

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	1	1	9	0	3	8	5
---	---	---	---	---	---	---	---	---	---	---

COMPANY NAME

F	I	L	I	P	I	N	O	F	U	N	D	,	I	N	C	.	(A	C	L	O	S	E	D	-		
E	n	d	I	n	v	e	s	t	m	e	n	t	C	o	m	p	a	n	y)							

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

U	n	i	t	s		1	9	1	1	-	1	9	1	2	,		1	9	t	h	F	l	o	o	r	,	
P	S	E	T	o	w	e	r	,		5	t	h	A	v	e	n	u	e	c	o	r	n	e	r			
2	8	t	h	s	t	r	e	e	t	,		B	o	n	i	f	a	c	i	o	G	l	o	b	a	l	
C	i	t	y	,		T	a	g	u	i	g	C	i	t	y												

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

C	F	D
---	---	---

Secondary License Type, If Applicable

N	/	A
---	---	---

COMPANY INFORMATION

Company's Email Address info@filipinofund.com.ph	Company's Telephone Number 898-7522	Mobile Number N/A
No. of Stockholders 5,403	Annual Meeting (Month / Day) Every 2nd Tuesday of May	Fiscal Year (Month / Day) December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

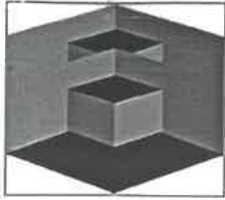
Name of Contact Person Mr. Gerard Martin F. Abad	Email Address gfabad@abcapital.com.ph	Telephone Number/s 898-7528	Mobile Number N/A
--	---	---------------------------------------	-----------------------------

CONTACT PERSON'S ADDRESS

Units 1210-1212, 12th Floor, PSE Tower, 5th Avenue corner 28th St., Bonifacio Global City, Taguig

NOTE 1 In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.
2 All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.





Filipino Fund, Inc

**FILIPINO FUND, INC.
STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of Filipino Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017, 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 the assessing the Fund's ability to continue as a going concern, disclosing, as applicable manners 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.

The Board of Directors (BOD) is responsible for overseeing the Fund's financial reporting process.

The Board of Directors (BOD) reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip, Gorres, Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Fund in accordance with Philippine Standards on Auditing (PSA), and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.


Bernardo M. Villegas
Chairman


Margaret Gaisano-Ang
President


Mary Jennifer V. Musni
Treasurer

Signed this 18th of June 2020 

SUBSCRIBED AND SWORN to before me this _____
their Residence Certificate/Passport IDs as follows:

JUN 29 2020

affiants exhibiting to me

Name	Com. Tax Cert. No./Passport No.	Date of Issue	Place of Issue
Bernardo M. Villegas	EC 7789082	MAY 22, 2016	DFA MANILA
Margaret Gaisano-Ang	CTC 11084238	31 January 2020	CEBU CITY
Mary Jennifer V. Musni	DL OR#1133515504	VALID TIL MARCH 1, 2022	CEBU CITY

Doc. No. 190
Page No. 44
Book No. 2020 XIV

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
until December 31, 2020
IBP No. 05729 Lifetime Member
MCLE Compliance No. VI-0024312
Appointment No. M-183-(2019-2020)
PTR No. 8116014 Jan. 2, 2020
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filipino Fund, Inc.
Units 1911-1912, 19F, PSE Tower
5th Avenue corner 28th Street, Bonifacio Global City
Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Filipino Fund, Inc. (the Fund), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2019, and a summary of significant accounting policies and other explanatory information.

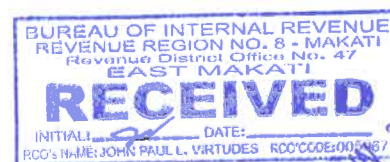
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to report.



that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 22 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 information is the responsibility of the management of the Fund. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Janet A. Paraiso.

SYCIP GORRES VELAYO & CO.

Janet A. Paraiso

Janet A. Paraiso
Partner

CPA Certificate No. 92305

SEC Accreditation No. 0778-AR-3 (Group A),
June 19, 2018, valid until June 18, 2021

Tax Identification No. 193-975-241

BIR Accreditation No. 08-001998-62-2018,

February 26, 2018, valid until February 25, 2021

PTR No. 8125203, January 7, 2020, Makati City

June 18, 2020



FILIPINO FUND, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2019	2018
ASSETS		
Cash and cash equivalents (Note 6)	₱21,385,709	₱8,692,882
Financial assets at fair value through profit or loss (Note 7)	174,561,064	204,960,456
Receivables (Note 8)	17,854,105	45,523
	₱213,800,878	₱213,698,861
LIABILITIES		
Accounts payable and accrued expenses (Note 9)	₱1,530,497	₱1,816,489
EQUITY (Note 10)		
Capital stock	105,272,397	105,272,397
Additional paid-in capital	94,361,124	94,361,124
Retained earnings	61,835,185	61,447,176
Treasury stock	(49,198,325)	(49,198,325)
	212,270,381	211,882,372
	₱213,800,878	₱213,698,861
Net Asset Value Per Share (Note 10)	₱4.2312	₱4.2235

See accompanying Notes to Financial Statements.



FILIPINO FUND, INC.**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2019	2018	2017
INVESTMENT INCOME (LOSS)			
Trading gains (losses) - net (Note 7)	₱4,300,952	(₱20,680,367)	₱24,434,820
Dividend income (Note 7)	2,140,368	2,911,645	3,225,331
Interest income (Note 6)	250,655	16,479	33,772
	6,691,975	(17,752,243)	27,693,923
OPERATING EXPENSES			
Management and administration fees (Notes 17 and 18)	1,686,814	1,834,539	2,294,727
Professional and legal fees (Note 13)	1,162,646	1,070,488	1,121,076
Transaction fees (Note 12)	851,303	212,813	142,731
Directors' fees (Note 18)	777,778	722,222	441,176
Postage and courier	307,536	77,679	126,700
Advertising and publicity	257,214	252,820	195,295
Membership fee	251,000	256,000	258,000
Donation (Note 18)	200,000	200,000	200,000
Meetings	96,250	93,254	99,489
Taxes and licenses	16,330	103,897	53,961
Miscellaneous (Note 14)	646,964	460,424	197,187
	6,253,835	5,284,136	5,130,342
INVESTMENT INCOME (LOSS) BEFORE INCOME TAX	438,140	(23,036,379)	22,563,581
PROVISION FOR INCOME TAX (Note 16)	50,131	3,296	6,754
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)*	₱388,009	(₱23,039,675)	₱22,556,827
Basic and Diluted Earnings (Losses) Per Share (Note 11)	₱0.0077	(₱0.4593)	₱0.4496

*There were no other comprehensive income (loss) items in 2019, 2018 and 2017.

See accompanying Notes to Financial Statements.



FILIPINO FUND, INC.**STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock (Note 10)	Additional Paid-in Capital (Note 10)	Retained Earnings (Note 10)	Treasury Stock (Note 10)	Total
Balances as at					
January 1, 2019	₱105,272,397	₱94,361,124	₱61,447,176	(₱49,198,325)	₱211,882,372
Net income/total comprehensive income for the year	—	—	388,009	—	388,009
Balances as at					
December 31, 2019	₱105,272,397	₱94,361,124	₱61,835,185	(₱49,198,325)	₱212,270,381
Balances as at					
January 1, 2018	₱105,272,397	₱94,361,124	₱88,500,243	(₱49,198,325)	₱238,935,439
Net loss/total comprehensive income for the year	—	—	(23,039,675)	—	(23,039,675)
Cash dividends paid (Note 10)	—	—	(4,013,392)	—	(4,013,392)
Balances as at					
December 31, 2018	₱105,272,397	₱94,361,124	₱61,447,176	(₱49,198,325)	₱211,882,372
Balances as at					
January 1, 2017	₱105,272,397	₱94,361,124	₱65,943,416	(₱49,198,325)	₱216,378,612
Net income/total comprehensive income for the year	—	—	22,556,827	—	22,556,827
Balances as at					
December 31, 2017	₱105,272,397	₱94,361,124	₱88,500,243	(₱49,198,325)	₱238,935,439

See accompanying Notes to Financial Statements.



FILIPINO FUND, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Investment income (loss) before income tax	₱438,140	(₱23,036,379)	₱22,563,581
Adjustments for:			
Unrealized trading loss (gain) (Note 7)	6,440,293	22,645,941	(25,058,711)
Interest income (Note 6)	(250,655)	(16,479)	(33,772)
Dividend income (Note 7)	(2,140,368)	(2,911,645)	(3,225,331)
Decrease (increase) in:			
Financial assets at fair value through profit or loss	23,959,099	741,769	9,525,229
Receivables	(17,725,895)	576,063	(576,063)
Increase (decrease) in accounts payable and accrued expenses	(285,992)	(401,798)	534,394
Net cash generated from operations	10,434,622	(2,402,528)	3,729,327
Interest received	244,509	16,479	33,772
Dividend received	2,063,827	2,898,360	3,219,961
Income tax paid (Note 16)	(50,131)	(3,296)	(6,754)
Net cash provided by operating activities	12,692,827	509,015	6,976,306
CASH FLOWS FROM FINANCING ACTIVITY			
Cash dividends paid (Note 10)	-	(4,013,392)	-
NET INCREASE (DECREASE) IN CASH IN BANK	12,692,827	(3,504,377)	6,976,306
CASH IN BANK AT BEGINNING OF YEAR	8,692,882	12,197,259	5,220,953
CASH IN BANK AT END OF YEAR (Note 6)	₱21,385,709	₱8,692,882	₱12,197,259

See accompanying Notes to Financial Statements.



FILIPINO FUND, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Filipino Fund, Inc. (the Fund) was incorporated in the Philippines on May 9, 1991 primarily to establish and carry on the business of a closed-end investment company. On March 28, 1995, the Fund was registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1960, or Republic Act (R.A.) No. 2629, and the Revised Securities Act, also known as Batas Pambansa Blg. 178.

The Fund's investment manager is AB Capital and Investment Corporation(ABCIC), a corporation registered with the SEC, licensed to deal and trade in equity and debt securities and other financial instruments traded in the Philippine Stock Exchange (PSE).

The Fund's principal place of business is at Units 1911-1912, 19F, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City.

The Fund is 71% owned by its ultimate parent company, Vicsal Development Corporation (VDC), a corporation duly organized in the Philippines to engage in buying, selling, distributing and marketing at wholesale and retail in so far as may be permitted by law all kinds of goods, commodities and merchandise of every kind.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Fund's financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVTPL), which have been measured at fair value. The financial statements are presented in Philippine peso, which is the Fund's functional currency.

All values are rounded to the nearest peso except when otherwise indicated.

Statement of Compliance

The financial statements of the Fund have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Fund has adopted the following new accounting pronouncements beginning January 1, 2019. Adoption of these pronouncements did not have any significant impact on the Fund's financial position or performance.

- PFRS 16, *Leases*
- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*
- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*
- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*



- *Annual Improvements to PFRSs 2015-2017 Cycle*
 - *Amendments to PFRS 3, Business Combinations, and PFRS 11, Joint Arrangements, Previously Held Interest in a Joint Operation*
 - *Amendments to PAS 12, Income Tax Consequences of Payments on Financial Instruments Classified as Equity*
 - *Amendments to PAS 23, Borrowing Costs, Borrowing Costs Eligible for Capitalization*

Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the dates of placement and that are subject to an insignificant risk of changes in value.

Fair Value Measurement

The Fund measures certain financial instruments at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid - ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

For assets and liabilities not listed in an active market, the Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For purposes of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of hierarchy (see Note 5).

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

The Fund recognizes a financial asset and a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the transaction date. Securities are recognized on trade date.

Initial recognition of financial instruments

All financial instruments are initially recognized at fair value. Except for financial assets and liabilities at fair value through profit or loss (FVPL), the initial measurement of financial assets and liabilities includes transaction costs.

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from an observable market, the Fund recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where non-market observable data is used, the difference between the transaction price and model value is only recognized in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Fund determines the appropriate method of recognizing the 'Day 1' difference amount.

Classification and Subsequent Measurement of financial instruments

Classification of financial assets

Financial assets are classified in their entirety based on their contractual cash flows characteristics and the Fund's business model for managing such financial assets. The Fund classifies its financial assets into the following categories: financial assets at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and financial assets measured at amortized cost (AC).

Contractual cash flows characteristics test

The Fund assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding. Instruments with cash flows that are not (SPPI) are classified as at FVTPL.

In making this assessment, the Fund determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time.



Business model assessment

The Fund's business model does not depend on management's intentions for an individual instrument, rather it refers to how it manages its group of financial assets in order to generate cash flows (i.e. collecting contractual cash flows, selling financial assets or both).

Relevant factors considered by the Fund in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Fund's key management personnel. The Fund also considers the risks that affect the performance of the business model (and the financial assets held within that business model), how these risks are managed and how managers, if any, of the business are compensated.

As at December 31, 2019 and 2018, based on the results of the contractual cash flows characteristics test and business model assessment, the Fund classifies its cash and cash equivalents, dividends receivable, interest receivable, and due from broker as financial assets at amortized cost and its financial assets held for trading as financial assets at FVTPL.

As of December 31, 2019 and 2018, the Fund has no financial assets at FVOCI.

Financial assets at amortized cost

A debt financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the EIR. The amortization is included in 'Interest income' in the statement of comprehensive income and is calculated by applying the EIR to the gross carrying amount of the financial asset.

Financial assets at FVTPL

A financial asset is classified as at FVTPL if its cash flows are not SPPI and/or it is held under a business model whose objective is to sell financial assets. The Fund may designate as at FVTPL, a financial asset that would otherwise qualify to be classified as at amortized cost or as at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch. Financial assets at FVTPL are recorded in the statement of financial position at fair value, with changes in the fair value included under the 'Trading gains (losses) - net' account in profit or loss. Dividend income is reported in profit or loss under 'Dividend income' when the right to receive payment has been established.

Reclassifications of financial instruments

The Fund reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Fund and any previously recognized gains, losses or interest shall not be restated.

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated as at FVTPL, are classified as financial liabilities at amortized cost. After initial measurement, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR 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 EIR. This policy applies to accounts payable and other accrued expenses of the Fund. As of December 31, 2019 and 2018, the Fund has no financial liabilities at FVTPL.



Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Fund has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control over the asset.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Impairment of Financial Assets

Expected credit loss

PFRS 9 requires the Fund to record ECL for all loans and other debt financial assets not classified as at FVTPL, together with loan commitments and financial guarantee contracts. ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances will be measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (30 days but less than 90 days past due) or credit-impaired. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECL are credit losses that result from all possible default events over the expected life of the financial asset.

Staging assessment

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired debt financial assets which have not experienced a SICR since initial recognition. The Fund recognizes a 12-month ECL for Stage 1 debt financial assets.
- Stage 2 is comprised of all non-impaired debt financial assets which have experienced a SICR since initial recognition. The Fund recognizes a lifetime ECL for stage 2 debt financial assets.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment. The Fund considers a financial asset as in default when contractual payments are ninety (90) days past due. However, in certain cases, the Fund may also consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Fund.

Writeoff

A financial asset is written off when there is no reasonable expectation of recovering its contractual cashflows.



Policy applicable prior to January 1, 2018

The Fund assesses at each statement of financial position date, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more event that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Trading gains (losses)

Trading gain (loss) represents results arising from trading activities, including all gains and losses from changes in the fair values of financial assets held for trading.

Unrealized gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealized gains and losses for financial instruments which were realized in the reporting period.



Gains and losses on disposals of financial instruments at FVPL are calculated using weighted average method and represent the difference between an instrument's initial carrying amount and disposal amount.

Interest income

Interest income is recognized in the statement of comprehensive income as it accrues, taking into consideration the effective yield of the asset.

Dividend income

Dividend income is recognized when the Fund's right to receive payment is established.

Expense Recognition

Expenses are recognized when it is probable that a decrease in future economic benefits related to a decrease in an asset or an increase in liability has occurred and the decrease in economic benefits can be measured reliably.

Management and Administration Fees

Management fees are being charged to the Fund as a percentage of its net asset value and are recognized based on the accrual method of accounting. Administration fees are being charged at a fixed amount per month.

Income Taxes

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax laws. Income tax is recognized in profit or loss, except to the extent that it is related to OCI items recognized directly in the statement of comprehensive income.

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at reporting date. Current tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred tax

Deferred tax is provided using the balance sheet liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with few exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.



Deferred tax assets and liabilities are measured at the tax rate applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Equity

Capital stock is measured at par value for all shares issued. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the 'Additional paid-in capital' account in the statement of financial position.

Retained Earnings

Retained earnings represent the accumulated income of the Fund less dividends to stockholders.

Treasury Shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Fund's own equity instruments. Any difference between the carrying amount and the consideration is recognized in equity.

Net Asset Value (NAV) Per Share

NAV per share is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding as at the reporting date.

Earnings Per Share (EPS)

Basic EPS is calculated by dividing net investment income by the weighted average number of shares outstanding during the period after giving retroactive effect to stock dividends declared and stock rights exercised during the period, if any. The Fund does not have dilutive potential common shares as of December 31, 2019, 2018 and 2017.

Dividend Distribution

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's shareholders is accounted for as a deduction from retained earnings. A proposed cash dividend is recognized as a liability in the period in which it is approved by the Fund's board of directors (BOD). A stock dividend is recognized as an addition to capital stock.

Segment Reporting

For management purposes, the Fund is organized into one main operating segment, which invests in equity securities. All of the Fund's activities are interrelated and interdependent. Accordingly, all significant operating decisions are based upon the analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

Provisions

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.



Events after the Reporting Date

Any post year-end events up to the date of approval of the BOD of the financial statements that provide additional information about the Fund's position at the reporting date (adjusting events) are reflected in the financial statements. Post statement of financial position date events that are not adjusting events, if any, are disclosed when material to the financial statements.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Fund intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Fund's financial statements, unless otherwise indicated.

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*
- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Significant Accounting Estimates and Judgments

The preparation of the financial statements in compliance with PFRS requires the Fund to make use of estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and liabilities, if any. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates 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.

Judgments

The Fund does not have significant accounting judgments which have the most significant effect on the amounts recognized in the financial statements.

Estimates

Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Historically, the Fund has been in a tax loss position. Management believes that the Fund will continue to be in a tax loss position as the items comprising the Fund's investment income are either tax-exempt or subject to final tax. As of December 31, 2019 and 2018, the Fund did not recognize



deferred tax asset amounting to ₱4.72 million and ₱4.50 million, respectively, on NOLCO as management believes that the benefit from such asset will not be realized prior to its expiration (see Note 16).

4. Financial Risk Management Objectives and Policies

Governance Framework

The Fund has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity and operational risks. It also supports the effective implementation of the Fund's risk management policies.

The policies define the Fund's identification of risks and its interpretation to ensure the appropriate quality and diversification of assets to the corporate goals and specify reporting requirements.

Risk Management Framework

The Fund's risk management personnel have developed and implemented certain minimum stress and scenario tests for identifying the risks to which the Fund is exposed, quantifying their impact on the volatility of economic capital. The results of these tests, particularly the anticipated impact on the statement of financial position and statement of comprehensive income, are reported to the Fund's management.

Management then considers the aggregate impact of the overall capital requirement revealed by the stress test to assess how much capital is needed to mitigate the risk of insolvency to a selected remote level.

The Fund's objective is to achieve medium-term capital growth through investing in a selection of investment securities. The Fund seeks to provide a high level of current income, consistent with the preservation of capital and liquidity by observing regulatory guidelines and applying risk-mitigating controls.

All investment securities present a risk of loss of capital. The Investment Manager manages this risk through a careful selection of equity and debt securities within specified limits. The Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager and are reviewed on a quarterly basis.

Regulatory Framework

The operations of the Fund are subject to the regulatory requirements of the SEC and Bureau of Internal Revenue (BIR). Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., investment portfolios, capital requirements, etc.).

Financial Risk

The Fund is exposed to financial risks through its holdings of financial instruments. The most significant components of this financial risk are credit risk, liquidity risk and market risk.

The market risk that the Fund primarily faces due to the nature of its investments is equity price risk.



Credit Risk

Credit risk is the risk of financial loss to the Fund if the counterparty to a financial instrument fails to meet its contractual obligations.

Maximum exposure to credit risk before collateral held or other credit enhancements

The carrying values of the Fund's financial assets, as reflected in the statements of financial position and related notes, represent the financial assets' maximum exposure to credit risk. As of December 31 2019 and 2018, all of the Fund's debt financial assets at amortized cost are Stage 1 financial assets. The ECL for the Fund's cash in bank and receivables is not material.

As of December 31, 2019 and 2018, the Fund does not hold collateral on its financial assets.

Concentration of credit risk

The Fund monitors concentration of credit risk by industry. An analysis of concentrations of credit risk at the reporting date is shown below:

	2019		
	Cash and cash equivalents	Receivables	Total
Corporate:			
Financial institutions	₱21,385,709	₱45,440	₱21,431,149
Services	-	17,755,095	17,755,095
Holding firms	-	53,570	53,570
Total	₱21,385,709	₱17,854,105	₱39,239,814
	2018		
	Cash and cash equivalents	Receivables	Total
Corporate:			
Financial institutions	₱8,692,882	₱9,403	₱8,702,285
Holding firms	-	36,120	36,120
Total	₱8,692,882	₱45,523	₱8,738,405

As of December 31, 2019 and 2018, the Fund has no impaired receivables.

The Fund adopted the internal credit rating process of its investment manager in assessing the credit quality of the Fund's investments.

Cash and cash equivalents and receivables are considered high grade since these are low risk investments and the counterparties have no history of default.

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 either from the inability to sell financial assets quickly at their fair values; the counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

The Fund's liquidity risk is managed by holding sufficient amounts of liquid assets and assets with appropriate credit quality to ensure that short-term funding requirements are met. As part of the Fund's risk management, cash in bank is available on demand, receivables are collected monthly and financial assets at FVTPL can be readily disposed of whenever the need for funding arises. The Fund's total financial liabilities mature within three months and are noninterest-bearing.



Market Risk

Market risk is the risk of change in the fair value of financial instruments from fluctuations in market interest rates (fair value interest rate risk) and market prices (equity price risk), whether such change in the price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

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

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

Equity price risk

The Fund's equity price risk emanates from its securities in proprietary accounts classified as financial assets at FVTPL. The Fund measures the sensitivity of its quoted equity securities with the fluctuations in the Philippine Stock Exchange index (PSEi).

The following tables set forth the impact of changes in the PSEi on the Fund's trading gains or losses on its quoted equity securities as of December 31, 2019 and 2018.

	2019	
Changes in PSEi	8.12%	(8.12%)
Change in equity under:		
Holding firms	₱3,257,750	(₱3,257,750)
Financials	1,913,191	(1,913,191)
Property	932,689	(932,689)
Industrial	719,924	(719,924)
Mining and oil	838,853	(838,853)
Services	853,078	(853,078)
Total	₱8,515,486	(₱8,515,486)
As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL	(101.79%)	101.79%
	2018	
Changes in PSEi	13.30%	(13.30%)
Change in equity under:		
Holding firms	₱5,016,976	(₱5,016,976)
Financials	3,502,122	(3,502,122)
Property	2,420,397	(2,420,397)
Industrial	2,054,592	(2,054,592)
Mining and oil	1,195,679	(1,195,679)
Services	1,081,174	(1,081,174)
Total	₱5,016,976	(₱5,016,976)
As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL	(62.90%)	62.90%



The sensitivity analyses above show the effect of the assumed changes in the PSEi on the trading gains (losses) for one year, based on the beta of equity securities at each reporting date. The sensitivity of trading gains (losses) is calculated by revaluing the market rate using the beta of the equity securities at the reporting dates for the effects of the assumed changes in PSEi.

The Fund measures the sensitivity of its investments in UITF through the fluctuations in NAV per share.

The following tables set forth the impact of the reasonably possible change in NAV per share of the Fund's investments in UITF:

	Changes in price quotation (in basis points)			
	+ 100	-100	+ 50	- 50
Change in equity				
2019	₱576,516	(₱576,516)	₱288,258	(₱288,258)
2018	800,086	(800,086)	400,043	(400,043)

5. Fair Value of Financial Assets and Liabilities

As of December 31, 2019 and 2018, all of the financial assets and liabilities of the Fund have carrying amounts which approximate their fair values.

The methods and assumptions used by the Fund in estimating the fair value of financial instruments are:

Cash and cash equivalents and receivables- Carrying amounts approximate their fair values due to the relatively short-term maturities of these instruments.

Financial assets at FVTPL -The fair values are based on closing prices published by the PSE for quoted equity securities and the published NAV per unit for investments in UITF.

Accounts payable and accrued expenses - Accruals for professional and management and administration fees and other liabilities have carrying amounts that approximate their fair values as these are short-term in nature.

The following tables summarize the fair values of financial assets, analyzed based on the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



2019					
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	₱116,909,441	₱116,909,441	₱-	₱-	₱116,909,441
Investments in UITF	57,651,623	-	57,651,623	-	57,651,623
	₱174,561,064	₱116,909,441	₱57,652,623	₱-	₱174,561,064
2018					
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	₱124,951,857	₱124,951,857	₱-	₱-	₱124,951,857
Investments in UITF	80,008,599	-	80,008,599	-	80,008,599
	₱204,960,456	₱124,951,857	₱80,008,599	₱-	₱204,960,456

There were no transfers between fair value hierarchy levels in 2019 and 2018.

6. Cash and Cash Equivalents

This account consists of:

	2019	2018
Cash in Bank	₱11,328,160	₱8,692,882
Short Term Placements	10,057,549	-
	₱21,385,709	₱8,692,882

Cash in bank earns interest at the prevailing bank deposit rates. Short term placements are made for varying periods of up to less than two months depending on the immediate cash requirements of the Fund and earn interest ranging from 2.00% to 5.80% in 2019.

Interest income earned on cash and cash equivalents amounted to ₱0.25 million, ₱0.02 million and ₱0.03 million in 2019, 2018 and 2017, respectively.

7. Financial Assets at Fair Value through Profit or Loss

This account consists of:

	2019	2018
Quoted equity securities	₱116,909,441	₱124,951,857
Investments in UITF (Note 19)	57,651,623	80,008,599
	₱174,561,064	₱204,960,456

Investments in UITF are managed by AB Capital and Investment Corporation - Trust and Investments Division (ABCIC - TID), with no guaranteed rate of return. The Fund's participation in the UITFs is expressed in terms of number of units of participation.



Breakdown of the investments in UITF follows:

	2019		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	₱54,426,323	₱1,878,653	₱1,346,647
Outstanding units	48,721,913	583,159	1,250,000
NAV per share	₱1.1171	₱3.2215	₱1.0773

	2018		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	₱76,911,222	₱1,782,204	₱1,315,173
Outstanding units	71,201,766	583,159	1,250,000
NAV per share	₱1.0802	₱3.0561	₱1.0521

The short-term fund is redeemable within a short period. The equity fund is designed to achieve superior returns for its participants by investing primarily in equity securities listed in the PSE. The balanced fund has a portfolio mix of fixed-income investments and equity securities listed in the PSE.

Breakdown of trading gains (losses) - net follows:

	2019	2018	2017
Realized	₱10,741,245	₱1,965,574	(₱623,891)
Unrealized	(6,440,293)	(22,645,941)	25,058,711
	₱4,300,952	(₱20,680,367)	₱24,434,820

Dividend income earned from quoted equity securities under financial assets at FVTPL amounted to ₱2.14 million, ₱2.91 million and ₱3.23 million in 2019, 2018 and 2017, respectively.

8. Receivables

This account consists of:

	2019	2018
Due from broker (Note 18)	₱17,725,895	₱-
Dividends receivable	122,064	45,523
Interest Receivable	6,146	-
	₱17,854,105	₱45,523

Due from broker pertains to receivable from trade of FVTPL securities transactions on December 27, 2019 which is expected to be settled on Trade Date +3 while interest receivable include the interest earned from short term placements.



9. Accounts Payable and Accrued Expenses

This account consists of:

	2019	2018
Financial Liabilities		
Accrued expenses (Notes 17 and 18)	₱704,701	₱1,278,514
Other liabilities	772,325	466,448
	1,477,026	1,744,962
Non-financial Liabilities		
Withholding tax payable	19,989	38,044
Other liabilities	33,482	33,483
	53,471	71,527
	₱1,530,497	₱1,816,489

Accrued expenses include accruals for management and administration fees, legal and professional fees. Other financial liabilities mainly represents dividends payable to stockholders.

10. Equity

The Fund's capital stock consists of:

	2019	2018
Capital stock - ₱1 par value		
Authorized - 184,234,038 common shares in 2019 and 2018		
Issued and fully paid-105,272,397 shares, at par	₱105,272,397	₱105,272,397
Treasury stock - 55,105,000 shares, at cost	(49,198,325)	(49,198,325)
	₱56,074,072	₱56,074,072

NAV per share is computed as follows:

	2019	2018
Net asset value	₱212,270,381	₱211,882,372
Number of shares outstanding	50,167,397	50,167,397
NAV per share	₱4.2312	₱4.2235

On March 26, 2018, the BOD of the Fund declared cash dividends of ₱4.01 million or ₱0.08 per share to all stockholders of record on the basis of the outstanding shares owned by them as of April 23, 2018. The dividends were paid on May 4, 2018.

The total number of stockholders of the Fund is 5,403 and 5,414 as of December 31, 2019 and 2018, respectively.

Determination of retained earnings available for dividend declaration

Retained earnings of the Fund amounted to ₱61.84 million and ₱61.45 million as of December 31, 2019 and 2018, respectively. Retained earnings available for dividend declaration is determined by the Fund in accordance with SEC Memorandum Circular No. 11 issued in December 2001. Under the said SEC Circular, dividends shall be declared out of unrestricted retained earnings,



adjusted for unrealized items which are considered not available for dividend declaration. As of December 31, 2019 and 2018, the total unappropriated retained earnings available for dividend declaration amounted to ₱0 and ₱1.01 million, respectively.

The Fund's declaration of cash or stock dividends in the future will depend on the Fund's investment requirements, and unrestricted retained earnings, at the relevant time. These are the only restriction which may limit the Fund's ability to pay, declare cash or stock dividends.

Capital Management

The primary objective of the Fund's capital management is to ensure that its funds are invested in outlets that deliver superior returns with a relatively low degree of volatility and high level of capital preservation in order to have a more responsive NAV per share and to improve its share price in the stock exchange.

The Fund manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2019 and 2018.

The Fund considers its total equity as reported in the statements of financial position as capital.

Minimum Paid-in Capital Requirement

Section 13 of the Revised Investment Company Act requires every registered investment company to maintain a paid-in capital, which shall remain unimpaired at all times, of no less than ₱50.00 million.

As of December 31, 2019 and 2018, the Fund is compliant with the above externally-imposed capital requirement.

11. Basic and Diluted Earnings (Losses) Per Share

Basic and diluted earnings (losses) per share amounts were computed as follows:

	2019	2018	2017
Net income (loss)	₱388,009	(₱23,039,675)	₱22,556,827
Weighted average number of common shares outstanding	50,167,397	50,167,397	50,167,397
Basic and diluted earnings (loss) per share	₱0.0077	(₱0.4593)	₱0.4496

As of December 31, 2019, 2018 and 2017, there were no potential common shares or other instruments with a dilutive effect on the basic earnings (losses) per share.



12. Transaction Fees

This account consists of:

	2019	2018	2017
Stock transaction tax (Note 18)	₱478,013	₱116,539	₱80,951
Commissions (Note 18)	352,160	90,773	57,622
Transaction fees (Note 18)	7,043	1,870	2,305
SCCP* fees (Note 18)	14,087	3,631	1,853
	₱851,303	₱212,813	₱142,731

*Securities Clearing Corporation of the Philippines

13. Professional and Legal Fees

This account consists of expenses incurred for legal, accounting and stock transfer services provided to the Fund amounting to ₱1.16 million, ₱1.07 million and ₱1.12 million in 2019, 2018 and 2017, respectively.

14. Miscellaneous Expenses

This account consists of:

	2019	2018	2017
Printing and photocopy	₱282,417	₱230,831	₱-
Unrecoverable input VAT	248,504	145,789	123,716
Transportation and travel	-	15,460	20,290
Training and seminar	-	11,745	1,071
Miscellaneous expense	116,043	56,599	52,110
	₱646,964	₱460,424	₱197,187

15. Maturity Analysis of Assets and Liabilities

All assets and liabilities of the Fund are due to be realized and settled within one year from the reporting date.

16. Provision for Income Tax

Provision for income tax pertains to the 20.00% final withholding tax on gross interest income from cash in bank and short term placements.

The provision for income tax consists of final tax amounting to ₱50,131, ₱3,296 and ₱6,754 in 2019, 2018 and 2017, respectively.

Current tax regulations provide that the RCIT rate is 30.00% while interest expense allowed as a deductible expense is 33.00% of interest income subject to final tax.



The regulations also provide for an MCIT of 2.00% of modified gross income and NOLCO. The MCIT and NOLCO may be applied against the Fund's income tax liability and taxable income, respectively, over a three-year period from the year of inception.

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

Inception Year	Amount	Expired	Balance	Expiry Year
2016	5,044,573	(5,044,573)	–	2019
2017	4,925,675	–	4,925,675	2020
2018	5,021,809	–	5,021,809	2021
2019	5,527,318	–	5,527,318	2022
	₱20,519,375	(₱5,044,573)	₱15,474,802	

As of December 31, 2019 and 2018, the Fund did not recognize deferred tax asset amounting to ₱4.72 million and ₱4.50 million, respectively, on NOLCO since management believes that the benefit from such asset will not be realized prior to its expiration.

The reconciliation of income tax computed at the statutory tax rate to provision for income tax follows:

	2019	2018	2017
Statutory income tax (tax loss)	₱131,442	(₱6,910,914)	₱6,769,074
Tax effect of:			
Tax-exempt loss (income)	(1,932,396)	5,330,617	(8,298,045)
Change in unrecognized deferred tax asset	1,658,196	1,506,543	1,477,703
Non-deductible expenses	217,955	78,698	61,399
Tax-paid income	(25,066)	(1,648)	(3,377)
	₱50,131	₱3,296	₱6,754

17. Investment Management Agreement

The Fund's investment manager is ABCIC. In 2018, the Fund and ABCIC mutually agreed to pay management fee at a rate of 0.50% per annum of the average net asset value of the Fund at the beginning and end of the quarter period. Further, the agreement provides that ABCIC will charge the Fund an administration fee at a fixed rate of ₱0.05 million per month.

In 2019, 2018 and 2017, the Fund recognized management and administration fees amounting to ₱1.69 million, ₱1.83 million and ₱2.29 million, respectively (see Note 18).

Management fees and administration fees payable (included in 'Accounts payable and accrued expenses') amounted to ₱0.23 million and ₱0.64 million as of December 31, 2019 and 2018, respectively (see Note 18).



18. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or the parties are subject to common control or common significant influence, referred to as affiliates. Related parties may be individuals or corporate entities.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly. The Fund considers directors to constitute key management personnel.

The significant transactions and outstanding balances of the Fund with related parties follow:

Category	December 31, 2019		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balances	
<i>Parent Company</i>			
VDC			
Miscellaneous expense	₱1,078	₱-	Various expenses advanced by VDC on behalf of the Fund.
<i>Entities under common control</i>			
VII			
Miscellaneous expense	27,196	19,485	Various expenses advanced by VII for the Fund.
ABCIC			
Management and administration fees	1,686,814	228,334	Management fees incurred for management services rendered by ABCIC computed as 0.5% of the NAV and administration fees (Note 17). The outstanding balance is net of withholding tax.
Miscellaneous expense	90,646	22,312	Various miscellaneous expenses advanced by ABCIC for the Fund.
AB Capital Securities, Inc.			
Commission expense	352,160	-	Commission paid to AB Capital Securities, Inc. for buy and sell of equity securities transactions at the rate of 0.25% of gross purchase price/selling price.
Purchases	61,194,483	-	FVTPL trade transactions due on Trade date +3.
Sales	79,668,819	17,725,895	FVTPL trade transactions due on Trade date +3.
ABCIC-TID			
Investments in UITF	-	57,651,623	Investments managed by ABCIC – TID.
Wealthbank			
Short-term placements		10,057,548	Short-term placements with Wealthbank with term ranging from 7 days to 39 days.
Interest Income	192,994	6,146	Interest income earned from short-term placements ranging from 2.00% to 5.80%.
Vicsal Foundation, Inc.			
Donation	200,000	-	Donation to Vicsal Foundation, Inc.
<i>Key management personnel</i>			
Directors			
Directors' fees	777,778	-	Fees paid to the members of the Fund's BOD at a fixed amount of ₱27,778 per director for every attendance in BOD meetings.



December 31, 2018			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<i>Parent Company</i>			
VDC			
Accrued expenses	₱2,732	₱97,488	Various expenses advanced by VDC on behalf of the Fund.
<i>Entities under common control</i>			
VII			
Miscellaneous expense	14,985	14,985	Various miscellaneous expenses advanced by VII for the Fund including replenishment of petty cash.
ABCIC			
Management and administration fees	1,834,539	643,183	Management fees incurred for management services rendered by ABCIC computed as 0.5% of the NAV and administration fees (Note 17). The outstanding balance is net of withholding tax.
Miscellaneous expenses	4,783	2,517	Various miscellaneous expenses advanced by ABCIC for the Fund.
AB Capital Securities, Inc.			
Commission expense	90,733	-	Commission paid to AB Capital Securities, Inc. for buy and sell of equity securities transactions at the rate of 0.25% of gross purchase price/selling price.
Purchases	11,131,570		FVTPL trade transactions due on Trade date +3.
Sales	18,513,292		FVTPL trade transactions due on Trade date +3.
ABCIC – TID			
Investments in UITF		80,008,599	Investments managed by ABCIC – TID.
Vicsal Foundation, Inc.			
Donation	200,000	-	Donation to Vicsal Foundation, Inc.
<i>Key management personnel</i>			
Directors			
Directors' fees	722,222	-	Fees paid to the members of the Fund's BOD at a fixed amount of ₱27,778 per director for every attendance in BOD meetings.

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As of December 31, 2019 and 2018, the Fund has not recorded any provision for impairment of receivables from related parties. This assessment is undertaken each year by examining the financial position of the related party.

19. Segment Information

The Fund has only one operating segment. The table below shows the analyses of the Fund's operating income (loss) per investment type:

	2019	2018	2017
Cash in bank (Note 6)	₱250,655	₱16,479	₱33,772
Quoted equity securities*	3,798,288	(19,429,042)	26,212,542
Investments in UITF	2,643,032	1,660,320	1,447,609
	₱6,691,975	(₱17,752,243)	₱27,693,923

*Includes trading gain (loss) and dividend income



Management monitors the operating results of the Fund for the purpose of making decisions about resource allocation and performance assessment.

20. Approval for the Release of the Financial Statements

The accompanying financial statements of the Fund were approved and authorized for issue by the BOD on June 18, 2020.

21. Event after the reporting period

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020, which was subsequently extended to May 15, 2020 for NCR and other areas. Subsequent to May 15, 2020, the NCR and certain areas had been subjected to modified enhanced community quarantine. Beginning June 1, 2020, NCR and certain areas were put under general community quarantine until June 15, 2020, which was subsequently extended to June 30, 2020. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Company considers the events surrounding the outbreak as non-adjusting subsequent events, which do not impact its financial position and performance as of and for the year ended December 31, 2019. However, the outbreak could have a material impact on its 2020 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Company cannot determine at this time the impact to its financial position, performance and cash flows. The Company will continue to monitor the situation.

22. Report on the Supplementary Information Required Under Revenue Regulations (RR)15-2010

In compliance with RR 15-2010, the Fund presents the information below on taxes, duties and license fees paid or accrued during the taxable year.

Taxes and Licenses

The Fund's taxes and licenses amounting to ₱16,330 pertain to business permits and documentary stamp taxes paid by the Fund in 2019.

Withholding Taxes

Total remittances of the Fund in 2019 on expanded withholding taxes amounted to ₱346,549, with an outstanding balance of ₱26,530 as of December 31, 2019.

Stock Transaction Taxes

Total stock transaction tax of the Fund for the sale of equity shares amounted to ₱478,013 in 2019.

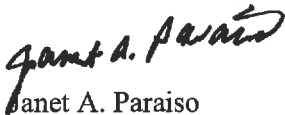


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Filipino Fund, Inc.
Units 1911-1912, 19F, PSE Tower
5th Avenue corner 28th Street, Bonifacio Global City
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Filipino Fund, Inc. (the Fund) as at December 31, 2019 and 2018, and for each of the three years in the period ended December 31, 2019 and have issued our report thereon dated June 18, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Fund's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso
Partner
CPA Certificate No. 92305
SEC Accreditation No. 0778-AR-3 (Group A),
June 19, 2018, valid until June 18, 2021
Tax Identification No. 193-975-241
BIR Accreditation No. 08-001998-62-2018,
February 26, 2018, valid until February 25, 2021
PTR No. 8125203, January 7, 2020, Makati City

June 18, 2020



FILIPINO FUND INC.
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2019

Schedules Required under Revised Securities Regulation Code Rule 68

Schedule	Content	Page No.
Part 1		
I	Reconciliation of Retained Earnings Available for Dividend Declaration <i>(Part 1 5B, Annex 68-D)</i>	1
II	Schedule showing Financial Soundness Indicators <i>(Part 1 5C, Annex 68-E)</i>	2
III	Conglomerate Map <i>(Part 1 5G)</i>	3
IV	Total Investment of the Fund to the Outstanding Securities on an Investee Company <i>(Part 1 5E, Annex 68-G)</i>	4
V	Percentage of Investment in a Single Enterprise to Net Asset Value <i>(Part 1 5E, Annex 68-G)</i>	5
Part 2		
A	Financial Assets <i>(Part II 7D, Annex 68-J, A)</i>	6-7
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) <i>(Part II 7D, Annex 68-J, B)</i>	8
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements <i>(Part II 7D, Annex 68-J, C)</i>	9
D	Long-Term Debt <i>(Part II 7D, Annex 68-J, D)</i>	10
E	Indebtedness to Related Parties (included in the consolidated statement of financial position) <i>(Part II 7D, Annex 68-J, E)</i>	11
F	Guarantees of Securities of Other Issuers <i>(Part II 7D, Annex 68-J, F)</i>	12
G	Capital Stock <i>(Part II 7D, Annex 68-J, G)</i>	13



FILIPINO FUND, INC.
Unit 1009-1011, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

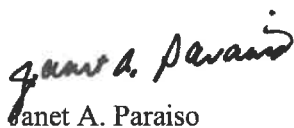
Unappropriated Retained Earnings, <i>as adjusted to available for dividend declaration, beginning (before deducting treasury shares)</i>	₱50,212,858
Add: Net income during the period closed to Retained Earnings	388,009
Less: Unrealized fair value gain	(1,925,469)
Net investment income actually earned during the year	(1,537,460)
Less: Treasury shares	(49,198,325)
Dividend Declaration	0
TOTAL AVAILABLE UNAPPROPRIATED RETAINED EARNINGS FOR DIVIDEND	₱0

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Filipino Fund, Inc.
Units 1911-1912, 19F, PSE Tower
5th Avenue corner 28th Street, Bonifacio Global City
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Filipino Fund, Inc. (the Fund) as at December 31, 2019 and 2018, and for each of the three years in the period ended December 31, 2019, and have issued our report thereon dated June 18, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Fund's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Fund's financial statements as at December 31, 2019 and 2018 and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso
Partner

CPA Certificate No. 92305

SEC Accreditation No. 0778-AR-3 (Group A),

June 19, 2018, valid until June 18, 2021

Tax Identification No. 193-975-241

BIR Accreditation No. 08-001998-62-2018,

February 26, 2018, valid until February 25, 2021

PTR No. 8125203, January 7, 2020, Makati City

June 18, 2020



FILIPINO FUND, INC.
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS IN TWO
COMPARATIVE PERIODS UNDER REVISED SRC RULE 68

	2019	2018
Current/liquidity ratio	139.69:1.0	117.64:1.0
Solvency ratio	0.01:1.0	0.01:1.0
Debt-to-equity ratio	0.01:1.0	0.01:1.0
Asset-to-equity ratio	1.01:1.0	1.01x
Profit margin	5.80%	129.77%
Return on assets	0.18%	-10.13%
Return on equity	0.18%	-10.22%

^(a)Current ratio is the measure of current assets to current liabilities.

^(b)Solvency ratio is measured as total liabilities to total assets.

^(c)Debt to equity ratio is measured as total liabilities to total equity.

^(d) Asset to equity ratio is measured as total assets divided by total equity.

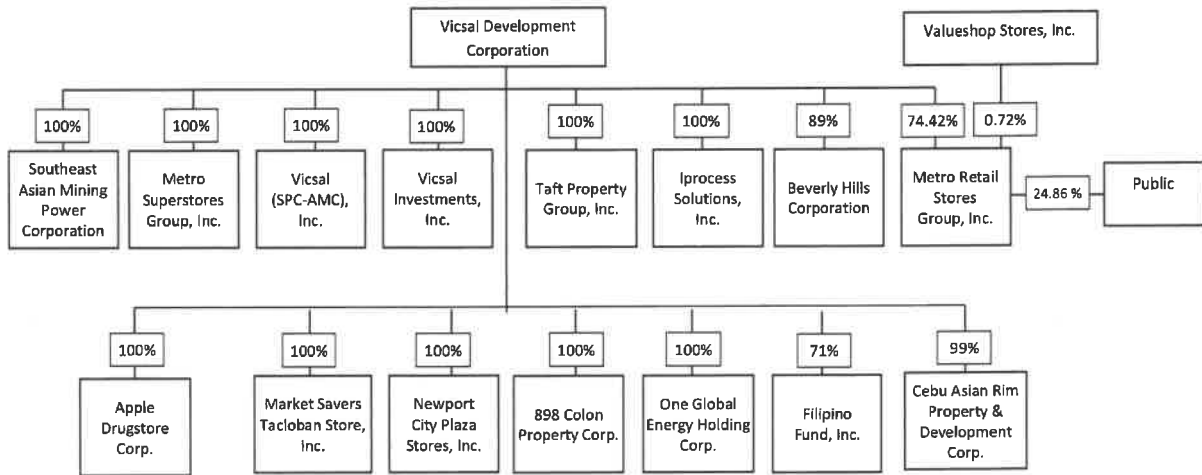
^(e) Profit margin is derived by dividing net income (loss)with total revenues.

^(f) Return on assets is measured by dividing net income (loss)over average total assets.

^(g) Return on equity is derived by dividing net income (loss)over average equity.



FILIPINO FUND, INC.
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE FUND
AND ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES
PERIODS UNDER REVISED SRC RULE 68,
DECEMBER 31, 2019



FILIPINO FUND, INC.
TOTAL INVESTMENT OF THE FUND TO THE OUTSTANDING SECURITIES
ON AN INVESTEE COMPANY
DECEMBER 31, 2019

INVESTEE COMPANY	2019	2018
Ayala Corporation	0.001803%	0.001204%
Aboitiz Equity Ventures, Inc.	0.000877%	0.000540%
Alliance Global Group, Inc.	0.002596%	0.001893%
AllHome Corp.	0.006667%	-
Ayala Land, Inc.	0.000951%	0.002460%
Banco de Oro Unibank, Inc.	0.000616%	0.000717%
Bank of the Philippine Islands	0.000447%	0.000192%
China Banking Corporation	0.001888%	0.001888%
DMCI Holdings, Inc.	0.004279%	-
East West Banking Corporation	-	0.004133%
First Gen Corporation	0.002770%	0.006088%
Fruitas Holdings, Inc.	0.074988%	-
GT Capital Holdings, Inc.	0.003980%	0.004232%
Integrated Micro-Electronics, Inc.	0.006375%	0.009983%
International Container Terminal Services, inc.	0.000261%	0.000831%
Jollibee Foods Corporation	0.000775%	-
JG Summit Holdings, Inc.	0.000188%	0.000286%
LT Group, Inc.	0.000433%	0.000433%
Metropolitan Bank & Trust Company	0.005757%	0.006762%
Megaworld Corporation	0.001334%	0.001802%
Manila Electric Company	0.001207%	0.001207%
Metro Pacific Investment Corporation	0.001752%	0.000295%
Metro Retail Stores Group, Inc.	0.076574%	0.076574%
Megawide Construction Corp	0.004691%	0.004637%
Nickel Asia Corporation	0.005860%	-
Philex Mining Corporation	-	0.007084%
Puregold Price Club, Inc.	0.002531%	0.001808%
Pilipinas Shell Petroleum Corporation	0.003719%	-
Robinsons Retail Holdings Inc	0.001459%	0.001205%
Semirara Mining Corporation	0.009137%	0.009137%
Security Bank Corporation	0.000531%	-
SM Investment Corporation	0.000428%	0.001125%
San Miguel Food and Beverage, Inc.	0.000170%	0.001016%
San Miguel Corporation "A"	0.000802%	0.000339%
SM Prime Holdings, Inc.	0.000346%	0.000082%
Universal Robina Corporation	0.000227%	0.000681%

FILIPINO FUND, INC.
PERCENTAGE OF INVESTMENT IN A SINGLE ENTERPRISE TO NET ASSET
VALUE
DECEMBER 31, 2019

COMPANY	2019	2018
Ayala Corporation	4.181530%	3.228206%
Aboitiz Equity Ventures, Inc.	1.198519%	0.789117%
Alliance Global Group, Inc.	1.400714%	1.067102%
AllHome Corp.	1.370893%	-
Ayala Land, Inc.	3.000890%	6.946071%
Banco de Oro Unibank, Inc.	2.009701%	1.934816%
Bank of the Philippine Islands	0.834815%	0.384194%
China Banking Corporation	0.598310%	0.648459%
DMCI Holdings, Inc.	1.769037%	-
East West Banking Corporation	-	0.522318%
First Gen Corporation	1.137700%	2.091521%
Fruitas Holdings, Inc.	0.912044%	-
GT Capital Holdings, Inc.	3.419197%	3.881458%
Integrated Micro-Electronics, Inc.	0.525414%	1.107394%
International Container Terminal Services, inc.	0.316244%	0.789117%
Jollibee Foods Corporation	0.864935%	-
JG Summit Holdings, Inc.	0.513873%	0.538908%
LT Group, Inc.	0.264692%	0.367440%
Metropolitan Bank & Trust Company	8.086730%	10.281926%
Megaworld Corporation	0.812313%	1.302492%
Manila Electric Company	2.030995%	2.439089%
Metro Pacific Investment Corporation	0.906598%	0.203660%
Metro Retail Stores Group, Inc.	2.610284%	3.086024%
Megawide Construction Corp	0.747736%	0.846059%
Nickel Asia Corporation	1.277616%	-
Philex Mining Corporation	-	0.510425%
Puregold Price Club, Inc.	1.367007%	1.014714%
Pilipinas Shell Petroleum Corporation	0.927119%	-
Robinsons Retail Holdings Inc	0.866819%	0.717379%
Semirara Mining Corporation	4.025018%	4.224843%
Security Bank Corporation	0.367456%	-
SM Investment Corporation	2.530476%	5.867465%
San Miguel Food and Beverage, Inc.	0.402835%	2.324365%
San Miguel Corporation "A"	1.473347%	0.559881%
SM Prime Holdings, Inc.	1.983320%	0.398750%
Universal Robina Corporation	0.341546%	0.899084%

FILIPINO FUND, INC.
SCHEDULE A – FINANCIAL ASSETS
As of December 31, 2019

Financial Assets at Fair Value through Profit or Loss

<i>Name of issuing entity</i>	<i>Number of shares or units</i>	<i>Amount shown in the balance sheet</i>	<i>Income received and accrued*</i>
<i>Quoted Equity Securities</i>			
<i>Ayala Corporation</i>	<i>11,300</i>	<i>8,876,150</i>	<i>93,790</i>
<i>Aboitiz Equity Ventures, Inc.</i>	<i>49,400</i>	<i>2,544,100</i>	<i>24,288</i>
<i>Alliance Global Group, Inc.</i>	<i>255,000</i>	<i>2,973,300</i>	<i>-</i>
<i>Ayala Land, Inc.</i>	<i>140,000</i>	<i>6,370,000</i>	<i>109,850</i>
<i>Banco de Oro Unibank, Inc.</i>	<i>27,000</i>	<i>4,266,000</i>	<i>41,305</i>
<i>Bank of the Philippine Islands</i>	<i>20,160</i>	<i>1,772,064</i>	<i>41,382</i>
<i>China Banking Corporation</i>	<i>50,700</i>	<i>1,270,035</i>	<i>44,616</i>
<i>DMCI Holdings, Inc.</i>	<i>568,100</i>	<i>3,755,141</i>	<i>-</i>
<i>San Miguel Food and Beverage, Inc.</i>	<i>10,060</i>	<i>855,100</i>	<i>28,096</i>
<i>First Gen Corporation</i>	<i>100,000</i>	<i>2,415,000</i>	<i>121,990</i>
<i>Fruitas Holdings, Inc.</i>	<i>1,600,000</i>	<i>1,936,000</i>	<i>-</i>
<i>GT Capital Holdings, Inc.</i>	<i>8,569</i>	<i>7,257,943</i>	<i>23,805</i>
<i>AllHome Corp.</i>	<i>250,000</i>	<i>2,910,000</i>	<i>-</i>
<i>International Container Terminal Services, inc.</i>	<i>5,220</i>	<i>671,292</i>	<i>1,100</i>
<i>Integrated Micro-Electronics, Inc.</i>	<i>141,356</i>	<i>1,115,299</i>	<i>14,902</i>
<i>Jollibee Foods Corporation</i>	<i>8,500</i>	<i>1,836,000</i>	<i>11,475</i>
<i>JG Summit Holdings, Inc.</i>	<i>13,500</i>	<i>1,090,800</i>	<i>18,685</i>
<i>LT Group, Inc</i>	<i>46,900</i>	<i>561,862</i>	<i>14,070</i>
<i>Metropolitan Bank & Trust Company</i>	<i>258,910</i>	<i>17,165,733</i>	<i>229,124</i>
<i>Megaworld Corporation</i>	<i>430,000</i>	<i>1,724,300</i>	<i>33,639</i>
<i>Manila Electric Company</i>	<i>13,600</i>	<i>4,311,200</i>	<i>218,389</i>
<i>Metro Pacific Investments Corp.</i>	<i>553,000</i>	<i>1,924,440</i>	<i>19,247</i>

<i>Name of issuing entity</i>	<i>Number of shares or units</i>	<i>Amount shown in the balance sheet</i>	<i>Income received and accrued*</i>
<i>Metro Retail Stores Group, Inc.</i>	<i>2,626,000</i>	<i>5,540,860</i>	<i>157,560</i>
<i>Megawide Construction Corp</i>	<i>96,900</i>	<i>1,587,222</i>	<i>-</i>
<i>Nickel Asia</i>	<i>800,000</i>	<i>2,712,000</i>	<i>-</i>
<i>Pilipinas Shell Petroleum Corporation</i>	<i>60,000</i>	<i>1,968,000</i>	<i>180,000</i>
<i>Puregold Price Club, Inc.</i>	<i>73,000</i>	<i>2,901,750</i>	<i>51,200</i>
<i>Robinsons Retail Holdings, Inc.</i>	<i>23,000</i>	<i>1,840,000</i>	<i>16,560</i>
<i>San Miguel Corp.</i>	<i>19,070</i>	<i>3,127,480</i>	<i>29,498</i>
<i>Security Bank Corporation</i>	<i>4,000</i>	<i>780,000</i>	<i>20,250</i>
<i>Semirara Mining Corporation</i>	<i>388,360</i>	<i>8,543,920</i>	<i>485,450</i>
<i>SM Investments Corporation</i>	<i>5,150</i>	<i>5,371,450</i>	<i>94,848</i>
<i>SM Prime Holdings, Inc</i>	<i>100,000</i>	<i>4,210,000</i>	<i>7,000</i>
<i>Universal Robina Corporation</i>	<i>5,000</i>	<i>725,000</i>	<i>8,250</i>
<i>Subtotal</i>	<i>8,761,755</i>	<i>116,909,441</i>	<i>2,140,368</i>
<i>Investments in UITF</i>			
<i>Short-term fund</i>	<i>48,721,913</i>	<i>54,426,323</i>	<i>-</i>
<i>Equity Fund</i>	<i>583,159</i>	<i>1,878,653</i>	<i>-</i>
<i>Balanced Fund</i>	<i>1,250,000</i>	<i>1,346,647</i>	<i>-</i>
<i>Subtotal</i>	<i>50,555,072</i>	<i>57,651,623</i>	<i>-</i>
<i>Total</i>		<i>174,561,064</i>	<i>2,140,368</i>

**Represents dividend income for quoted equity securities*

FILIPINO FUND, INC.
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,
EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
As of December 31, 2019

Name and Designation of Debtor	Balance at Beginning of the Period	Additions	Amounts Collected	Amounts Written-off	Current	Not Current	Balance at End of the Period
---------------------------------------	---	------------------	--------------------------	----------------------------	----------------	--------------------	-------------------------------------

NONE TO REPORT

FILIPINO FUND, INC.
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH
ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
As of December 31, 2019

Name and Designation of debtors	Balance at beginning of period	Additions	Amounts collected (i)	Amounts written off (ii)	Current	Not Current	Balance at end of the period
--	---------------------------------------	------------------	------------------------------	---------------------------------	----------------	--------------------	-------------------------------------

NOT APPLICABLE

FILIPINO FUND, INC.
SCHEDULE D – LONG TERM DEBT
As of December 31, 2019

Title of Issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption “Current portion of Long-Term Debt” in related balance sheet (ii)	Amount shown under caption “Long-Term Debt” in related balance sheet (iii)	Interest Rate	Maturity Date
--	---	---	---	----------------------	--------------------------

NONE TO REPORT

FILIPINO FUND, INC.
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES
(LONG TERM LOANS FROM RELATED PARTIES)
As of December 31, 2019

Name of Related Party (i)	Balance at the Beginning of the Period	Balance at the End of the Period (ii)
--------------------------------------	---	--

NONE TO REPORT

FILIPINO FUND, INC.
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUES
As of December 31, 2019

Name of issuing entity of securities guaranteed by the Fund for which the statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement if filed	Nature of guarantee (ii)
---	--	--	--	-------------------------------------

NONE TO REPORT

FILIPINO FUND, INC.
SCHEDULE G – CAPITAL STOCK
As of December 31, 2019

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at 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
FILIPINO FUND INCORPORATED – Common Shares	184,234,038	50,167,397	-	35,623,406	63,221	14,480,770

**Net of treasury shares*