. PAMI is wholly owned by Philamlife, an affiliate of the AIA Group Limited.

The management fee to be charged by PAMI is a maximum of 2% per year. The management fee to be charged will be set at the start of each quarter and will remain

<sup>8</sup> Source: Philippine Investment Funds Association, Inc. (PIFA)

constant for the duration of the calendar quarter. PAMI will vary the entry fee depending on the Fund's performance in order to provide shareholders with reasonable returns on their investments. A sales load of not more than 3.0% will also be charged. No-load arrangements can be negotiated with institutional investors on a case-to-case basis.

The Custodial Agreement establishes the relationship among PFI, PAMI 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 PFI investments.

The transfer agent of PFI is Philam Asset Management, Inc. (PAMI). The primary responsibility of PAMI is the accurate record keeping of individual shareholdings and the issuance and cancellation of stock certificates in PFI.

## **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 RA 2629, an investment company is any issuer which is 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 RA 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.

RA 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:

- a. the total amount received from the sale of shares;
- b. the total amount of redemption;
- c. the number of shares outstanding at the beginning of the month;
- d. the number of shares sold during the month;
- e. the number of shares redeemed during the month;
- f. the number of shares outstanding at the end of the month; and
- g. 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 RA 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 Income Payout 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**

PFI employs no personnel as it functions solely through its Fund Manager, PAMI.

## **Properties**

PFI 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 PFI<sup>9</sup> is a party and no litigation or claim of material importance is known to the Directors of PFI to be pending or threatened against the Fund during the past five (5) years up to the date of this Prospectus.

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<sup>9</sup> Philam Fund, Inc. has no subsidiaries nor affiliates.

## MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

### Market Information

#### Net Asset Value Per Share Per Quarter

QTR		YEAR	DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
1	LOW	2015	5-Jan	16.8364	2016	21-Jan	14.9914	2017	03-Jan	16.3548
	HIGH		4-Mar	17.6969		30-Mar	16.5452		27-Jan	15.7022
2	LOW		9-Jun	16.7501		5-May	16.2381			
	HIGH		13-Apr	17.9705		29-Jun	17.2173			
3	LOW		29-Sep	16.0347		27-Sep	16.9246			
	HIGH		23-Jul	17.1731		21-Jul	17.6579			
4	LOW		11-Dec	15.6940		23-Dec	15.3821			
	HIGH		26-Oct	16.6441		4-Oct	17.0476			

### Holders

As of March 31, 2017, there were a total of ten thousand and nine hundred ninety-seven (10,997) holders of redeemable common stock (one class of shares only) totaling 666,893,890 shares. Following are the top 20 shareholders:

	NAME	NO. OF SHARES	% TO TOTAL SHARES
1	THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE)	360,949,910	54.1240%
2	LIFEBANK FOUNDATION, INC.	19,081,034	2.8612%
3	TELENGTAN BROTHERS AND SONS, INC.	8,388,274	1.2578%
4	CRUZ, MA ELENA A	5,210,594	0.7813%
5	TPG CORPORATION	4,196,111	0.6292%
6	DEL ROSARIO, REYNALDO	4,039,757	0.6058%
7	RESINS, INCORPORATED	3,571,068	0.5355%
8	LHUILLIER, JEAN HENRI D.	3,531,425	0.5295%
9	MARILAG CORPORATION	3,512,285	0.5267%
10	EWB TRUST DIVISION AS AGENT FOR TID 999312009535	3,493,010	0.5238%
11	JAUCIAN, JULIO MARTIRES	3,307,902	0.4960%
12	PERPETUAL SUCCOUR HOSPITAL OF CEBU, INC	2,890,044	0.4334%
13	AIM SCIENTIFIC RESEARCH FOUNDATION, INC.	2,703,003	0.4053%
14	GUANIO, LISA V.	2,274,215	0.3410%
15	JIAO, MARY ANNE D.	2,271,996	0.3407%
16	VICTORY CHRISTIAN FELLOWSHIP OF THE PHILS., INC.	1,841,431	0.2761%
17	STATEFIELDS SCHOOL INC	1,671,777	0.2507%
18	KALAYAAN DEVELOPMENT & INDUSTRIAL CORP.	1,659,930	0.2489%
19	PHILIPPINE GOLF FOUNDATION INC	1,655,844	0.2483%
20	ONG, JOSEPH JEROME DAYRO	1,452,024	0.2177%



## Dividends

The Company does not plan to declare dividends<sup>10</sup>. 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.

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<sup>10</sup> As amended by a majority vote of the Board of Directors during its Regular Meeting on 27 October 2016 at Net Lima Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City and ratified by a majority vote of its stockholders during the Special Shareholders' Meeting held at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City on 13 March 2017.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

### OPERATIONAL HIGHLIGHTS/PERFORMANCE INDICATORS

#### 1. Assets Under Management

##### *FY 2016 vs. FY 2015*

The total assets of the Fund as of December 15, 2016 amounted to Php10.3 Billion. This is Php300 Million or 3.10% higher as compared with the balance as of December 31, 2015 of Php9.99 Billion. Php196.24 Million or 3.21% of this movement constitutes increase in the Fund's investments in financial assets at fair value through Profit or Loss, Php348.86 Million or 117% pertains to the increase in the Fund's loans and receivables characterized by the increase in the Fund's settlement receivable from brokers which settled 3 days after trade or cut-off date and which all constitute the large portion of the total asset movement with a corresponding Php3.09 Million or 0.88% increase in the Fund's Cash and Cash Equivalents, Php176.35 Million or 5.47% decrease in Funds investment in financial asset classified as available for sale. The increase in total assets is also due to the continuing client subscription and the strategy of the fund manager in the management of the Fund's assets, despite the poor performance of the market for the period then ended.

The Fund's net assets as of the period ending December 31, 2015 increased from Php8.53 Billion to Php10.31 Billion by the year ending December 31, 2016.

##### *FY 2015 vs. FY 2014*

PFI's net assets as of end-December 2015 dropped by almost 13% as it fell to Php8.529 Billion from Php9.752 Billion in end-December 2014.

##### *FY 2014 vs. FY 2013*

The Fund's Assets Under Management grew by 35.72% from Php7.185 Billion by the year ending December 31, 2013 to Php9.752 Billion by the year ending December 31, 2014.

#### 2. Net Asset Value per Share per Quarter

The following table summarizes the quarters' Net Asset Value Per Share (NAVPS) highs and lows:

QTR		YEAR	DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
1	LOW	2015	5-Jan	16.8364	2016	21-Jan	14.9914	2017	3-Jan	15.7022
	HIGH		4-Mar	17.6969		30-Mar	16.5452		27-Jan	16.3548
2	LOW		9-Jun	16.7501		5-May	16.2381			
	HIGH		13-Apr	17.9705		29-Jun	17.2173			
3	LOW		29-Sep	16.0347		27-Sep	16.9246			
	HIGH		23-Jul	17.1731		21-Jul	17.6579			
4	LOW		11-Dec	15.6940		23-Dec	15.3821			
	HIGH		26-Oct	16.6441		4-Oct	17.0476			

#### 3. Sales and Redemption

The following table summarizes the performance of PFI for January to December 2014<sup>11</sup> (in Php):

FUND NAME	SALES	REDEMPTIONS	NET SALES
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<sup>11</sup> Source: Philippine Investment Funds Association (PIFA)

Philam Fund, Inc.	2,834,587,694.50	1,296,066,355.88	1,538,521,338.62
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The following table summarizes the performance of PFI for January to December 2015<sup>12</sup> (in Php):

FUND NAME	SALES	REDEMPTIONS	NET SALES
Philam Fund, Inc.	2,391,996,511.42	1,674,438,084.20	717,558,427.22

The following table summarizes the performance of PFI for January to December 2016<sup>13</sup> (in Php):

FUND NAME	SALES	REDEMPTIONS	NET SALES
Philam Fund, Inc.	1,747,468,062.72	1,232,609,344.50	514,858,718.22

#### 4. Fund Performance Against Competition

The following table summarizes a comparison of PFI against its competitors for January to December 2016<sup>14</sup>:

FUND NAME	SALES	REDEMPTIONS	NET SALES
ATRAM Dynamic Allocation Fund, Inc. (formerly, Optima Balanced Fund, Inc.)	1,876,380.29	9,161,686.13	(7,285,305.84)
ATRAM Philippine Balanced Fund, Inc. (formerly, ATRKE Philippine Balanced Fund, Inc.)	112,651,103.41	712,606,826.51	(599,955,723.10)
Bahay Pari Solidaritas Fund, Inc.	299,999.32	15,554,494.80	(15,254,495.48)
First Metro Save and Learn Balanced Fund, Inc.	85,710,137.37	184,402,383.76	(98,692,246.39)
NCM Mutual Fund of the Phils., Inc.	264,448,245.97	380,910,009.71	(116,461,763.74)
PAMI Horizon Fund, Inc.	155,339,440.97	309,793,762.36	(154,454,321.39)
Philam Fund, Inc.	1,747,468,062.72	1,232,609,344.50	514,858,718.22
Sun Life Prosperity Balanced Fund, Inc.	1,142,931,385.75	3,091,462,276.38	(1,948,530,890.63)
Sun Life Prosperity Dynamic Fund, Inc.	0.00	308,713,759.07	(308,713,759.07)

The following table summarizes a comparison of PFI against its competitors for January to December 2015<sup>15</sup>:

FUND NAME	SALES	REDEMPTIONS	NET SALES
ATRAM Dynamic Allocation Fund, Inc. (formerly, Optima Balanced Fund, Inc.)	10,880,054.41	6,561,465.56	4,318,588.85
ATRAM Philippine Balanced Fund, Inc. (formerly, ATRKE Philippine Balanced Fund, Inc.)	589,054,752.61	1,471,312,132.69	(882,257,380.08)

<sup>12</sup> Source: Philippine Investment Funds Association (PIFA)

<sup>13</sup> Source: Philippine Investment Funds Association (PIFA)

<sup>14</sup> Source: Philippine Investment Funds Association (PIFA)

<sup>15</sup> Source: Philippine Investment Funds Association (PIFA)

Bahay Pari Solidaritas Fund, Inc.	0.00	9,249,664.10	(9,249,664.10)
First Metro Save and Learn Balanced Fund, Inc.	223,567,302.63	346,764,190.63	(123,196,888.00)
NCM Mutual Fund of the Phils., Inc.	923,556,235.44	940,002,189.24	(16,445,953.80)
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PAMI Horizon Fund, Inc.	130,828,837.19	176,077,653.39	(45,248,816.20)
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The following table summarizes a comparison of PFI against its competitors for January to December 2014<sup>16</sup>:

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Bahay Pari Solidaritas Fund, Inc.	280,837,728.29	404,103,684.60	(123,265,956.31)
First Metro Save and Learn Balanced Fund, Inc.	633,590,662.94	563,052,644.42	70,538,018.52
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Sun Life Prosperity Balanced Fund, Inc.	1,477,980,838.17	2,889,019,831.15	(1,411,038,992.98)
Sun Life Prosperity Dynamic Fund, Inc.	2,795,226,460.00	40,957,022.22	2,754,269,437.78

## 5. FUND MANAGEMENT & ENVIRONMENTAL ANALYSIS

### *Market and Economic Review*

The PSEi was back in the green in March, advancing by 1.4% to close at 7,312. This despite a continued lack of news flow and acceleration in net foreign selling to \$251 Million. Average daily value traded rose 11% month-on-month to P6.7 billion per day, though much of this increase was related to rebalancing in the PSEi and FTSE indices.

Investors continue to await the passage of the first tax reform package, which is critical to the government's lofty infrastructure spend targets. Failure to pass this package will negatively impact GDP growth, interest rates, and/or the Peso. March inflation inched up to a new multi-year high of 3.4%. The 10-year treasury yield rose 69 bps to 5.0554. The Peso held steady this time, appreciating 14bps to 50.2.

<sup>16</sup> Source: Philippine Investment Funds Association (PIFA)

### *Outlook*

A domestically-driven demand for its goods and services implies that the stock market will weather the ups and downs of the global economy.

## **FINANCIAL HIGHLIGHTS**

### **Income**

#### *FY 2016 vs. FY 2015*

The net investment loss of the Fund as of December 2016 decreased by approximately Php288.77 Million when compared against the net loss as of December 2015. The improvement is due to significant movement of the Fund's gross income which is attributable to the movements of the amounts of both unrealized and realized gains attributable to the marking-to-market of the Fund's investments in financial assets measured at fair value through profit or loss and the strategizing of the Fund's investments alongside the performance of the market.

Loss Per Share as of December 31, 2016 was Php0.24, increasing by 0.48 from the Loss Per Share for the same period of the previous year. The Loss Per Share as at December 31, 2015 was Php-0.72.

#### *FY 2015 vs. FY 2014*

Net investment loss for the year 2015 was Php-506.329 Million. This figure was 149% lower compared to the year 2014's Net investment Income of Php1,035 Million.

Losses Per Share for the year 2015 was Php-0.7213. This signified a 122% drop compared to the year 2014's EPS of Php3.1572.

#### *FY 2014 vs. FY 2013*

Net investment income closed at Php1,035 Million by the end of 2014. This figure was 220% higher compared to the end of 2013 which posted a net investment loss of Php-860 Million.

Earnings Per Share (EPS) by year ending 2014 was Php3.1572. Similarly, this is almost 248% higher compared to the Losses Per Share in 2013 at Php-2.1396.

### **Net Assets and Net Asset Value Per Share**

#### *FY 2016 vs. FY 2015*

The Fund's net assets increased by Php1.78 Billion. This is brought about by the volume of subscriptions from investors and increase in fair market value of securities held as Financial Assets at Fair Value through Profit.

NAVPS on December 31, 2016 was at Php15.7516, decreasing by 0.2339 from the NAVPS of December 31, 2015 at Php15.9855.

#### *FY 2015 vs. FY 2014*

PFI's Net assets for the year 2015 was Php8,529 Million. This figure was more than 12% lower than the net assets during the previous year 2014 which posted Php9,752 Million.

NAVPS on December 31, 2015 was Php15.9855. This was slightly lower compared to the NAVPS on the same day of the year 2014 as it was 3.43% less compared to the NAVPS of Php16.5532 posted.

#### *FY 2014 vs. FY 2013*

The Fund's Net Assets for 2014 was Php9,752 Million. This figure was almost 36% higher compared to 2015 Net Assets of Php7,185 Million.

NAVPS on December 31, 2014 was posted at Php16.5532, a 12% increase from the previous year's NAVPS of Php14.7920.

### **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 PFI to determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance is based primarily on the SEC Corporate Governance Self-Rating Form (CG-SRF).

PFI 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

PFI has no material deviations from its Manual of Corporate Governance since it filed its 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 PFI.

### **PFI DIRECTORS AND EXECUTIVE OFFICERS**

Incorporated on August 29, 1969 as Trinity Shares, Inc., PFI's incorporators were the following:

Oscar Ledesma  
Raul Manglapus  
Teodoro Valencia  
Manuel De Leon  
Alexander Sycip  
Gregorio R. Castillo

As of the date of this Prospectus, the Board of Directors and Executive Officers of PFI are as follows:

Name	Age	Citizen ship	Position	Term of Office	Years of Service
Roberto F. De Ocampo	71	Filipino	Chairman	2016 - 2017	11 Years
Reynaldo G. Geronimo	72	Filipino	President	2016 - 2017	5 Years
Arleen May S. Guevara	55	Filipino	Director	2016 - 2017	5 Years
Eric S. Lustre	54	Filipino	Director	2016 - 2017	< 1 Year
Elenita G. Villamar	54	Filipino	Director and	2016 - 2017	2 Years
Armand F. Braun, Jr.	79	Filipino	Independent	2016 - 2017	11 Years
Meliton B. Salazar, Jr.	51	Filipino	Independent	2016 - 2017	2 Years
Jose Ivan T. Justiniano	58	Filipino	Compliance	2016 - 2017	1 Year
Ma. Adelina S. Gatdula	55	Filipino	Corporate	2016 - 2017	1 Year
Maureen Christine O. Lizarondo	30	Filipino	Asst. Corporate Secretary	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 2014, Mr. De Ocampo is Chairman of the following PAMI-managed funds: Philam Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc. (President and Director each since 2005), PAMI Global Bond Fund, Inc. (President and Director since 2008), PAMI Asia Balanced Fund, Inc. (President and Director since 2009), PAMI Horizon Fund, Inc. (President and Director since 2011), and PAMI Equity Index Fund, Inc. (President and Director since 2009). 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 Légion 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 the President and Director of the following PAMI-managed funds since 2014: 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, Inc., PAMI Asia Balanced Fund Inc., PAMI Equity Index Fund, Inc., and PAMI Horizon Fund, Inc.

### **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 Asia Balanced Fund Inc., PAMI Horizon Fund Inc., PAMI Global Emerging Markets 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.

**ERIC S. LUSTRE**

Director

Mr. Lustre is the President and Chief Executive Officer of Philam Asset Management, Inc. Prior to his appointment, Mr. Lustre was Head of Corporate Finance and Real Estate of Philam Life's Investments Team. Since he joined Philam Life in 1993, his roles over the years included mortgage finance, fund management (corporate bonds and global bond funds), and real estate management. Eric received his Bachelor's degree of Science in Business Management from The Ateneo de Manila University and a Master's degree in Business Management with a major in Finance at the Asian Institute of Management. He is a director in the following companies representing Philam Life: Phinma Corporation, Philam-Equitable Life Assurance Company, ICCP Holdings, Inc., Science Park of the Philippines, Inc., Regatta Properties, Inc., Beacon Property Ventures, Inc., Pueblo de Oro Development Corporation, Cebu Light Industrial Park, Inc., and RFM-Science Park of the Philippines, 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 October 2015, 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 Asia Balanced Fund, Inc. (since 2009), PAMI Horizon Fund, Inc. (since 2011), and PAMI Equity Index Fund, Inc. (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).

**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 Asia Balanced Fund 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.

**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. 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.

#### **MAUREEN CHRISTINE O. LIZARONDO**

Assistant Corporate Secretary

Atty. Maureen O. Lizarondo-Medina was born on November 30, 1986. She graduated cum laude with the degree of Bachelor Arts, Major in Political Science, from the University of the Philippines in 2003, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 2011. She is currently a Senior Associate at Picazo Buyco Tan Fider & Santos Law Offices. She also serves as Assistant Corporate Secretary of 8990 Holdings, Inc. and the Corporate Secretary of Tullett Prebon (Philippines), Inc. Atty. Lizarondo has served as Assistant Corporate Secretary since April 2017 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 during the past five (5) years 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 annually.

Information as to the aggregate compensation paid or accrued during the last previous fiscal year and the preceding two fiscal years to the PFI Board of Directors is as follows:

<b>Payment Period</b>	<b>Aggregate Amount Received (in thousands Php)</b>
2014	Php1,014
2015	Php1,014
2016	Php1,019
<b>Total</b>	<b>Php3,047</b>

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.

### **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 MARCH 31, 2017)**

<b>TITLE OF CLASS</b>	<b>NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER</b>	<b>NAME OF BENEFICIAL OWNER &amp; RELATIONSHIP WITH RECORD OWNER</b>	<b>CITIZENSHIP</b>	<b>NO OF SHARES HELD AND OUTSTANDING</b>	<b>PERCENT OF CLASS</b>
Common	THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE) 15F NET LIMA BUILDING 26TH STREET CORNER 5TH AVENUE, BGC, TAGUIG Record Owner is an affiliate of the Issuer.	The Record Owner is also the Beneficial Owner.	Filipino	360,949,910 <sup>17</sup>	54.1240%

**SECURITY OWNERSHIP OF MANAGEMENT (AS OF MARCH 31, 2017)**

<b>TITLE OF CLASS</b>	<b>NAME AND ADDRESS OF OWNER</b>	<b>CITIZENSHIP</b>	<b>AMOUNT &amp; NATURE OF OWNERSHIP (INDICATE RECORD &amp;/OR BENEFICIAL)</b>	<b>PERCENT OF CLASS</b>
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Bldg., Col. Joseph R. McMicking Campus, 123 Paseo de Roxas, Makati City (Chairman)	Filipino	1 R	0.000003%
Common	Reynaldo G. Geronimo No. 5 Zinia St., Valle Verde 2, Pasig City (President)	Filipino	1 R	0.000003%
Common	Eric S. Lustre 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Director)	Filipino	1 R	0.000003%

<sup>17</sup> Of which 297,371,684 are registered shares and 63,578,226 are unregistered shares. Ms. Arleen May S. Guevara is the person with the power to vote and dispose of the shares of the Philippine American Life and General Insurance, Co. Ms. Guevara is the Chief Investment Officer of the said company.

Common	Arleen May S. Guevara 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Director)	Filipino	1	R	0.000003%
Common	Elenita D.G. Villamar 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Treasurer)	Filipino	1	R	0.000003%
Common	Armand F. Braun, Jr. No. 45 Magdalena Circle , Magallanes Village, Makati City (Independent Director)	Filipino	1	R	0.000003%
Common	Meliton B. Salazar, Jr. No. 28 Hunt Street, Filinvest East, Quezon City (Independent Director)	Filipino	1	R	0.000003%
Common	Ma. Adelina S. Gatdula Penthouse Liberty Center 104HV De La Costa St Salcedo Village Makati City (Corporate Secretary)	Filipino	0		0%
Common	Maureen Christine O. Lizarondo- Medina Penthouse Liberty Center 104HV De La Costa St Salcedo Village Makati City (Assistant Corporate Secretary)	Filipino	0		0%
Common	J. Ivan Justiniano 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Compliance Officer)	Filipino	0		0%

### **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 PFI 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 PFI. As investment manager, PAMI is tasked to provide and render management and technical services to PFI. PAMI also functions as the principal distributor of PFI. As such, it takes charge of sales of the PFI shares to prospective investors. Through its Management and Distribution Agreement with PFI, the guidelines for the management of the resources and operations of PFI by PAMI are set.

PAMI is wholly owned by Philippine American Life Insurance Company (Philamlife) and an affiliate of the AIA Group Limited. Philamlife, which started in 1947, is the country's largest and most diversified insurance company and the undisputed market leader for over half the century. It is a wholly owned subsidiary of the AIA Group Limited. At present, PAMI manages and distributes eight other investment companies, namely: Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund, Inc., PAMI Asia Balanced Fund, Inc., PAMI Horizon Fund, Inc., and PAMI Equity Index Fund, Inc.

The management fee to be charged by PAMI is a maximum of 2% per year. Sales load for each investment will not be more than 3% (exclusive of VAT). The entry fee is 3%, aggregated of all investments of the client (exclusive of V.A.T). For exit fee, the applicable holding period is six (6) months. Redemptions made within six (6) months are subjected to an exit fee of no more than 1% (exclusive of twelve percent V.A.T.) of the redemption proceeds.

The Market Regulation Department of SEC issued PAMI its license for the current year to operate as an Investment Company Adviser on November 27, 2015, 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 is renewed every November of each year.

### **PAMI Board of Directors**

#### **Ferdinand L. Berba**

Chairman of the Board

Mr. Ferdinand Berba is the Chairman of the Board of Philam Asset Management, Inc. He is the Head of AIA-Citi Partnership and Deputy CEO of BPI-Philam. Prior to his appointment, Mr. Berba held the role of CEO of Philam Asset Management, Inc. He has more than 30 years of experience in the financial services 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. Nanjo 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.

#### **Eric S. Lustre**

## President and Chief Executive Officer

Mr. Eric Lustre is the CEO of Philam Asset Management, Inc. Prior to his appointment, Mr. Lustre was Head of Corporate Finance and Real Estate of Philam Life's Investments Team. Since he joined Philam Life in 1993, his roles over the years included mortgage finance, fund management (corporate bonds and global bond funds), and real estate management. Eric received his Bachelor's degree of Science in Business Management from The Ateneo de Manila University and a Master's degree in Business Management with a major in Finance at the Asian Institute of Management. He is a director in the following companies representing Philam Life: Phinma Corporation, Philam-Equitable Life Assurance Company, ICCP Holdings, Inc., Science Park of the Philippines, Inc., Regatta Properties, Inc., Beacon Property Ventures, Inc., Pueblo de Oro Development Corporation, Cebu Light Industrial Park, Inc., and RFM-Science Park of the Philippines, Inc.

## **Gerard Raymond M. Cariaso**

Director

Mr. Cariaso 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. Cariaso was Managing Director of Mercer Philippines, Inc. from 2007 to 2009 and President of Via Sacra, Inc. from 2005 to 2007. Mr. Cariaso 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. Cariaso was Vice President – HR for Rockwell Land Corporation. Mr. Cariaso 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 PFI, 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 PFI 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, dividend/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 PFI.

Address: 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig Tel Nos.: (632) 5216300 Fax Nos.: (632) 5285093

**PICAZO LAW**

LEGAL COUNSEL

PICAZO BUYCO TAN FIDER & SANTOS (PICAZO Law) serves as the legal counsel for the Company.

Address: Penthouse, Liberty Center, 104 H.V. Dela Costa St., Salcedo Village, Makati City Tel Nos.: (632) 888-0999 ; 888-0311 Fax Nos.: (632) 888-1012

**ISLA LIPANA**  
EXTERNAL AUDITOR

The accounting firm of Isla Lipana & Co. (Isla Lipana) has been retained by the Company as its external auditor.

Address: SGV II, 6760 Ayala Ave., Makati City Tel No.: 891-0307

Scope of Service

Isla Lipana's professional service for PFI is limited only to the regular annual audit report.

*Audit and Audit-Related Fees*

The following are the aggregate fees billed by the external auditors for each of the last two fiscal years:

YEAR	AMOUNT
2014	Php470,000.00
2015	Php587,829.02
2016	Php402,000.00
<b>Total</b>	<b>Php1,459,829.02</b>

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, PFI External Auditor and 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.

Isla Lipana and PICAZO Law have 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 PFI 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 PFI;
2. Preparation of reports, circulars, notices and other information on internal corporate affairs as may be required by PFI, 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 PFI'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 PFI'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 PFI;
5. Procurement of any and all licenses, permits and authorizations in making, holding and disposing of the investments as well as the distribution of PFI's capital stock;
6. Transactions with stockbrokers for the account of PFI in connection with PAMI's investment and re-investment of PFI'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 PFI, provided that it acts within the limits of the investment policies and guidelines prescribed by PFI's Board of Directors and subject to the provisions of the ICA and the registration statements of PFI.

The Certificates and other evidence of title to assets in the investment portfolio of the Fund shall be under the custody of a Custodian. However, PAMI may, either directly or through the Custodian, take charge of the collection of interests, dividends 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 PFI. PAMI shall use its best efforts to sell PFI 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 Amended 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 PFI's Board of Directors or by a vote of the shareholders holding or representing majority of the outstanding stock of PFI. In a

meeting held on December 10, 2015, the Board of Directors of PFI approved to extend the engagement of PAMI as PFI's Fund Manager for the fiscal year ending 2017.

The Fund Management Agreement may be terminated at any time, upon written notice of not less than 60 days, by PFI's Board of Directors, or by a vote of the shareholders holding or representing majority of the outstanding capital stock of PFI, 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 shall receive a management fee equivalent to a 1/6 of 1% of the average net value of the Fund's assets, computed on a daily basis. "Net Value" shall be determined by computing the total value of the Fund's assets less its liabilities in accordance with the procedure used in computing the Net Asset Value of each share of the Fund. In addition, PAMI is entitled to an incentive fee equivalent to 1/10 of 1% of the appreciation (whether realized or unrealized) in the value of the Fund's net asset value per share in excess of 12% in any calendar year. The Fund Management Agreement provides that in no case may the total compensation to PAMI exceed any maximum limit prescribed under RA 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**

PFI engaged the services of various Citibank branches around the world as custodian of PFI'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, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Portugal, Singapore, Spain, Switzerland, Taiwan, Thailand, United Kingdom and the United States.

The agreement, executed in February 15, 1995 does not provide for a definite term and shall be terminated at the instance of either party. This agreement may be terminated by PFI 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 PFI;
2. Collecting and receiving for the account of PFI all income, payments and distributions in respect of the property held under its custody;
3. Receiving and holding for the account of PFI 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 PFI to each custodian under the agreement varies depending on the country where the custodian bank is located. For instance, in the Philippines, the fee is Php500.00 per transaction, while in the United States, the fee is US\$30 per transaction. In addition, there is a fixed electronic banking fee of US\$300.00 per month and an account maintenance fee of US\$300.00 per month.

### **Service Agreement**

PFI engaged the services of Philam Asset Management Inc. ("PAMI") as Stock Transfer Agent effective April 7, 2016.

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 PFI;
  - b. All unclaimed stock certificates of PFI;
  - c. Corporate seal of PFI; and
  - d. Stock Transfer Journal and Ledgers of PFI.
2. Issuing certificate of stocks of PFI 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 PFI upon receipt thereof and canceling 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.

## 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 5.00% to 32.00% 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 25.00% 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 35.00% (currently scheduled to be reduced to 30.00% beginning in 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 20.00% 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 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 35.00% (currently scheduled to be reduced to 30.00% beginning in 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 20.00% 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 7.50% of such income.

A minimum corporate income tax of 2.00% 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 15.00%. This authority has not been exercised to date.

A final withholding tax of 35.00% 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 10.00%. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20.00% 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 25.00% 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 35.00% until end-2008 (with a reduced final withholding tax at the rate of 30.00% from 2009 onwards).

The 35.00% rate may also be reduced to 15.00% 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 20.00%. Effective on January 1, 2009, the credit against the tax due shall be 15.00%.

The 35.00% 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 non-resident 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 5.00% to 20.00%, 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 2.00% to 15.00% 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 (30.00%) 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 PFI SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.**

## SIGNATURES

<b>ROBERTO F. DE OCAMPO</b> Chairman TIN: 120-115-828	<b>REYNALDO G. GERONIMO</b> President and Director TIN: 123-102-993
<b>ARLEEN MAY S. GUEVARA</b> Director TIN: 135-913-440	<b>ARMAND F. BRAUN, JR.</b> Director TIN: 137-000-213
<b>MELITON B. SALAZAR, JR.</b> Director TIN: 144-499-695	<b>ERIC S. LUSTRE</b> Director TIN: 107-168-308
<b>ELENITA G. VILLAMAR</b> Director and Treasurer TIN: 110-862-513	<b>MA. ADELINA S. GATDULA</b> Corporate Secretary TIN: 107-043-114
<b>MAUREEN CHRISTINE O. LIZARONDO</b> Assistant Corporate Secretary TIN: 417-735-231	

## ACKNOWLEDGMENT

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

Before me, a Notary Public for and in \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, personally appeared the following:

<b>Name</b>	<b>Identification No.</b>	<b>City</b>	<b>Date Issued</b>
Roberto F. de Ocampo	EC6721113	NCR Central	10 Feb 2016
Reynaldo G. Geronimo	EC2113508	Manila	16 Sept 2014
Arleen May S. Guevara	EB6348267	Manila	14 Sept 2012
Ferdinand L. Berba	EB6080888	Manila	03 Aug 2012
Elenita G. Villamar	EC6020576	Manila	02 Dec 2015
Armand F. Braun, Jr.	EB7437939	Manila	20 Feb 2013
Meliton B. Salazar, Jr.	EC6631952	NCR East	28 Jan 2016
Ma. Adelina S. Gatdula	EB7291992	Manila	04 Feb 2013
Maureen Christine O. Lizarondo	EC7916069	Pampanga	04 June 2016

Known to me and to me known to be the same persons who executed the forgoing instruments and they acknowledged to me that the same is their free and voluntary act and deed

WITNESS MY HAND AND SEAL on the date and place first above-mentioned.

Doc. No. \_\_\_\_;  
Page No. \_\_\_\_;  
Book No. \_\_\_\_;  
Series of 2017.

## 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	
<b>A. Strategic Foresight</b>						
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>B. Board Structure and Committee Effectiveness</b>						
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.						
<b>C. Board Meetings and Procedures</b>						
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.						
<b>D. Board and Management Relations</b>						
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).						
<b>E. Induction and Continuing Education</b>						
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.							
<b>F. Performance Evaluation</b>							
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.							
<b>G. Value Creation</b>							
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: _____							

# GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2023

## STOCK CORPORATION

### GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. DO NOT LEAVE ANY ITEM BLANK. WRITE "N/A" IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE.
6. ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS.

\*\*\*\*\* PLEASE PRINT LEGIBLY \*\*\*\*\*

CORPORATE NAME: <b>PHILAM FUND, INC.</b>		DATE REGISTERED: <b>8/29/1969</b>	
BUSINESS/TRADE NAME: <b>PHILAM FUND, INC.</b>		FISCAL YEAR END: <b>December 31</b>	
SEC REGISTRATION NUMBER: <b>39191</b>			
DATE OF ANNUAL MEETING PER BY-LAWS: <b>Any day in May</b>		CORPORATE TAX IDENTIFICATION NUMBER (TIN) <b>000-507-003-000</b>	
ACTUAL DATE OF ANNUAL MEETING: <b>No meeting held</b>		WEBSITE/URL ADDRESS: <b>N/A</b>	
COMPLETE PRINCIPAL OFFICE ADDRESS: <b>17/F Net Lima Building, 5th Avenue corner 24th St., Bonifacio Global City, Taguig, Metro Manila</b>		E-MAIL ADDRESS: <b>N/A</b>	
COMPLETE BUSINESS ADDRESS: <b>19/F BPI Buendia Center, Sen. Gil Puyat Ave., Makati City, Metro Manila, Philippines</b>		FAX NUMBER: <b>(02) 8580-4682</b>	
OFFICIAL E-MAIL ADDRESS <b>asgatdela@picazola.com</b>	ALTERNATE E-MAIL ADDRESS <b>*BPI_Wealth_Operation@bpi.com.ph</b>	OFFICIAL MOBILE NUMBER <b>0918-9446026</b>	ALTERNATE MOBILE NUMBER <b>0917-7016268</b>
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: <b>Isla Lipana &amp; Co./ Imelda Dela Vega-Mangundaya</b>		SEC ACCREDITATION NUMBER (if applicable): <b>0009-FR-5</b>	TELEPHONE NUMBER(S): <b>(02) 8580-0900</b>
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: <b>Open-End Investment Company</b>		INDUSTRY CLASSIFICATION: <b>N/A</b>	GEOGRAPHICAL CODE: <b>N/A</b>

### \*\*\*\*\* INTERCOMPANY AFFILIATIONS \*\*\*\*\*

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
N/A	N/A	N/A
SUBSIDIARY/AFFILIATE	SEC REGISTRATION NO.	ADDRESS
N/A	N/A	N/A

\*The Corporation is awaiting the approval of its amended MC 28 submission.



GENERAL INFORMATION SHEET STOCK CORPORATION ===== PLEASE PRINT LEGIBLY =====		
<b>Corporate Name:</b> <span style="float: right;">PHILAM FUND, INC.</span>		
<b>A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)</b> <span style="float: right;"> <input checked="" type="radio"/> Yes    <input type="radio"/> No                 </span>		
<b>Please check the appropriate box:</b>		
<b>1.</b> <input type="checkbox"/> a. Banks <input type="checkbox"/> b. Offshore Banking Units <input type="checkbox"/> c. Quasi-Banks <input type="checkbox"/> d. Trust Entities <input type="checkbox"/> e. Non-Stock Savings and Loan Associations <input type="checkbox"/> f. Pawnshops <input type="checkbox"/> g. Foreign Exchange Dealers <input type="checkbox"/> h. Money Changers <input type="checkbox"/> i. Remittance Agents <input type="checkbox"/> j. Electronic Money Issuers <input type="checkbox"/> k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.	<b>4.</b> <input type="checkbox"/> Jewelry dealers in precious metals, who, as a business, trade in precious metals	
<b>2.</b> <input type="checkbox"/> a. Insurance Companies <input type="checkbox"/> b. Insurance Agents <input type="checkbox"/> c. Insurance Brokers <input type="checkbox"/> d. Professional Reinsurers <input type="checkbox"/> e. Reinsurance Brokers <input type="checkbox"/> f. Holding Companies <input type="checkbox"/> g. Holding Company Systems <input type="checkbox"/> h. Pre-need Companies <input type="checkbox"/> i. Mutual Benefit Association <input type="checkbox"/> j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)	<b>5.</b> <input type="checkbox"/> Jewelry dealers in precious stones, who, as a business, trade in precious stone  <b>6.</b> Company service providers which, as a business, provide any of the following services to third parties:  <input type="checkbox"/> a. acting as a formation agent of juridical persons <input type="checkbox"/> b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons  <input type="checkbox"/> c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement  <input type="checkbox"/> d. acting as (or arranging for another person to act as) a nominee shareholder for another person	
<b>3.</b> <input type="checkbox"/> a. Securities Dealers <input type="checkbox"/> b. Securities Brokers <input type="checkbox"/> c. Securities Salesman  <input type="checkbox"/> d. Investment Houses <input type="checkbox"/> e. Investment Agents and Consultants <input type="checkbox"/> f. Trading Advisors <input type="checkbox"/> g. Other entities managing Securities or rendering similar services <input checked="" type="checkbox"/> h. Mutual Funds or Open-end Investment Companies <input type="checkbox"/> i. Close-end Investment Companies <input type="checkbox"/> j. Common Trust Funds or Issuers and other similar entities <input type="checkbox"/> k. Transfer Companies and other similar entities <input type="checkbox"/> l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on <input type="checkbox"/> m. Entities administering or otherwise dealing in valuable objects <input type="checkbox"/> n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)	<b>7.</b> Persons who provide any of the following services:  <input type="checkbox"/> a. managing of client money, securities or other assets <input type="checkbox"/> b. management of bank, savings or securities accounts <input type="checkbox"/> c. organization of contributions for the creation, operation or management of companies <input type="checkbox"/> d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities  <b>8.</b> <input type="checkbox"/> None of the above  <div style="display: flex; border: 1px solid black; padding: 2px;"> <div style="width: 100px; font-size: small;">Describe nature of business:</div> <div style="flex-grow: 1;"></div> </div>	
<b>B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?</b>		<span style="float: right;"> <input checked="" type="radio"/> Yes    <input type="radio"/> No                 </span>



**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		<b>PHILAM FUND, INC.</b>					
<b>CAPITAL STRUCTURE</b>							
<b>AUTHORIZED CAPITAL STOCK</b>							
	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php) (No. of shares X Par/Stated Value)</b>			
	Common	603,315,664	1.00	603,315,664.00			
<b>TOTAL</b>		<b>603,315,664</b>	<b>TOTAL P</b>	<b>603,315,664.00</b>			
<b>SUBSCRIBED CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
	7,833	Common	126,486,363	126,486,356	1.00	126,486,363.00	99.90%
<b>TOTAL</b>		<b>126,486,363</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>126,486,363.00</b>		<b>99.90%</b>
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
Japan	1	Common	653		1.00	653.00	0.001%
Nicaragua	1		1,699		1.00	1,699.00	0.001%
Qatar	2		5,562		1.00	5,562.00	0.004%
Swaziland	1		113,298		1.00	113,298.00	0.089%
Turkey	1		1,151		1.00	1,151.00	0.001%
USA	1		3,537		1.00	3,537.00	0.003%
Percentage of Foreign Equity : 0.10%		<b>TOTAL</b>	<b>125,900</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>125,900.00</b>	<b>0.10%</b>
				<b>TOTAL SUBSCRIBED P</b>	<b>126,612,263.00</b>		<b>100.00%</b>
<b>PAID-UP CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>	
	7,833	Common	126,486,363	1.00	126,486,363.00	99.90%	
<b>TOTAL</b>		<b>126,486,363</b>	<b>TOTAL P</b>	<b>126,486,363.00</b>		<b>99.90%</b>	
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>	
Japan	1	Common	653	1.00	653.00	0.001%	
Nicaragua	1		1,699	1.00	1,699.00	0.001%	
Qatar	2		5,562	1.00	5,562.00	0.004%	
Swaziland	1		113,298	1.00	113,298.00	0.089%	
Turkey	1		1,151	1.00	1,151.00	0.001%	
USA	1		3,537	1.00	3,537.00	0.003%	
Percentage of Foreign Equity : 0.10%		<b>TOTAL</b>	<b>125,900</b>	<b>TOTAL P</b>	<b>125,900.00</b>	<b>0.10%</b>	
				<b>TOTAL PAID-UP P</b>	<b>126,612,263.00</b>		<b>100.00%</b>

NOTE: USE ADDITIONAL SHEET IF NECESSARY

\* Common, Preferred or other classification

\*\* Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

# GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: PHILAM FUND, INC.								
DIRECTORS / OFFICERS								
NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INCR	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. ROBERTO F. DE OCAMPO Eugenio Lopez Foundation Bldg., Col Joseph McMicking Campus, 123	FILIPINO	N	C	M	Y	Chairman	N/C & A/M	120-115-828
2. REYNALDO G. GERONIMO No. 5 Zinia St., Valle Verde 2, Pasig City	FILIPINO	N	M	M	Y	President	N/M	123-102-933
3. TOMAS S. CHUIDIAN 39 Tamarind Rd Forbes Park Makati City	FILIPINO	N	M	M	Y	N/A	N/A	228-608-842
4. LEE LONGA 3 Carbine Loop Alabang 400 Village, Muntinlupa City	FILIPINO	N	M	M	Y	N/A	N/A	188-675-421
5. RAMON PAULO L. TAYAG Blk 6 Lot 16 Salvador Place Brazilia Heights Susana Heights Muntinlupa City	FILIPINO	N	M	M	Y	N/A	N/A	314-491-906
6. FERNANDO J. SISON III 3 Jacson St., Xavierville 1, Loyola Heights, Quezon City	FILIPINO	N	I	M	Y	N/A	A/M	135-565-275
7. SIMON R. PATERNO 58 McKinley Road, Forbes Park, Makati City	FILIPINO	N	I	M	Y	N/A	A/C & N/M	203-010-472
8. MA. ADELINA S. GATDULA Penthouse, Liberty Center, 104 HV Dela Costa St., Salcedo Village Makati City	FILIPINO	N	N	F	N	Corporate Secretary	N/A	107-043-114
9. MA. FLORILIZ L. PEDERNAL 67 Chestnut St., Fairview Park, Quezon City	FILIPINO	N	N	F	N	Treasurer	N/A	149-792-248
10.								
11.								
12.								
13.								
14.								
15.								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.

FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.

FOR INCR COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.

FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.

FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.

FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.



**GENERAL INFORMATION SHEET**  
**STOCK CORPORATION**

***** PLEASE PRINT LEGIBLY *****						
<b>CORPORATE NAME:</b>		<b>PHILAM FUND, INC.</b>				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		<b>7,840</b>		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		<b>7,442</b>
<b>TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:</b>				<b>2,244,804,000.00</b>		
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1. TELENGTAN BROTHERS AND SONS, INC.  FILIPINO  KM 14 SSHW PARAÑAQUE METRO MANILA PHILIPPINES 1700	Common	8,388,274	8,388,274.00	6.63%	8,388,274.00	Not available
	<b>TOTAL</b>	8,388,274	8,388,274.00			
2. LHUILLIER, JEAN HENRI D  FILIPINO  118 MANGO DRIVE AYALA ALABANG VILLAGE MUNTINLUPA CITY METRO MANILA PHILIPPINES 1780	Common	4,690,039	4,690,039.00	3.70%	4,690,039.00	Not available
	<b>TOTAL</b>	4,690,039	4,690,039.00			
3. JIAO, MARY ANNE D  FILIPINO  53 CELERY DR. VALLE VERDE 5 PASIG METRO MANILA PHILIPPINES 0	Common	2,271,996	2,271,996.00	1.79%	2,271,996.00	Not available
	<b>TOTAL</b>	2,271,996	2,271,996.00			
4. GUANIO, LISA V  FILIPINO  6 DR. SIXTO ANTONIO AVENUE KAPASIGAN PASIG METRO MANILA PHILIPPINES 1600	Common	2,200,089	2,200,089.00	1.74%	2,200,089.00	Not available
	<b>TOTAL</b>	2,200,089	2,200,089.00			
5. STATEFIELDS SCHOOL INC  FILIPINO  MOLINO NATIONAL ROAD MOLINO III BACOD CAVITE PHILIPPINES 4102	Common	1,671,777	1,671,777.00	1.32%	1,671,777.00	Not available
	<b>TOTAL</b>	1,671,777	1,671,777.00			
6. KALAYAAN DEVELOPMENT & INDUSTRIAL CORP  FILIPINO  713 RIZAL AVENUE, EXT. CALOOCAN CITY METRO MANILA PHILIPPINES 1400 PHILIPPINES	Common	1,659,930	1,659,930.00	1.31%	1,659,930.00	Not available
	<b>TOTAL</b>	1,659,930	1,659,930.00			
7. PHILIPPINE GOLF FOUNDATION INC  FILIPINO  10F ORTIGAS AVE, ORTIGAS BLDG. PASIG METRO MANILA PHILIPPINES 0	Common	1,507,502	1,507,502.00	1.19%	1,507,502.00	Not available
	<b>TOTAL</b>	1,507,502	1,507,502.00			
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>			<b>22,389,607.00</b>	<b>17.68%</b>	<b>22,389,607.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

*Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.*

**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

\*\*\*\*\* PLEASE PRINT LEGIBLY \*\*\*\*\*

<b>CORPORATE NAME:</b>		<b>PHILAM FUND, INC.</b>					
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		<b>7,840</b>		<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		<b>7,442</b>	
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>		<b>2,244,804,000.00</b>					
STOCKHOLDER'S INFORMATION							
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER	
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP			
8. BDO FB TRUST FAO 1214899301 FILIPINO UNIT MEZZANINE FLR. 0751 PASO DE ROXAS, BDO PRIVATE BANK INC TRUST GROUP OPS, BQUITABLE BANK TOWER MAKATI CITY METRO MANILA PHILIPPINES 1226	Common	1,236,413	1,236,413.00	0.98%	1,236,413.00	Not available	
<b>TOTAL</b>		<b>1,236,413</b>	<b>1,236,413.00</b>				
9. SYCIP SALAZAR EMPLOYEES RETIREMENT PLAN FILIPINO 4F, 105 PASO DE ROXAS, SYCIP LAW CTR. MAKATI METRO MANILA PHILIPPINES 1226	Common	1,203,793	1,203,793.00	0.95%	1,203,793.00	Not available	
<b>TOTAL</b>			<b>1,203,793.00</b>				
10. CTC BPO INC. FILIPINO 4/F, NO.1 SALINAS DRIVE JY SQUAREMALL LAHUG CEBU CITY CEBU PHILIPPINES 6000	Common	1,186,030	1,186,030.00	0.94%	1,186,030.00	Not available	
<b>TOTAL</b>		<b>1,186,030</b>	<b>1,186,030.00</b>				
11. MANILA POLO CLUB, INC. FILIPINO 35 MCKINLEY ROAD FORBES PARK MAKATI CITY METRO MANILA PHILIPPINES	Common	1,134,488	1,134,488.00	0.90%	1,134,488.00	Not available	
<b>TOTAL</b>		<b>1,134,488</b>	<b>1,134,488.00</b>				
12. CASTRO, CHARMAINE ONG FILIPINO 19 COLUMBIA ST. NORTHEAST GREENHILLS SAN JUAN PHILIPPINES 1503	Common	1,081,578	1,081,578.00	0.85%	1,081,578.00	Not available	
<b>TOTAL</b>		<b>1,081,578</b>	<b>1,081,578.00</b>				
13. PHILIPPINE STOCK EXCHANGE CENTRE CONDOMINIUM CORP. FILIPINO B-1 EXCHANGE ROAD, PHILSTOCK EXCHANGE CENTRE ORTIGAS CENTER PASIG METRO MANILA PHILIPPINES 1605	Common	986,007	986,007.00	0.78%	986,007.00	Not available	
<b>TOTAL</b>		<b>986,007</b>	<b>986,007.00</b>				
14. JEPPI REAL ESTATE CO., INC. FILIPINO 1 SAN JUAN-LUZURIAGA STS., GOLDEN HERITAGE BLDG., BACOLOD CITY NEGROS OCCIDENTAL PHILIPPINES 6100	Common	776,860	776,860.00	0.61%	776,860.00	Not available	
<b>TOTAL</b>		<b>776,860</b>	<b>776,860.00</b>				
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>			<b>7,605,169.00</b>	<b>6.01%</b>	<b>7,605,169.00</b>		
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>							
INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS							
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>							

**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

\*\*\*\*\* PLEASE PRINT LEGIBLY \*\*\*\*\*

<b>CORPORATE NAME:</b>		PHILAM FUND, INC.				
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		7,840	<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		7,442	
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>		2,244,884,800.00				
<b>STOCKHOLDER'S INFORMATION</b>						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
15. CUA, MARY ANN BARRIOS FILIPINO 70 20TH AVENUE PROJECT 4 QUEZON CITY METRO MANILA PHILIPPINES 1109	Common	681,422	681,422.00	0.70%	681,422.00	Not available
<b>TOTAL</b>		<b>681,422</b>	<b>681,422.00</b>			
16. HEALTH MAINTENANCE, INC. FILIPINO CHINO ROCES AVE, TOWER GROUND, MAKATI CINEMA SQUARE CONDO MAKATI METRO MANILA PHILIPPINES 1200	Common	662,183	662,183.00	0.57%	662,183.00	Not available
<b>TOTAL</b>		<b>662,183</b>	<b>662,183.00</b>			
17. ST ELIZABETH COMMUNITY DEVELOPMENT PROGRAM FILIPINO DOOR 3, 402 E. LOPEZ ST, ARGUELLES BLDG JARO ILOILO CITY ILOILO PHILIPPINES 5000	Common	647,272	647,272.00	0.50%	647,272.00	Not available
<b>TOTAL</b>		<b>647,272</b>	<b>647,272.00</b>			
18. DE VERA, MA. CORAZON FILIPINO 6702 A. SANTUICO ST, BRGY P90 DEL PILAR, MAKATI METRO MANILA PHILIPPINES 1230	Common	639,195	639,195.00	0.49%	639,195.00	Not available
<b>TOTAL</b>		<b>639,195</b>	<b>639,195.00</b>			
19. RCBC SAVINGS BANK TRUST SERVICES DIVISION T&A FILIPINO 32/F 26TH AND 25TH STS, RCBC SAVINGS BANK CORPORATE CENTER BONIFACIO GLOBAL CITY TAGUIG METRO MANILA PHILIPPINES 0	Common	618,253	618,253.00	0.47%	618,253.00	Not available
<b>TOTAL</b>		<b>618,253</b>	<b>618,253.00</b>			
20. ONG, JOSEPH JEROME DAYRO FILIPINO 1 MT FUJI ST FILINVEST I QUEZON CITY METRO MANILA PHILIPPINES 0	Common	599,926	599,926.00	0.47%	599,926.00	Not available
<b>TOTAL</b>		<b>599,926</b>	<b>599,926.00</b>			
21. OTHERS (Indicate the number of the remaining stockholders) 7820	Common	92,769,236	92,769,236.00	73.27%	92,769,236.00	
<b>TOTAL</b>		<b>92,769,236</b>	<b>92,769,236.00</b>			
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>			96,617,487.00	76.47%	<b>96,617,487.00</b>	
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>						
<b>INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS</b>						
<i>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.</i>						



**GENERAL INFORMATION SHEET**  
**STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====			
CORPORATE NAME: <b>PHILAM FUND, INC.</b>			
<b>1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION</b>	<b>AMOUNT (PhP)</b>	<b>DATE OF BOARD RESOLUTION</b>	
<b>1.1 STOCKS</b>	N/A	N/A	
<b>1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)</b>	471,993,974.00	N/A	
<b>1.3 LOANS/ CREDITS/ ADVANCES</b>	N/A	N/A	
<b>1.4 GOVERNMENT TREASURY BILLS</b>	439,487,627.09	N/A	
<b>1.5 OTHERS</b>	77,920,000.00	N/A	
<b>2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)</b>	<b>DATE OF BOARD RESOLUTION</b>	<b>DATE OF STOCKHOLDERS RATIFICATION</b>	
N/A	N/A	N/A	
<b>3. TREASURY SHARES</b>	<b>NO. OF SHARES</b>	<b>% AS TO THE TOTAL NO. OF SHARES ISSUED</b>	
	N/A	N/A	
<b>4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: PhP1,420,542,000.00</b>			
<b>5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: NONE</b>			
<b>TYPE OF DIVIDEND</b>	<b>AMOUNT (PhP)</b>	<b>DATE DECLARED</b>	
<b>5.1 CASH</b>			
<b>5.2 STOCK</b>			
<b>5.3 PROPERTY</b>			
<b>TOTAL</b>	<b>P</b>		
<b>6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:</b>			
<b>DATE</b>	<b>NO. OF SHARES</b>	<b>AMOUNT</b>	
<b>SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:</b>			
<b>NAME OF AGENCY:</b>	<b>SEC</b>	<b>B S P</b>	<b>I C</b>
<b>TYPE OF LICENSE/REGN.</b>	Certificate of Permit to Offer Securities for Sale	N/A	N/A
<b>DATE ISSUED:</b>	8/1/2008	N/A	N/A
<b>DATE STARTED OPERATIONS:</b>	9/28/1993	N/A	N/A
<b>TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)</b>	<b>TOTAL NO. OF OFFICERS</b>	<b>TOTAL NO. OF RANK &amp; FILE EMPLOYEES</b>	<b>TOTAL MANPOWER COMPLEMENT</b>
400,000.00	4	0	4

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **MA. ADELINA S. GATDULA**, Corporate Secretary of **PHILAM FUND, INC.** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (Section 177, RA No. 11232 ).

Done this JAN 29 2024 day of \_\_\_\_\_, 20 \_\_\_\_ in MAKATI CITY



**MA. ADELINA S. GATDULA**

Corporate Secretary

JAN 29 2024

**SUBSCRIBED AND SWORN TO** before me in Makati City on \_\_\_\_\_ by affiant who personally appeared before me and exhibited to me her competent evidence of identity consisting of Driver's License No. N04-B5-005714 issued by LTO and expiring on 10 May 2032.

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Series of 2024.



NOTARY PUBLIC

**SAMANTHA NICOLE M. WARREN**

Appointment No. M-318

Notary Public for Makati City

Until December 31, 2024

Liberty Center-Picazo Law

104 H.V. Dela Costa Street, Makati City

Roll of Attorney's No. 81932

PTR No. 10081156/Makati City/01-09-2024

IBP No. 301891/Makati/01-05-2024

Admitted to the bar in 2022

# BENEFICIAL OWNERSHIP DECLARATION

FOR THE YEAR: 2023

SEC REGISTRATION NUMBER:

39191

CORPORATE NAME:

PHILAM FUND, INC.

## Instructions:

1. Identify the Beneficial Owner(s) of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

## Category

## Description

- A Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
- B Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
- C Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
- D Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
- E Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
- F Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
- G Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
- H Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
- I Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III))	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP <sup>2</sup> / % OF VOTING RIGHTS <sup>3</sup>	TYPE OF BENEFICIAL OWNER <sup>3</sup>  Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
ROBERTO F. DE OCAMPO	Eugenio Lopez Foundation Bldg., Col Joseph Monicking Campus, 123 Paseo de Roxas, Makati City	Filipino	10-Jan-46	120-115-828	Nil	I	I (Chairman/ Director)
REYNALDO G. GERONIMO	No. 5 Tima St., Valle Verde 2, Pasig City	Filipino	10-Jul-44	123-102-933	Nil	D/I	I (President/Director)
TOMAS S. CHURDAN	39 Tamarind Rd Forbes Park Makati City	Filipino	9-Dec-66	228-608-842	Nil	D/I	I (Director)
LEE LONGA	3 Carlisle Loop Alibang 400 Village, Muntinlupa City	Filipino	24-Feb-73	188-675-421	Nil	D/I	I (Director)
RAMON PAULO L. TAYAG	Blk 4 Lot 16 Salvador Place Brasilia Heights Susana Heights Muntinlupa City	Filipino	30-Dec-80	314-491-906	Nil	D/I	I (Director)
FERNANDO J. SISON III	3 Jocoson St., Xavierville 1, Loyola Heights, Quezon City	Filipino	4-Apr-52	135-565-275	Nil	D/I	I (Director)
SIMON R. PATERNO	58 McElroy Road, Forbes Park, Makati City	Filipino	10-Feb-59	203-010-472	Nil	D/I	I (Director)

<sup>2</sup> For Non-Stock Corporations.

<sup>3</sup> For Stock Corporations.