

# COVER SHEET

A S 0 9 1 1 9 0 3 8 5

SEC Registration Number

F I L I P I N O F U N D , I N C .

(Company's Full Name)

U n i t 1 9 1 1 - 1 9 1 2 , 1 9 F 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

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

**Jonna C. Llaguno**

(Contact Person)

**856-5801 to 03**

(Company Telephone Number)

1 2      3 1  
 Month      Day  
 (Fiscal Year)

**Definitive Information Statement**

(Form Type)

Month      Day  
 (Annual Meeting)

\_\_\_\_\_

(Secondary License Type, If Applicable)

**CFD**

Dept. Requiring this Doc.

\_\_\_\_\_

Amended Articles Number/Section

\_\_\_\_\_

Total No. of Stockholders

\_\_\_\_\_

Domestic

\_\_\_\_\_

Foreign

-----  
 To be accomplished by SEC Personnel concerned

\_\_\_\_\_

File Number

\_\_\_\_\_

LCU

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Document ID

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Cashier

S T A M P S

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### CERTIFICATION OF INDEPENDENT DIRECTOR

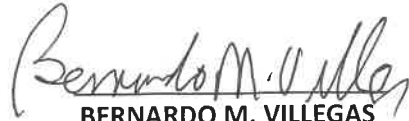
I, **BERNARDO M. VILLEGAS**, Filipino, of legal age and a resident of 119 Aguirre Street, Legaspi Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Filipino Fund, Inc., and have been its independent director since 2009.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Insular Life	Board of Director	2000 to present
Benguet Corporation	Board of Director	present
Phinma Properties	Board of Director	2000 to present
Transnational Diversified, Inc.	Board of Director	1996 to present
University of Asia and the Pacific	University Professor	2001 to 2014
IESE Business School in Barcelona	Visiting Professor	2007 to 2009
Center for Research and Communication	Research Director	2010 to present
Manila Bulletin	Columnist	1985 to present
Preparatory Commission for Constitutional Reforms	Member	1999
Constitutional Commission in 1986	Member	1986

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filipino Fund, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Filipino Fund, Inc., its subsidiaries, and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Filipino Fund of any changes in the abovementioned information within five (5) days from its occurrence.

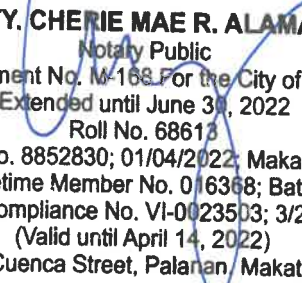
Done, this        day of        2022, at Bonifacio Globali City.

  
**BERNARDO M. VILLEGAS**  
Affiant

**MAR 31 2022**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ at Makati City, affiant personally appeared before me and exhibited to me his/her Passport No. EG7789082 issued at Department of Foreign Affairs, Manila on 22 May 2016.

Doc. No. 199;  
Page No. 50;  
Book No. XVII;  
Series of 2022;

  
**ATTY. CHERIE MAE R. ALAMAG**  
Notary Public  
Appointment No. M-168 For the City of Makati  
Extended until June 30, 2022  
Roll No. 68613  
PTR No. 8852830; 01/04/2022; Makati City  
IBP Lifetime Member No. 016368; Batangas  
MCLE Compliance No. VI-0023503; 3/27/2019  
(Valid until April 14, 2022)  
3810 Cuenca Street, Palanan, Makati City

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **JOHN G. TAN**, Filipino, of legal age and a resident of 7/Floor Allied Bank Center, 6754 Ayala Avenue corner Legaspi Street, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Filipino Fund, Inc., and have been its independent director since 2008.
2. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filipino Fund, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
3. I am not related to any director/officer/substantial shareholder of Filipino Fund, Inc., its subsidiaries, and affiliates.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of Filipino Fund of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this \_\_\_\_\_ day of \_\_\_\_\_, 2022, at \_\_\_\_\_ City.

  
\_\_\_\_\_  
**JOHN G. TAN**  
Affiant

**MAR 31 2022**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ at Makati City, affiant personally appeared before me and exhibited to me his/her Passport No. \_\_\_\_\_ issued at Department of Foreign Affairs, Manila on.

Doc. No. 198 ;  
Page No. 40 ;  
Book No. XVII ;  
Series of 2022;

**ATTY. CHERIE MAE R. ALAMAG**  
Notary Public  
Appointment No. M-168 For the City of Makati  
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MCLE Compliance No. VI-0023503; 3/27/2019  
(Valid until April 14, 2022)  
3810 Cuenca Street, Palanan, Makati City

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOAQUIN E. QUINTOS IV**, Filipino, of legal age and a resident of Unit 24C North Tower Pacific Plaza Tower, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I will be appointed as nominee for independent director of Filipino Fund, Inc., on May 10, 2022.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
EyeSite Reliance Center, Inc.	Chairman	present
First Philippine Electric Corp.,	Vice Chairman	present
First Philec Manufacturing Technologies, Corp	Vice Chairman	present
First Philippine Power Systems, Inc.	Vice Chairman	present
Asian Eye Institute	President	2020 to present
Philippine Impact Health Inc.	President	present
Infopro Business Solutions, Inc	President	present
First Industrial Science and Technology School, Inc.	President	present
Skycable	Board of Director	present
AIA Philippines	Board of Director	present
Energy Development Corporation	Board of Director	present
First Balfour, Inc.	Board of Director	present
Terraprime, Inc.	Board of Director	present
ThermaPrime Drilling Corp	Board of Director	present
First Philec Energy Solutions, Inc.	Board of Director	present
First Philec, Inc.	Board of Director	present
First Philec Solar Solutions Corp.	Board of Director	present
First Industrial Township Utilities, Inc.	Board of Director	present
First Philippine Industrial Park, Inc.	Board of Director	present
FPIP Property Developers & Management Corp.	Board of Director	present
FPIP Utilities Inc.	Board of Director	present
First Sumiden Realty, Inc.	Board of Director	present
Grand Batangas Resort Development, Inc.	Board of Director	present
Pi Energy, Inc.	Board of Director	present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filipino Fund, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of Filipino Fund, Inc., its subsidiaries, and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Filipino Fund of any changes in the abovementioned information within five (5) days from its occurrence.

Done, this        day of        2022, at Bonifacio Global City.

*Joaquin Quintos IV*  
**JOAQUIN E. QUINTOS IV**  
 Affiant

**APR 12 2022**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ at **Makati City**, affiant personally appeared before me and exhibited to me his/her Passport No: \_\_\_\_\_ issued at Department of \_\_\_\_\_ on \_\_\_\_\_.

Doc. No. 265 ;  
 Page No. 59 ;  
 Book No. XVII ;  
 Series of 2022;

**ATTY. CHERIE MAE R. ALAMAG**  
 Notary Public  
 Appointment No. M-168 For the City of Makati  
 Extended until June 30, 2022  
 Roll No. 68613  
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 MCLE Compliance No. VI-0023503; 3/27/2021  
 (Valid until April 14, 2022)  
 3810 Cuenca Street, Palanan, Makati City



FILIPINO FUND, INC.

**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**  
**OF**  
**FILIPINO FUND, INC.**

Please take notice that the 2022 Annual Stockholders' Meeting ("ASM") of Filipino Fund, Inc. (the "Company"), will be held on May 10, 2022 (Tuesday) at 9:00 in the morning via remote communication under the platform of Zoom Video Communications. The virtual ASM is necessitated by the continuing presence of the COVID-19 pandemic where physical gatherings are still highly discouraged.

The Agenda for the ASM shall be as follows:

1. Calling of meeting to order
2. Certification of notice
3. Determination and declaration of quorum
4. Approval of the minutes of the Annual Stockholders' Meeting held on May 11, 2021
5. Presentation and approval of the Annual Report and Audited Financial Statements for the year ended December 31, 2021
6. Approval and confirmation of all acts, proceedings and resolutions of the Board of Directors, Officers, Committees, and the Fund Manager during the past year
7. Appointment of External Auditor for calendar year 2022
8. Election of the Board of Directors
9. Approval of the 1-year term extension of the Independent Directors, Bernardo M. Villegas and John G. Tan
10. Other Matters
11. Adjournment

The Minutes of the 2021 ASM is available for examination at the website of the Company at <https://www.filipinofund.com.ph>.

The record date shall be on April 11, 2022 for the purpose of determining the list of stockholders of the Company who are entitled to vote at the 2022 ASM.

The Company will allow attendance only by remote communication and voting *in absentia*, subject to validation procedures.

Stockholders who will participate in the ASM by remote communication should pre-register at <https://www.filipinofund.com.ph/news/registration> on or before May 5, 2022. Successful registrants will receive an email invitation with a complete guide on how to join the ASM and how to cast votes *in absentia*. For any registration concerns, please contact [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph). Please refer to the Definitive Information Statement on the guidelines on attendance by remote communication and voting *in absentia* which is posted on the website of the Company at <https://www.filipinofund.com.ph>. Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum.

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph) not later than April 29, 2022. The proxies shall be validated on May 2, 2022. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

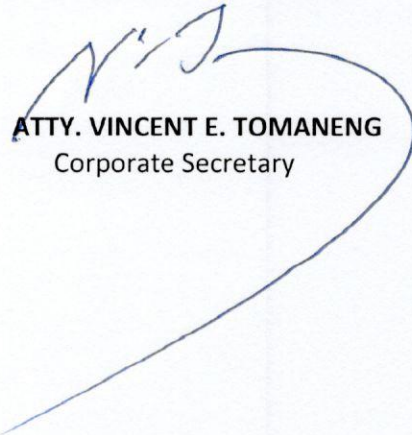
Stockholders may send their questions about the ASM and the Company to its Fund Manager at [gfabad@abcapital.com.ph](mailto:gfabad@abcapital.com.ph) and/or [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph).

Pursuant to SEC Notice dated March 16, 2021, the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A at the Company's website and through the PSE Edge Portal.

There will be an audio and video recording of the ASM. All votes cast shall be validated by the Stock and Transfer Agent, Stock Transfer Service, Inc.

Mandaue City, Cebu, Philippines, March 30, 2022.

For the Board of Directors,



**ATTY. VINCENT E. TOMANENG**  
Corporate Secretary



**PROXY**

The undersigned stockholder of Filipino Fund, Inc. (the "Company") hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, as my proxy at the 2022 Annual Stockholders' Meeting ("ASM") of the Company, to be held via remote communication on May 10, 2022 (Tuesday) at 9:00 in the morning, for the purpose of acting on the following matters:

	<b>Proposal</b>	<b>Approve</b>	<b>Disapprove</b>	<b>Abstain</b>
I	Approval of the Minutes of the ASM held on May 11, 2021			
II	Approval of the Annual Report and the Audited Financial Statements for CY 2021			
III	Ratification of all acts, proceedings, and resolutions of the Board of Directors, Committees, Officers and the Fund Manager since the last ASM up to the date of this meeting			
IV	Appointment of SGV & Co. as the External Auditor for CY 2022			

<b>V</b>	<b>Election of Directors</b>	<b>Number of Votes<sup>1</sup></b>
	1. Frank S. Gaisano	
	2. Margaret G. Ang	
	3. Bernardo M. Villegas	
	4. John G. Tan	
	5. Joaquin E. Quintos IV	
	6. Aljim C. Jamandre	
	7. Vincent E. Tomaneng	
VI	Approval of the 1-year term extension of Independent Directors Villegas and Tan	

\_\_\_\_\_  
Number of Shares Held


\_\_\_\_\_  
Signature of Stockholder/Authorized Signatory

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed name of Stockholder

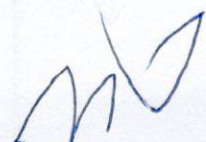
This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of all the matters stated above and for such matters as may properly come before the ASM in the manner described in the Definitive Information Statement and/or as recommended by Management or the Board of Directors.

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<sup>1</sup> Stockholders shall have the right to vote the number of shares of stock standing, on record date, in his own name on the stock and transfer book of the Company; and such shareholder may vote such number of shares for as many individuals as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided that, the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the whole number of directors to be elected.



**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS**

**Proxy Statement  
Pursuant to Section 20 of the Securities Regulation Code**

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter  
**FILIPINO FUND, INC.**
3. Country of Incorporation  
**Manila, Philippines**
4. SEC Identification Number  
**ASO91-190385**
5. BIR Tax Identification Code  
**002-284-545-000**
6. Address of principal office  
**Units 1911-1912, 19<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street, Bonifacio Global City, Taguig City**
7. Registrant's telephone number  
**(632) 8898-7522**
8. Date, Time and place of the meeting  
**May 10, 2022, (Tuesday) 9:00 am via video conferencing** through the Zoom Video Communications platform; Units 1911-1912, 19<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street, Bonifacio Global City, Taguig City
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
**April 18, 2022**
10. Name of Persons other than the Registrant Filing Proxy Statement  
**Solicitor: Filipino Fund, Inc.**  
**Address: Units 1911-1912, 19th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City**  
**Phone Number: (632) 8898-7522**

11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class <b>Common Shares</b>	Number of Shares of Common Stock <b>50,167,397</b>
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12. Are any or all of registrant's securities listed on a Stock Exchange?

Yes  No

If so, disclose name of the Exchange: **PHILIPPINE STOCK EXCHANGE**

## **PART I. GENERAL INFORMATION**

### **ITEM 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS**

**Date** : **May 10, 2022** (Tuesday)  
**Time** : 9:00 am  
**Place** : via video conferencing through the Zoom Video Communications platform.

The approximate date on which the Proxy Statement is first to be sent or given to security holders is on April 18, 2022.

### **REVOCABILITY OF PROXY**

A person giving a proxy has the power to revoke it at any time before it is voted and upon written notice to the Corporate Secretary of the Company.

### **ITEM 2. DISSENTERS' RIGHT OF APPRAISAL**

Any stockholder of the Company may exercise his appraisal right against the proposed actions which may qualify as instances giving rise to the exercise of such right pursuant to and subject to compliance with the requirements and procedure set forth under Title X of the Revised Corporation Code of the Philippines ("RCC").

Consistent with Section 80 of the RCC, any stockholders of the Company shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case of any amendment to the articles of incorporation which has the effect of changing or restricting the rights of any stockholders 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 terms of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
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 Corporation.

In order to avail of the appraisal right, a stockholder must have voted against the proposed corporate action. The appraisal right may be exercised by making a written demand on the Company

within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the Company shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one (1) of whom shall be named by the stockholder, another by the Company, and the third (3<sup>rd</sup>) by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: and Provided, further, That upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company. All other requirements and procedure set forth under Title X of the RCC shall be complied with.

There are no matters or proposed corporate actions which may give rise to a possible exercise by security holders of their appraisal rights under Chapter X of the RCC.

### **ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON**

None of the following persons have any substantial interest, direct or indirect, in any matter to be acted upon other than election to office:

1. Directors or officers of the Corporation at any time since the beginning of the last fiscal year;
2. Nominees for election as directors of the Corporation; and
3. Associate of any of the foregoing persons.

None of the directors indicated verbally or in writing that they intend to oppose any action to be taken at the stockholders' meeting.

## **PART II. SOLICITATION INFORMATION**

### **PERSONS MAKING THE SOLICITATION**

Filipino Fund, Inc. will bear all the cost of solicitation of proxies. The statement of proxy shall be sent via e-mail. Following the mailing of proxy soliciting materials, solicitation of proxies shall be primarily performed by the Company. Proxies may, however, be also solicited by directors, officers and regular employees of the Company in person, by telephone or by other electronic means. The solicitation is done on behalf of management. The Company will also reimburse persons holding stock for others in their names or in those of their nominees for their reasonable expenses in sending proxy materials to their principals and obtaining their proxies.

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph) not later than 29 April 2022. The proxies shall be validated on 2 May 2022. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

A copy of the Proxy Form and/or Voting Ticket is attached.

No Director has informed the Company of his opposition to any matter to be acted upon during the shareholders' meeting.

### **PART III. CONTROL AND COMPENSATION INFORMATION**

#### **ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

<b>Total Outstanding Shares/Voting Shares</b>	<b>:</b>	<b>50,167,397</b>
<b>Number of Votes Entitled</b>	<b>:</b>	<b>One (1) vote per share</b>

All stockholders of record as of April 11, 2022 are entitled to notice and to vote at the Annual Stockholders' Meeting.

#### **MANNER OF VOTING**

The holders of common stock are entitled to one (1) vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two (2) or more nominees. For example, when seven (7) directors are to be elected, a holder of one hundred (100) shares may cast seven hundred (700) votes for a single nominee, apportion three hundred fifty (350) votes each to two (2) nominees, or apportion seven hundred (700) votes in any other manner by so noting in the space provided on the accompanying form of proxy. Except to the extent that a stockholder withholds votes from any or all nominees, the persons named in the accompanying form of proxy, in their sole discretion, will vote such proxy for, and, if necessary, exercise cumulative voting rights to secure the election of the nominees listed as directors of the Company.

In the event that any of the nominees becomes unavailable, which the Company does not expect, it is intended that, pursuant to the accompanying proxy, votes will be cast for such substitute nominee or nominees as may be designated by the Board of Directors, unless the Board of Directors reduces the number of directors.

#### **SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS**

Security ownership of certain record and beneficial owners of more than five percent (5%) of the Corporation's voting securities as of 31 March 2022.

<b>Class</b>	<b>Name and Address of Record Owner and Relationship to Issuer</b>	<b>Name of Beneficial Owner</b>	<b>Citizenship</b>	<b>No. of Shares</b>	<b>%</b>
Common A	PCD Nominee Corporation	Various Stockholders	Filipino	44,112,635	87.9309%

As of 31 March 2022, Vicsal Development Corporation, as investor, owns 35,623,404 shares in the PCD Nominee Corporation, representing 71.01% of the total outstanding capital stock of FFI. Mr. Frank S. Gaisano will vote for the shares of Vicsal Development Corporation.

## SECURITY OWNERSHIP OF MANAGEMENT

Security ownership of management of the Company's voting securities as of 31 March 2022:

Class	Name of Beneficial Owner	Amount and Nature of Ownership	Citizenship	Percent of Class
Common A	Mr. Frank S. Gaisano	10,518 (b)	Filipino	0.0210%
Common A	Ms. Margaret G. Ang	10,518 (b)	Filipino	0.0210%
Common A	Mr. Bernardo M. Villegas	10,518 (b)	Filipino	0.0210%
Common A	Mr. John G. Tan	10,518 (b)	Filipino	0.0210%
Common A	Mr. Joaquin E. Quintos IV	10,518 (b)	Filipino	0.0210%
Common A	Mr. Aljim C. Jamandre	5,631 (b)	Filipino	0.0112%
Common A	Atty. Vincent E. Tomaneng	5,000 (b)	Filipino	0.0100%

## RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES

Except for the distribution of stock dividends through an increase in authorized capital stock which was approved by the Securities and Exchange Commission on December 27, 2013, there were no sales of unregistered or exempt securities, including issuance of securities constituting an exempt transaction, for the years 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021. The Securities and Exchange Commission approved on 27 December 2013 the Corporation's increase of authorized capital stock from Seventy-Eight Million Nine Hundred Fifty-One Thousand Eight Hundred Fifty Pesos (P78,951,850.00), divided into Seventy-Eight Million Nine Hundred Fifty-One Thousand Eight Hundred Fifty (78,951,850) shares, with a par value of One Peso (P1.00) per share, to One Hundred Eighty-Four Million Two Hundred Thirty-four Thousand Thirty-Eight Pesos (P184,234,038.00), divided into One Hundred Eighty-four Million Two Hundred Thirty Four Thousand Thirty-eight (184,234,038) shares, with par value of One Peso (P1.00) per share. Of the net increase in the authorized capital stock of One Hundred Five Million Two Hundred Eighty-Two Thousand One Hundred Eighty-Eight Pesos (P105,282,188.00), the amount of Twenty-Six Million Three Hundred Twenty Thousand Five Hundred Forty-Seven Pesos (P26,320,547.00) was subscribed and paid by way of stock dividends.

## VOTING TRUST HOLDERS OF 5% OR MORE – As of 31 March 2022

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

## CHANGES IN CONTROL

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

- a. Parties are considered to be related if one (1) 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.

Transactions with related parties have terms and conditions that are generally comparable to those offered to nonrelated parties or to similar transactions in the market.

As discussed in the notes to the Company's audited financial statements, a summary of significant related party transactions and outstanding balances as at and for the year ended December 31, 2021 is shown below:

Category	Amount/Volume	December 31, 2021	
		Outstanding Balances	Terms and conditions/Nature
<i>Parent Company</i>			
Vicsal Development Corporation ("VDC")			
Miscellaneous Expense	<b>₱1,357</b>	<b>₱—</b>	Various expenses advanced by VDC on behalf of the Fund.
<i>Entities under common control</i>			
Vicsal Investment, Inc. ("VII")			
Miscellaneous expense	<b>4,277</b>	<b>—</b>	Various expenses advanced by VII for the Fund.
AB Capital & Investment Corporation ("ABCIC")			
Management and administration fees	<b>1,952,672</b>	<b>426,162</b>	Management fees incurred for management services rendered by ABCIC computed at 1% of the average market value of the Fund at the beginning and end of quarter period (Note 17). The outstanding balance is net of withholding tax.
Miscellaneous expense	<b>91,859</b>	<b>—</b>	Various expenses advanced by ABCIC for the Fund.
Meetings and conferences	<b>11,831</b>	<b>—</b>	
Advertising and Publicity	<b>300,560</b>	<b>—</b>	
AB Capital Securities, Inc.			
Due from broker	<b>—</b>	<b>15,820,414</b>	Receivable from trade of FVTPL securities transactions due on Trade date +3 and proceeds from past sales held to fund future purchases.
Commission expense	<b>354,887</b>	<b>—</b>	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	<b>67,207,909</b>	<b>—</b>	FVTPL trade transactions due on Trade date +3.
Sales	<b>74,746,950</b>	<b>—</b>	FVTPL trade transactions due on Trade date +3.
ABCIC– TID			
Investments in UITF	<b>—</b>	<b>5,855,509</b>	Investments managed by ABCIC – TID.



Wealthbank			
Interest Income	1,946	–	Interest income earned from short-term placements ranging from 1.90% to 4.00%.
Vicsal Foundation, Inc.	200,000	–	Donation to Vicsal Foundation, Inc.
<u>Key management personnel</u>			
Directors			
Directors' fees	805,556	–	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.

## ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Seven (7) directors are to be elected at the meeting for a full one (1)-year term expiring in 2023. The nominees to the Board of Directors are as follows: 1. Dr. Bernardo M. Villegas, 2. Mr. Frank S. Gaisano, 3. Ms. Margaret G. Ang, 4. Joaquin E. Quintos, IV, 5. Mr. John G. Tan, 6. Mr. Aljim C. Jamandre, and 7. Atty. Vincent E. Tomaneng. The nominees are also the incumbent directors, except for Joaquin E. Quintos IV who is a new nominee to replace the late Director Edward S. Go. The independent directors were nominated by Ms. Heidi R. Cabales and Mr. Amado Go, who are not related to the nominees. The following are information on the incumbent directors and the new nominee:

### ***BERNARDO M. VILLEGAS – CHAIRMAN OF THE BOARD***

Dr. Villegas, PhD, 83 years old, Filipino, has served as a director of the Fund since 2009 up to the present, but served as Chairman/Director from 1995-2007. He holds a Bachelor of Arts Degree and a Bachelor of Science Degree from De LaSalle University (summa cum laude), and an M.A. and Ph.D. in Economics from Harvard University. He is also a Certified Public Accountant. He worked as a Professor for Economics in the University of Asia and the Pacific and as a Visiting Professor for IESE Business School in Barcelona, Spain. He was also the Research Director of the Center for Research and Communication. Currently, he is a columnist for the Manila Bulletin and a member on the Boards of Alaska Milk Corporation, PHINMA Properties and Transnational Diversified, Inc. He also served as the Dean of the School of Economics from 1989 to 2004 and in 2001, he was the Acting Vice President for Academic Affairs of the University of Asia and the Pacific. Up to the present, he remains to be a professor in said University. He serves in boards of non-profit foundations such as the UA&P Foundation, the Dual Tech Foundation and the Philippine Foundation for Cultural and Educational Development, Inc. In 1999, he served as a member of the Preparatory Commission for Constitutional Reforms. He also became a member of the Constitutional Commission in 1986. He is the author of numerous books in the fields of economic theory, economic development, business economics, strategic management, social ethics and values education.

### ***MARGARET G. ANG – PRESIDENT***

Ms. Ang, 70 yrs. old, Filipino, has served as Director of the Fund from September 2003 up to the present. She holds a Bachelor of Science degree, major in Accounting (Cum Laude), from the University of San Carlos, Cebu City and is a Certified Public Accountant. She is currently the Director and Corporate Secretary of Vicsal Development Corporation from 1982 and Director of Metro Retail Stores Group, Inc. from 2003; President of Grand Holidays, Inc. from 1980; Director and Corporate Secretary of Taft Property Venture Development Corporation from 1992, Vicsal Securities & Stock Brokerage, Inc. from 1990, Midland Development Corporation from 1991, and Pacific Mall Corporation from 2001; Director of Manila Water Consortium, Inc. from 2012; and Trustee of Vicsal Foundation, Incorporated from 1996.

**FRANK S. GAISANO – DIRECTOR**

Mr. Gaisano, 64 yrs. old, Filipino, has served as Director of the Fund since September 2003 up to the present. He is a holder of a Bachelor of Science degree in Civil Engineering which he received from the Cebu Institute of Technology and is a licensed Civil Engineer. He also serves as Director of Vicsal Development Corporation from 1982; Chairman of the Board and Chief Executive Officer of Metro Retail Stores Group, Inc. from 2012; Director of AB Capital & Investment Corporation from 2012 and Chairman of Pacific Mall Corporation from 2001; President of Vicsal Securities & Stock Brokerage from 1990; Director of Taft Property Venture Development Corporation from 1992, , Taft Punta Engaño Property, Inc. from 2011, HTLand, Inc. from 2014, Midland Development Corporation from 1991, and Grand Holidays, Inc. from 1980; and a Trustee of Vicsal Foundation, Incorporated from 1996.

**JOAQUIN E. QUINTOS, IV – INDEPENDENT DIRECTOR**

Mr. Quintos IV, 62 years old, Filipino, is a Senior Vice President of First Philippine Holdings. He is Vice Chairman of First Philippine Electric Corp., First Philec Manufacturing Technologies Corp. and First Philippine Power Systems, Inc. He was appointed President of Asian Eye Institute on January 1, 2020. He is President of Philippine Impact Health, Inc., Infopro Business Solutions, Inc. and First Industrial Science and Technology School, Inc. He is Director of Skycable, AIA Philippines, Energy Development Corporation, First Balfour, Inc., Terraprime, Inc., Therma Prime Drilling Corp., First Philec Energy Solutions, Inc., First Philec, Inc., First Philec Solar Solutions Corp., First Industrial Township, Inc., First Industrial Township Utilities, Inc., First Philippine Industrial Park, Inc., FPIP Property Developers & Management Corp., FPIP Utilities Inc., First Sumiden Realty, Inc., Grand Batangas Resort Development, Inc. and Pi Energy, Inc. He is a graduate of the University of the Philippines with a Bachelor of Science degree in Industrial Engineering, (Cum Laude) (1982).

**JOHN G. TAN – INDEPENDENT DIRECTOR**

Mr. Tan, 54 yrs. old, Filipino, has served as a Director of the Fund since February 2008. He holds a Bachelor of Arts degree in Human Resources Management from De La Salle – College of Saint Benilde. He served as Director of PAL Holdings and was a Fellow in the Institute of Corporate Directors. He was also member of the Board of Philippine National Bank from 2009 to February of 2013, Tanduy Distillers, Inc. from 2015 to 2018, PNB Remittance (Company) Canada and Financial Co., HK., Board Advisor at PNB Remittance Center, Inc. He served as Vice President of Landcom Realty Corporation for 12 years and was Vice President for Operations of Philippine Airlines from 2007 to 2009.

**ALJIM C. JAMANDRE – DIRECTOR**

Mr. Jamandre, 63 yrs. old, Filipino, has served as director of the Fund from 2014 up to the present. He holds a B.S. Accountancy degree (Cum laude) from the University of San Carlos, MDP from the Asian Institute of Management, and a Certified Public Accountant. Currently, Group Chief Financial Officer of Vicsal Development Corporation; Director of Wealth Development Bank Corporation from 2003, , and Director of Pacific Mall Corporation from 2010; Director of Hyundai Alabang, Inc. from 2012 and Hyundai Southern Mindanao, Inc. from 2014; and a Trustee of Vicsal Foundation, Incorporated from 2006.

**VINCENT E. TOMANENG – DIRECTOR AND CORPORATE SECRETARY**

Atty. Tomaneng, 54 yrs. old, Filipino, is a Lawyer and a Certified Public Accountant, and has served as a Director and Corporate Secretary of the Fund since 2014. He earned his Bachelor of Laws (1994) and Bachelor of Science in Accountancy (Magna Cum Laude) (1988) both from the University of San Carlos in Cebu City. He is presently the Group General Counsel of Vicsal Development Corporation and the Metro Gaisano Group of Companies. Prior to joining Vicsal and the Metro Gaisano Group in May 2003, he has worked with Sycip Salazar Hernandez & Gatmaitan Law Offices (1997 to 2003) and with Sycip Gorres Velayo & Co., CPA's (1988 to 1996). He is currently a Director of Pacific Mall Corporation from

2010, and Corporate Secretary of Metro Retail Stores Group, Inc. from 2015 and HTLand, Inc. from 2014, and Vice President for External Affairs of Vicsal Foundation, Incorporated since February 2021.

During its regular meeting held on February 22, 2022, the Board of Directors of FFI approved the extension of the terms of Messrs. Villegas and Tan as Independent Directors for another year (or until 2023), subject to the approval of the stockholders in the 2022 ASM, as the Board strongly believes that their experience and expertise in their leadership roles in FFI, as well as their strong independent views, cannot be matched.

***BRIAN M. DEVILA – TREASURER***

Mr. Devila, 31 years old, Filipino, was elected as the Treasurer of Fund on May 11, 2021. He holds a B.S. Accountancy Degree from the University of Perpetual Help System DALTA – Molino Campus and is a Certified Public Accountant. Currently, Accounting Manager of AB Capital & Investment Corporation since 2016. Prior to joining AB Capital, he worked with Vicsal Investment, Inc., Prople BPO Company and Fortune Life insurance Co., Inc.

The three (3) Independent Directors (i.e., Messrs. Villegas, Quintos and Tan) were nominated by two (2) shareholders of the Company, namely: Ms. Heidi R. Cabales and Mr. Amado Go. Attached to this Information Sheet is the Certification of Independent Directors. None of the independent directors are related to the nominators.

The Nomination Committee pre-screened the qualifications of the nominees and prepared the List of Candidates for election to the Board of Directors. After undergoing this process, the Committee formalized the nomination to the Board of Directors, particularly for the Independent Directors.

The following Directors comprise the Nomination Committee for the fiscal year 2021-2022:

Frank S. Gaisano – Chairman  
Margaret G. Ang – Member  
John G. Tan (Independent Director) - Member

They do not have familial or business relationships with the Directors that they nominated to the Board.

**Additional Information required under Annex C of SRC Rule 12:**

- The incorporators of FFI are Mr. Fernando Zobel de Ayala, Mr. Luciano E. Salazar, Mr. Felipe A. Eñage, Mr. Mauro B. Blardony, Jr. and Mr. Eduardo U. Miranda.
- Messrs. Bernardo M. Villegas, Joaquin E. Quintos IV, and John G. Tan are the independent directors of the Fund. An independent director is a person not having any relationship or position in the Fund, or in parties related to the Fund, the holding of which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, in compliance with Section 38 of the Securities Regulation Code.
- Each Director shall serve for a term of one (1) year from his appointment and until his successor has been duly elected and qualified, provided, however, that any director may be removed from office at any time with or without cause by a three-fourths (3/4) vote of the subscribed capital stock entitled to vote.
- Incumbent directors Frank S. Gaisano and Ms. Margaret G. Ang are siblings.

- None of the directors, executive officers or nominees for election to the FFI Board have been involved in any bankruptcy proceeding, nor have they been convicted by final judgment in any criminal proceeding, or have been subjected to a pending judicial proceeding of a criminal nature, domestic, foreign, excluding traffic violations and other minor offenses or been subject to any order, judgment, or decree of a court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or found in action by any court or administrative bodies to have violated a securities of commodities law, for the past five (5) years up to the latest date.
- FFI has no material pending legal proceedings to which it is a party or of which any of its property is the subject. FFI has no subsidiaries. FFI is not aware of any such proceedings known to be contemplated by government authorities and any other entity.

### SIGNIFICANT EMPLOYEES

FFI does not have employees of its own since management of the Fund, which include its administrative operations, is already being handled by its fund manager, AB Capital & Investment Corporation (“ABCIC”).

The Company does not have executive officers who are receiving compensation income. The President, and Corporate Secretary of the Company, who are also directors, do not receive any compensation other than *per diems* for attendance at meetings. They likewise do not receive any bonus or other forms of compensation from the Company.

### ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

#### SUMMARY COMPENSATION TABLE

Annual Compensation

Name and Principal Position	Year	Compensation (Php) (per diem)	Bonus (Php)	Other Annual Compensation
All Directors and Office of FFI	2021	805,556	None	None
	2020	833,333	None	None
	2019	777,778	None	None

Each Director and Officer is paid the amount of PhP27, 777.78 on the average, for every attendance in any meeting.

There is no Compensation Committee, and as such, any adjustment in the compensation of all Directors and Officers is determined by the Board of Directors, and is taken up in the Annual Stockholders’ Meeting and voted upon by the shareholders.

There are no other standard or consulting arrangements or any compensatory plans relating to resignation/retirement by which directors and officers are to be compensated other than that previously stated.

### ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors has re-appointed Sycip Gorres, Velayo & Co. (SGV & Co.) as the

independent public accountants of the Company with respect to its operations for the year 2021, subject to ratification by the majority holders of common stock of the Company. In taking this action, the members of the Board of Directors considered carefully SGV & Co.'s performance, its independence with respect to the services to be performed and its general reputation for adherence to professional auditing standards. In compliance with the required 5-year rotation of external auditor, a new partner, Mr. Ray Francis C. Balagtas, from SGV and Co. was assigned to conduct the audit on the Company's financial statements starting from the calendar year ended 2020. This Representative of the firm will be present at the Annual Meeting to make a statement of their desire to do so and to answer appropriate questions that may be asked by stockholders.

There are no disagreements with the external auditors on the accounting and financial disclosures of the Company for the fiscal year covered by this report.

A proposal will be presented at the Annual Meeting for the ratification of this re-appointment, which the Board of Directors believes is advisable and in the best interest of the stockholders. If the appointment of Sycip Gorres Velayo & Co. is not ratified, the matter of the appointment of the independent public accountants will be considered by the Board of Directors.

The following Directors comprise the Audit Committee for the fiscal year 2021-2022:

Bernardo M. Villegas (Independent Director)	-	Chairman
John G. Tan (Independent Director)	-	Member
Aljim C. Jamandre	-	Member

## **EXTERNAL AUDIT FEES**

Audit fees for fiscal years 2021 amounted to 368,012, showing an increase of P35,046 from P332,966 paid in audit fees in 2020, exclusive of VAT and out-of-pocket expenses. The Company did not avail of other services from the external auditor for 2020 and 2021.

The Audit Committee approves any engagement for the services of the external auditor. After reviewing the need for the services of the auditor, the audit committee reviews the engagement proposal submitted. The committee then agrees on the fees to be charged by the external auditors.

## **PART IV. OTHER MATTERS**

### **Action with Respect to Reports**

The approval of the following will be considered and acted upon at the meeting:

1. Annual Report and audited financial statements of the Company for the year ended December 31, 2021;
2. Minutes of the 2021 Annual Stockholders' Meeting with the following items:
  - a. Approval of the Minutes of the Annual Stockholders' Meeting held on September 30, 2020;
  - b. Approval of annual report and audited financial statements for 2020
  - c. Ratification of the acts of the Board of Directors, Officers, Committees, and the Fund Manager for the preceding year;
  - d. Appointment of External Auditor; and

- e. Election of the Board of Directors.
3. Ratification of all acts of the Board of Directors, Committees, Fund Manager and Officers for the preceding year.
4. Appointment of External Auditor for CY 2022

### **Matters Not Required to be Submitted**

No action will be taken with respect to this item.

### **VOTING PROCEDURE**

#### **Guidelines for Participating via Remote Communication and Voting in Absentia**

The 2022 Annual Stockholders' Meeting ("ASM") of Filipino Fund, Inc. (the "Company"), will be held on May 10, 2022 (Tuesday) at 9:00 in the morning via remote communication using the Zoom Video Communications platform. The virtual ASM is necessitated by the continuing presence of the COVID-19 pandemic situation where physical gatherings are still highly discouraged.

The record date shall be on April 11, 2022 for the purpose of determining the list of stockholders of the Company who are entitled to vote at the 2022 ASM.

The Company will allow attendance only by remote communication and voting *in absentia*, subject to validation procedures.

Stockholders who will participate in the ASM by remote communication should pre-register at <https://www.filipinofund.com.ph/news/registration> on or before May 5, 2022. Successful registrants will receive an e-mail invitation with a complete guide on how to join the ASM by remote and cast votes *in absentia*. For any registration concerns, please send an e-mail to [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph). Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum.

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph) not later than April 29, 2022. The proxies shall be validated on May 2, 2022. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

#### **Pre- Registration**

A stockholder who wishes to attend/participate in the 2022 ASM must pre-register at <https://www.filipinofund.com.ph/news/registration> on or before May 5, 2022 and upload the following supporting documents/information:

#### **A. Individual stockholders**

1. Copy of valid government ID of stockholder/proxy
2. If appointing a proxy, copy of proxy form duly signed by stockholder (need not be notarized)

#### **B. Multiple stockholders or joint owners**

1. Proof of authority of stockholder voting the shares signed by the other registered stockholders, for shares registered in the name of multiple stockholders (need not be notarized)

2. Copy of valid government IDs of all registered stockholders

**C. Corporate stockholders**

1. Secretary's Certification of Board resolution appointing and authorizing List of Signatories
2. Proxy Form for authorized representative duly signed by approved signatories
3. Valid government ID of the authorized representative

**D. Stockholders with shares under broker account**

1. Certification from broker as to the number of shares owned by stockholder
2. Valid government ID of stockholder
3. If appointing a proxy, copy of proxy form duly signed by stockholder (need not be notarized)

The Company will then check and validate the entries uploaded by the stockholder.

**Voting**

Stockholders who have successfully registered shall be notified via email of the link to the voting portal. Stockholders can then cast their votes in absentia for specific items in the agenda, as follows:

1. Log-in to the voting portal by clicking the link, and using the log-in credentials, sent by email to the email-address of the stockholder provided to the Company.

2. Upon accessing the portal, the stockholder can proceed to vote on each agenda item.

- 2.1 A stockholder has the option to vote "Approve", "Disapprove", or "Abstain" on each agenda item for approval.

- 2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only. Please refer to page 4 of the DIS on the rule on cumulative voting (Manner of Voting).

3. Once the stockholder has finalized his/her vote, he/she can proceed to submit his/her vote by clicking the "Submit" button.

Voting shall close on May 5, 2022.

**Method by which Votes will be Counted**

All votes cast shall be validated and tabulated by the Stock and Transfer Agent, Stock Transfer Service, Inc., and the Office of the Corporate Secretary.

**ASM Livestream**

The ASM will be broadcasted live and stockholders who have successfully registered can participate via remote communication.

**Others**

There will be no open forum during the ASM. Stockholders may send their questions about the ASM and the Company to its Fund Manager at [gfabad@abcapital.com.ph](mailto:gfabad@abcapital.com.ph) and/or [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph).

Pursuant to SEC Notice dated March 16, 2021, the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A at the Company's Website and through the PSE Edge Portal.

There will be an audio and video recording of the ASM, which will be adequately maintained by the Company and will be made available to participating stockholders upon written request.

#### **SEC FORM 17-A**

A copy of the Company's Annual Report on SEC Form 17-A will be provided without charge to each person upon written request of any such person addressed to:

**FILIPINO FUND, INC.  
OFFICE OF THE CORPORATE SECRETARY  
UNITS 1911-1912, 19<sup>th</sup> FLOOR PSE TOWER  
5<sup>th</sup> AVENUE CORNER 28<sup>th</sup> STREET, BONIFACIO GLOBAL CITY  
TAGUIG CITY, PHILIPPINES**

#### **SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Mandaue on April 13, 2022.

By:   
**ATTY. VINCENT E. TOMANENG**  
*Corporate Secretary*  
**Issuer: Filipino Fund, Inc.**



## **MANAGEMENT REPORT**

for the  
2022 Annual Meeting of Stockholders

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

#### **FINANCIAL CONDITION**

##### **1) Discussion of the registrant's financial condition, changes in financial condition, changes in financial condition and results of operations of the last 3 fiscal years**

###### **Year 2021**

Total assets of the Fund increased to P207.62 million as of December 31, 2021 from P203.10 million of the previous year, an improvement of 2.23% or P4.52 million. Total receivables went up to P15.97 million from P5.61 million, arising mostly from the trade of equity securities, translating to an increase of P10.36 million or 184.51% of the previous year's receivables. Moreover, cash decreased by P3.87 million or 23.78%, from P16.25 million to P12.39 million, mainly due to the maturity of time deposit placements and the settlement of regular operating expenses of the Fund. Financial assets at fair value through profit and loss were valued at P179.26 million, declining slightly by P1.98 million or 1.09% from P181.24 million as of December 31, 2020. Deducting liabilities of P2.18 million, net assets were valued at P205.4 million, an increase of P4.39 million compared to the P201.06 million posted over the same period last year. This translated to a net asset value per share (NAVPS) of Php4.0952 and Php4.0077 in 2021 and 2020, respectively.

The Fund posted a gross investment income of P9.82 million in 2021, a complete reversal from the gross investment loss of P5.97 million in 2020. This was mostly attributed to the P6.74 million in dividend income earned during the year, coupled with a net trading gain of P3.06 million. On the other hand, the Fund received lower interest income at P0.02 million, down by P0.36 million or 95.02% from the P0.38 million recorded previously as the Fund hardly had any time deposit placements during the period as it focused mainly on equity investments. Total operating expenses incurred during the year was relatively higher at P5.43 million, an increase of P0.26 million or 5.04% mainly due to higher operating expenses incurred during the period. Higher expenses were particularly noted in Management Fee and Commission and Other Transaction Fees. With the provision for income tax of P0.004 million, the Fund ended the year with a net investment income of P4.39 million.

As of December 31, 2021, investment in listed equities represented 83.52% of total assets, leaving investment in Unit Investment Trust Fund at 2.82% and liquid assets at 13.66% of total company resources.

###### **Year 2020**

Total assets of the Fund decreased to P203.10 million as of December 31, 2020 from P213.80 million of the previous year, a drop of 5.00% or 10.70 million. Total receivables declined to P5.61 million from P17.85 million, after collecting P12.24 million or 68.56% of the receivables. Moreover, cash decreased by P5.13 million or 24%, from P21.38 million to P16.25 million, mainly due to the deployment of cash to equities. Financial assets at fair value through profit and loss were valued at P181.24 million, a net increase of P6.68 million or 3.82% from P174.56 million as of December 31, 2019. Deducting liabilities of P2.05 million, net assets were valued at P201.05 million, a decrease of P11.22 million compared to the P212.27 million posted over the same period last year. This translated to a net asset value per share (NAVPS) of Php4.0077 and Php4.2312 in 2020 and 2019, respectively.

The Fund incurred gross investment loss amounting to P5.97 million, a complete reversal from the gross investment income of P6.69 million as of end of 2019. This was mostly attributed to the P9.32 million in net trading losses incurred during the year. Nevertheless, this was partly offset by higher dividend income from equity investments at P2.98 million, up by P0.84 million or 39.02% from P2.14 million earned in the same period last year. Furthermore, the Fund received interest income from short term placements in the amount of P0.38 million, an increase of P0.13 million or 51.06% from the P0.25 million recorded previously due to higher time deposit placements. Total operating expenses incurred during the year was relatively lower at P5.17 million, a decrease of P1.08 million or 17.32% mainly due to lower operating expenses incurred during the period. With the provision for income tax of P0.07 million, the Fund ended the year with a net investment loss of P11.22 million.

As of December 31, 2020, investment in listed equities represented 85.88% of total assets, leaving investment in Unit Investment Trust Fund at 3.36% and liquid assets at 10.76% of total company resources.

## **2) Past and future financial condition and results of operation, with particular emphasis on the prospects for the future**

The Fund posted a net income of P4.39 million in 2021, beating the P11.22 million net loss recorded in 2020. This was primarily due to the rebalancing exercise employed on the Fund and favorable market results of its equity investments which led to a recovery from the trading loss reported last year. Simultaneously, dividend earned had accelerated further than the previous period. For 2022, the increasing pace of vaccinations, especially in key economic centers in the Philippines, has reduced the short-term risks brought about by the ongoing health crisis. Although other possible COVID-19 variants and the long-term structural impact of the pandemic on various sectors need continuous assessment, we remain constructive on the ability of major industries to immediately benefit from the loosening of mobility restrictions and the full reopening of the economy. The Fund has maintained its selective positioning in sectors and stocks poised to outperform on improved economic activity. We prefer companies that have a clear road to recovery in 2022 and those benefitting from compelling structural trends. Our year-end P/E target is at 7,800 to 8,000 using a bottom-up approach, resulting to a 2022 PE of 15x.

## **3) Key Variable and other Qualitative and Quantitative Factors.**

Key Performance Indicators:

- a. NAV Growth – Total Net Asset Value (“NAV”) of FFI in 2021 went up by 2.19%, an increase of P4.39 million from 2020. In 2020, NAV dropped by 5.28%, equivalent to a decrease of P11.21 million from 2019.
- b. Earnings or (Loss) per Share – Earnings or (Loss) per share is computed as Net Investment Income or (Loss) divided by the weighted average number of shares outstanding. As of the end of 2021, the Company registered a net income of P4.39 million compared to the P11.22 million net loss in 2020. This translates to an earnings per share of P0.09 in 2021 as against a loss per share of P0.22 in the prior year.
- c. Portfolio Quality – The Funds’ portfolio should, at all times, adhere to the investment parameters as indicated in the Funds’ prospectus. The Fund invests in a mix of fixed income investments, unit investments trust funds and local equities.
- d. Expense Ratio – expense ratio is computed as Operating Expense divided by Average Net

Asset Value (NAV). As of the end of 2021, the Fund's expense ratio went up to 2.67% from 2.50% for the same period in 2020.

- e. Performance versus competition –In 2021, FFI ranked 1st among other equity mutual funds with a full year return of 2.14%. In 2020, FFI ranked 3rd with a full year return of negative 5.38%.
- f. Market Price (MP) to Net Asset Value (NAV) - Premium of MP to NAV as of end of 2021 is at 59.21%, lower than the 74.66% recorded in 2019.

**If Material:**

**(i) Any Known Trends, Events or Uncertainties (Material Impact on Liquidity)**

Liquidity of the Fund may be affected by the market's depth or the existence of readily available buyers and sellers in the market.

**(ii) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.**

Not Applicable

**(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.**

Not Applicable

**(iv) Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures**

None

**(v) Any known trends, events or uncertainties (Material Impact on Sales)**

Interest income received by the Fund from its investments in short-term deposits and cash dividends received from its equity investments are expected to have a favorable impact on its income.

**(vi) Any significant elements of income or loss (from continuing operations)**

None

**(vii) Causes for any material changes from period to period of FS which shall include vertical and horizontal analyses of any material item (5%)**

There are no material changes from period to period except as discussed in the management's discussion on financial condition and the results of operations of the Fund.

**(viii) Seasonal Aspects that has a Material Effect on the FS**

There are no seasonal aspects that had a material effect on the financial condition or results of the operation of the Fund.

## DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF THE BUSINESS OF THE REGISTRANT AND ITS SUBSIDIARIS

FFI is a closed-end investment company listed in the PSE. It has no business operations save for the normal trading of its shares in the PSE and the maintenance of its investment portfolio by the fund manager, ABCIC.

FFI has no subsidiaries.

## MARKET INFORMATION

### (a) Identification of the Principal Market or Markets where the Registrant's Common Equity is Traded

#### (1) State the name of the Exchange

The Fund's shares, being listed, are traded in the Philippine Stock Exchange, Inc. ("PSE") through the PSE member stockbrokers.

#### (2) Presentation of the High and Low Sales Prices for Each Quarter within the last two (2) fiscal years and any subsequent interim period for which Financial Statements are required by SRC Rule 68

Market price at the end of the day is based on the PSE's closing price (in Php/share) for the Fund.

#### (b) Price information as of the latest practicable trading date, and in the case of securities to be issued in connection with an acquisition, business combination or other reorganization, as of the trading date immediately prior to the public announcement of such transaction.

<b>Year 2022</b>	<b>High</b>	<b>Low</b>	<b>Quarter-end-Close</b>
<b>First Quarter</b>	<b>6.55</b>	<b>6.55</b>	<b>6.55</b>
<b>Year 2021</b>			
First Quarter	7.51	7.50	7.50
Second Quarter	7.45	7.45	7.45
Third Quarter	6.53	6.53	6.53
Fourth Quarter	6.52	6.52	6.52
<b>Year 2020</b>	<b>High</b>	<b>Low</b>	<b>Quarter-end-Close</b>
First Quarter	6.11	6.11	6.11
Second Quarter	6.09	6.09	6.09
Third Quarter	7.35	7.33	7.33
Fourth Quarter	7.00	7.00	7.00
<b>Year 2019</b>	<b>High</b>	<b>Low</b>	<b>Quarter-end-Close</b>
First Quarter	8.95	7.84	7.84
Second Quarter	7.71	7.71	7.71
Third Quarter	7.72	7.71	7.71
Fourth Quarter	7.02	7.00	7.00

**HOLDERS****(i) Approximate number of holders of each class of common security as of the latest practicable date but in no event more than 90 days prior to filing of report**

FFI has a total of 5,355 stockholders owning at least one (1) share as of March 31, 2022.

**(ii) Names of the top twenty (20) shareholders of each class and number of shares held, and percentage of total shares outstanding held by each.**

The list provided below is as of March 31, 2022:

<b>Title of Class</b>	<b>Shareholder's Name</b>	<b>Amount of Ownership and Nature of Ownership</b>		<b>Percent of Class</b>
Common A	PCD NOMINEE CORPORATION(FILIPINO)	44,112,635	(b)	87.9309%
Common A	PCD NOMINEE CORPORATION(NON-FILIPINO)	226,136	(b)	0.4508%
Common A	ALLEN C. ROXAS	94,667	(b)	0.1887%
Common A	ALBERT G. ONG	90,250	(b)	0.1799%
Common A	SEGUNDO SEANGIO AND/OR VIRGINIA SEANGIO	32,818	(b)	0.0654%
Common A	KA SIONG TIU	31,555	(b)	0.0629%
Common A	VICTOR, HERNANDEZ BOCALING	31,555	(b)	0.0629%
Common A	EMMANUEL HERNANDEZ BOCALING	25,244	(b)	0.0503%
Common A	ROMEO TAN PE	25,244	(b)	0.0503%
Common A	INTERNATIONAL POLYMER CORP.	22,089	(b)	0.0440%
Common A	ANTONIO SUNTAY TANJANGCO	20,826	(b)	0.0415%
Common A	WILLINGTON W. CHUA	20,524	(b)	0.0409%
Common A	NORBERTO VALDIVIA SAUCO	20,195	(b)	0.0402%
Common A	ALEXANDER JO TANCHAN	19,879	(b)	0.0396%
Common A	PATRICK YAP TONG	18,933	(b)	0.0377%
Common A	MA. GEORGINA VERA PEREZ	18,933	(b)	0.0377%
Common A	MELY NGO LIM	18,933	(b)	0.0377%
Common A	JAN CED	18,933	(b)	0.0377%
Common A	MARCIANO S. BACALLA JR	16,409	(b)	0.0327%
Common A	ARTHUR CANG UY	15,777	(b)	0.0314%

**DIVIDENDS****(a) Discussion of any cash dividends declared (two most recent years)**

On March 26, 2018, the Board of Directors of the Company unanimously declared a cash dividend of P0.08 per share or amounting to Php4,013,391.76 to all stockholders of record on the basis of the outstanding shares owned by them on the following dates:

Record date – April 23, 2018

Payment Date –May 4, 2018

No cash/stock/property dividends were declared in 2021, 2020 and 2019.

**(b) Description of any restriction that limit the payment of dividend on common shares**

The Company's declaration of cash/stock dividends in the future will depend on the Company's investment requirements, and unrestricted retained earnings, at the relevant time. This is the only restriction which may limit the Company's ability to pay/declare cash/stock/property dividends.

**RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION**

The Company has not sold any unregistered or exempt securities nor issued any securities constituting an exempt transaction.

**FINANCIAL STATEMENTS**

The Fund's audited financial statements and schedule of investments for the year 2021 are attached herewith.

**CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There are no disagreements with the external auditors on the accounting and financial disclosures of the Company for the fiscal year covered by this report.

**DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE**

**a. Evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance**

FFI adopted a Manual of Corporate Governance when the SEC imposed this requirement. The Company and its directors and officers have complied with the evaluation system and monitoring as disclosed in the Manual.

**b. Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance**

FFI's Corporate Governance Manual was amended on September 30, 2010 and was further supplemented on March 21, 2011 in compliance with the directive of the SEC. FFI also adopted an Anti-Money Laundering Operating Manual on September 30, 2010. On 24 September 2012, FFI approved the Charter for its Audit Committee pursuant to the SEC Memorandum Circular No. 4, series of 2012.

On December 17, 2014, FFI approved the changes in the Third Amended Manual on Corporate Governance pursuant to SEC Memorandum Circular No. 9, Series of 2014. On April 7, 2017, FFI approved its Fourth Amended Manual on Corporate Governance in accordance with SEC Memorandum Circular No. 19 Series of 2016. Finally, on 22 June 2020, FFI approved and adopted its Fifth Amended Manual on Corporate Governance to comply with SEC Memorandum Circular No. 24 series of 2019.

FFI has also adopted the following policies:

1. Charter of the Board of Directors
2. Code of Business Conduct and Ethics
3. Nomination Committee Charter
4. Anti-Corruption and Bribery Policy

5. Whistle Blowing Policy
6. Data Privacy Policy (pursuant to the Data Privacy Act of 2012)
7. Policy on Related Party Transactions

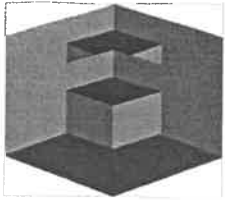
Since FFI has no employees, its Fund Manager, ABCIC, through its Compliance Officer, continually monitors the actions of, and ensures the compliance by, ABCIC employees responsible for the management of FFI.

**c. Any deviation from the company's Manual of Corporate Governance, including a disclosure of the name and position of the person/s involved and sanctions imposed on said individual**

No deviations from the Manuals of FFI on Corporate Governance and Anti-Money Laundering have been observed.

**d. Any plan to improve corporate governance of the company**

The Fund Manager, ABCIC, through its Compliance Officer, is continually updated with the latest provisions of corporate governance and will suggest any relevant additions or deletions to management.



*Filipino Fund, Inc*

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

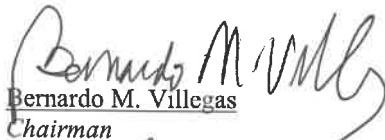
The management of Filipino Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed 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*

  
Brian M. Devila  
*Treasurer*

Signed this day of 22 February 2022



MAR 28 2022

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ affiants exhibiting to me their identification as follows:

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	Senior Citizen ID No. 65493	March 30, 2012	Cebu City
Brian M. Devila	Driver's License No. A08-21-200026	December 31, 2021	LTO- Abra

Doc. No. 154  
Page No. 3  
Book No. XVII  
Series of 2022

**ATTY. CHERIE MAE R. ALAMAG**  
Notary Public  
Appointment No. M-168 For the City of Makati  
Extended until June 30, 2022  
Roll No. 68613  
PTR No. 8852830; 01/04/2022; Makati City  
IBP Lifetime Member No. 016368; Batangas  
MCLE Compliance No. VI-0023503; 3/27/2019  
(Valid until April 14, 2022)  
3810 Cuenca Street, Palanan, Makati City

FS FOR FILING WITH SEC

AFTER THE BIR HAS DULY  
STAMPED "RECEIVED."

# 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: 8898-7522  
Mobile Number: N/A  
No. of Stockholders: 5,381  
Annual Meeting (Month / Day): Every 2<sup>nd</sup> 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: Jonna C. Llaguno  
Email Address: jcllaguno@abcapital.com.ph  
Telephone Number/s: 8898-7522  
Mobile Number: 0910 9090 690

## CONTACT PERSON'S ADDRESS

Units 1210-1212, 12<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> 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.



## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
Filipino Fund, Inc.  
Units 1911-1912, 19F, PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> 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, 2021 and 2020 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, 2021, and a summary of significant accounting policies and other explanatory information.

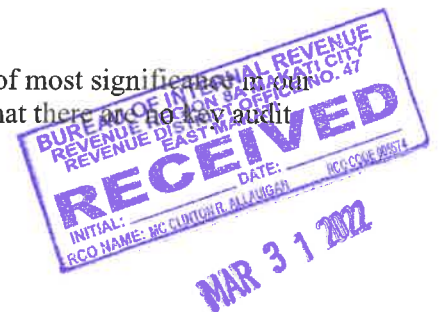
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2021 and 2020 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine 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.



## Other Information

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021 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 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 PFRSs, 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 PSAs 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.



MAR 31 2022



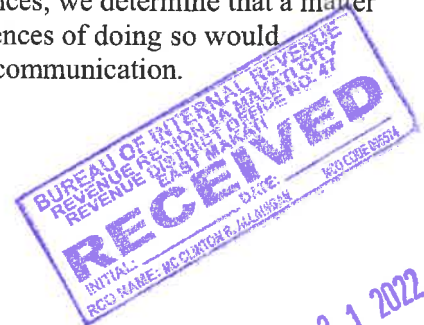
As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine 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.

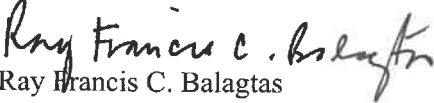


### Report on the Supplementary Information Required Under Revenue Regulations 15-2010

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 21 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  
Ray Francis C. Balagtas.

SYCIP GORRES VELAYO & CO.

  
Ray Francis C. Balagtas  
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 108795-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-107-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8853467, January 3, 2022, Makati City

February 22, 2022



MAR 31 2022



**FILIPINO FUND, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents (Note 6)	<b>₱12,386,648</b>	₱16,252,060
Financial assets at fair value through profit or loss (Note 7)	<b>179,260,562</b>	181,237,745
Receivables (Note 8)	<b>15,972,095</b>	5,613,960
	<b>₱207,619,305</b>	₱203,103,765
<b>LIABILITIES</b>		
Accounts payable and accrued expenses (Note 9)	<b>₱2,175,257</b>	₱2,048,392
<b>EQUITY (Note 10)</b>		
Capital stock	<b>105,272,397</b>	105,272,397
Additional paid-in capital	<b>94,361,124</b>	94,361,124
Retained earnings	<b>55,008,852</b>	50,620,177
Treasury stock	<b>(49,198,325)</b>	(49,198,325)
	<b>205,444,048</b>	201,055,373
	<b>₱207,619,305</b>	₱203,103,765
<b>Net Asset Value Per Share (Note 10)</b>	<b>₱4.0952</b>	₱4.0077

*See accompanying Notes to Financial Statements.*



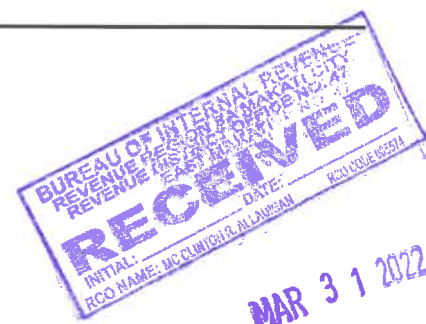
**MAR 31 2022**



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

	Years Ended December 31		
	2021	2020	2019
<b>INVESTMENT INCOME (LOSS)</b>			
Trading gains (losses) - net (Note 7)	₱3,063,098	(₱9,322,549)	₱4,300,952
Dividend income (Note 7)	6,742,029	2,975,514	2,140,368
Interest income (Note 6)	18,850	378,630	250,655
	<b>9,823,977</b>	<b>(5,968,405)</b>	<b>6,691,975</b>
<b>OPERATING EXPENSES</b>			
Management and administration fees (Notes 17 and 18)	1,952,672	1,791,202	1,686,814
Transaction fees (Note 12)	824,662	490,952	851,303
Directors' fees (Note 18)	805,556	833,333	777,778
Professional and legal fees (Note 13)	764,012	1,005,807	1,162,646
Advertising and publicity	337,140	325,749	257,214
Membership fee	253,000	261,000	251,000
Donation (Note 18)	200,000	200,000	200,000
Taxes and licenses	16,910	35,709	16,330
Meetings (Note 18)	11,831	-	96,250
Postage and courier	-	1,338	307,536
Miscellaneous (Notes 14 and 18)	265,748	225,787	646,964
	<b>5,431,531</b>	<b>5,170,877</b>	<b>6,253,835</b>
<b>INVESTMENT INCOME (LOSS) BEFORE INCOME TAX</b>	<b>4,392,446</b>	<b>(11,139,282)</b>	<b>438,140</b>
<b>PROVISION FOR INCOME TAX (Note 16)</b>	<b>3,771</b>	<b>75,726</b>	<b>50,131</b>
<b>NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)*</b>	<b>₱4,388,675</b>	<b>(₱11,215,008)</b>	<b>₱388,009</b>
<b>Basic and Diluted Earnings (Losses) Per Share (Note 11)</b>	<b>₱0.0875</b>	<b>(₱0.2236)</b>	<b>₱0.0077</b>

\*There were no other comprehensive income (loss) items in 2021, 2020 and 2019.  
See accompanying Notes to Financial Statements.

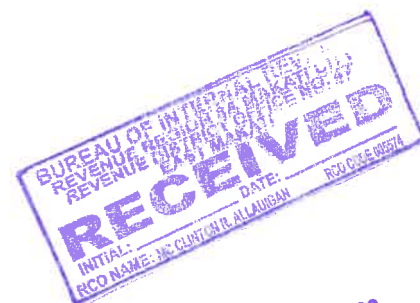




**FILIPINO FUND, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock (Note 10)	Additional Paid-in Capital (Note 10)	Retained Earnings (Note 10)	Treasury Stock (Note 10)	Total
<b>Balances as at</b>					
January 1, 2021	₱105,272,397	₱94,361,124	₱50,620,177	(₱49,198,325)	₱201,055,373
Net income/total comprehensive income for the year	—	—	4,388,675	—	4,388,675
<b>Balances as at</b>					
December 31, 2021	₱105,272,397	₱94,361,124	₱55,008,852	(₱49,198,325)	₱205,444,048
<b>Balances as at</b>					
January 1, 2020	₱105,272,397	₱94,361,124	₱61,835,185	(₱49,198,325)	₱212,270,381
Net loss/total comprehensive loss for the year	—	—	(11,215,008)	—	(11,215,008)
<b>Balances as at</b>					
December 31, 2020	₱105,272,397	₱94,361,124	₱50,620,177	(₱49,198,325)	₱201,055,373
<b>Balances as at</b>					
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
<b>Balances as at</b>					
December 31, 2019	₱105,272,397	₱94,361,124	₱61,835,185	(₱49,198,325)	₱212,270,381

See accompanying Notes to Financial Statements.



MAR 31 2022

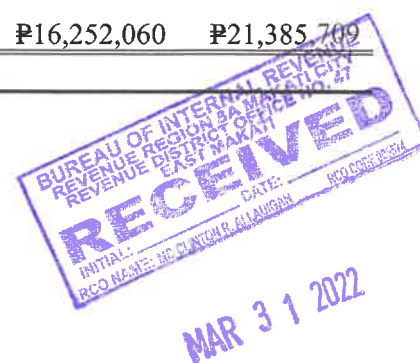
MAR 31 2022



**FILIPINO FUND, INC.**  
**STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Investment income (loss) before income tax	<b>₱4,392,446</b>	(₱11,139,282)	₱438,140
Adjustments for:			
Unrealized trading losses (gains) (Note 7)	<b>(1,186,636)</b>	11,184,164	6,440,293
Interest income (Note 6)	<b>(18,850)</b>	(378,630)	(250,655)
Dividend income (Note 7)	<b>(6,742,029)</b>	(2,975,514)	(2,140,368)
Decrease (increase) in:			
Financial assets at fair value through profit or loss	<b>3,163,819</b>	(17,860,845)	23,959,099
Receivables	<b>(10,378,760)</b>	12,284,241	(17,725,895)
Increase (decrease) in accounts payable and accrued expenses	<b>126,865</b>	517,895	(285,992)
Net cash generated from (used in) operations	<b>(10,643,145)</b>	(8,367,971)	10,434,622
Interest received	<b>25,077</b>	378,550	244,509
Dividend received	<b>6,756,427</b>	2,931,498	2,063,827
Income tax paid (Note 16)	<b>(3,771)</b>	(75,726)	(50,131)
<b>NET INCREASE (DECREASE) IN CASH IN BANK</b>	<b>(3,865,412)</b>	(5,133,649)	12,692,827
<b>CASH IN BANK AT BEGINNING OF YEAR</b>	<b>16,252,060</b>	21,385,709	8,692,882
<b>CASH IN BANK AT END OF YEAR (Note 6)</b>	<b>₱12,386,648</b>	₱16,252,060	₱21,385,709

See accompanying Notes to Financial Statements.



## FILIPINO FUND, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### 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, 5<sup>th</sup> Avenue corner 28<sup>th</sup> 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.

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#### 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, 2021. Adoption of these pronouncements did not have any significant impact on the Fund's financial position or performance.

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*
- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*



## **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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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.

For receivables from broker, the Fund applies the simplified approach in calculating ECL since these receivables arise from transactions within the scope of PFRS 15 and does not contain significant financing component. Under the simplified approach, the Fund does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.



*Write-off*

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

*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.

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, carry forward 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 carry forward 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, 2021, 2020 and 2019.

#### 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 and unit investment trust funds. 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, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to Philippine Accounting Standard (PAS) 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

#### *Effective beginning on or after January 1, 2023*

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

#### *Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*



*Effective beginning on or after January 1, 2025*

- 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*

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### 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, 2021 and 2020, the Fund did not recognize deferred tax asset amounting to ₱3.80 million and ₱4.61 million, respectively, on NOLCO as management believes that the benefit from such asset will not be realized prior to its expiration (see Note 16).

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### 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 2021 and 2020, 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, 2021 and 2020, 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:

	<b>2021</b>		
	<b>Cash and cash equivalents</b>	<b>Receivables</b>	<b>Total</b>
Corporate:			
Financial institutions	<b>₱12,386,648</b>	<b>₱14,400</b>	<b>₱12,401,048</b>
Services	–	<b>15,820,414</b>	<b>15,820,414</b>
Holding firms	–	<b>137,281</b>	<b>137,281</b>
<b>Total</b>	<b>₱12,386,648</b>	<b>₱15,972,095</b>	<b>₱28,358,743</b>
	<b>2020</b>		
	<b>Cash and cash equivalents</b>	<b>Receivables</b>	<b>Total</b>
Corporate:			
Financial institutions	₱16,252,060	₱4,027,228	₱20,279,288
Services	–	1,445,153	1,445,153
Holding firms	–	76,196	76,196
Property	–	42,983	42,983
Industrial	–	22,400	22,400
<b>Total</b>	<b>₱16,252,060</b>	<b>₱5,613,960</b>	<b>₱21,866,020</b>

As of December 31, 2021 and 2020, 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 non-interest-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, 2021 and 2020.

	2021	
<b>Changes in PSEi</b>	<b>18.54%</b>	<b>(18.54%)</b>
Change in equity under:		
Holding firms	<b>₱11,622,290</b>	<b>(₱11,622,290)</b>
Property	<b>6,339,044</b>	<b>(6,339,044)</b>
Service	<b>3,442,716</b>	<b>(3,442,716)</b>
Mining and oil	<b>2,234,207</b>	<b>(2,234,207)</b>
Financial	<b>2,038,706</b>	<b>(2,038,706)</b>
Industrial	<b>1,623,721</b>	<b>(1,623,721)</b>
<b>Total</b>	<b>₱27,300,684</b>	<b>(₱27,300,684)</b>
<b>As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL</b>	<b>2,367.97%</b>	<b>(2,367.97%)</b>
	2020	
<b>Changes in PSEi</b>	<b>6.45%</b>	<b>(6.45%)</b>
Change in equity under:		
Holding firms	<b>₱3,868,148</b>	<b>(₱3,868,148)</b>
Property	<b>2,484,443</b>	<b>(2,484,443)</b>
Financials	<b>1,876,491</b>	<b>(1,876,491)</b>
Services	<b>1,425,308</b>	<b>(1,425,308)</b>
Industrial	<b>1,063,060</b>	<b>(1,063,060)</b>
Mining and oil	<b>479,649</b>	<b>(479,649)</b>
<b>Total</b>	<b>₱11,197,099</b>	<b>(₱11,197,099)</b>
<b>As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL</b>	<b>101.47%</b>	<b>(101.47%)</b>



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:

	<b>Changes in price quotation (in basis points)</b>			
	<b>+ 100</b>	<b>-100</b>	<b>+ 50</b>	<b>- 50</b>
Change in equity				
<b>2021</b>	<b>₱58,555</b>	<b>(₱58,555)</b>	<b>₱29,278</b>	<b>(₱29,278)</b>
2020	68,206	(68,206)	34,103	(34,103)

## 5. Fair Value of Financial Assets and Liabilities

As of December 31, 2021 and 2020, 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.

	<b>2021</b>				
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>					
Financial assets at FVTPL					
Quoted equity securities	<b>₱173,405,053</b>	<b>₱173,405,053</b>	<b>₱-</b>	<b>₱-</b>	<b>₱173,405,053</b>
UITF	<b>5,855,509</b>	<b>-</b>	<b>5,855,509</b>	<b>-</b>	<b>5,855,509</b>
	<b>₱179,260,562</b>	<b>₱173,405,053</b>	<b>₱5,855,509</b>	<b>₱-</b>	<b>₱179,260,562</b>



	2020				Total
	Carrying Value	Level 1	Level 2	Level 3	
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	₱174,417,095	₱174,417,095	₱-	₱-	₱174,417,095
UITF	6,820,650	-	6,820,650	-	6,820,650
	<b>₱181,237,745</b>	<b>₱174,417,095</b>	<b>₱6,820,650</b>	<b>₱-</b>	<b>₱181,237,745</b>

There were no transfers between fair value hierarchy levels in 2021 and 2020.

## 6. Cash and Cash Equivalents

This account consists of:

	2021	2020
Cash in bank	<b>₱12,386,648</b>	₱10,107,349
Short-term placements	-	6,144,711
	<b>₱12,386,648</b>	<b>₱16,252,060</b>

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 of 1.90% in 2021 and ranging from 0.625% to 4.00% in 2020.

Interest income earned on cash and cash equivalents amounted to ₱0.02 million, ₱0.38 million and ₱0.25 million in 2021, 2020 and 2019, respectively.

## 7. Financial Assets at Fair Value through Profit or Loss

This account consists of:

	2021	2020
Quoted equity securities	<b>₱173,405,053</b>	₱174,417,095
UITF (Note 18)	<b>5,855,509</b>	6,820,650
	<b>₱179,260,562</b>	<b>₱181,237,745</b>

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:

	2021		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	<b>₱2,817,373</b>	<b>₱1,687,587</b>	<b>₱1,350,549</b>
Outstanding units	<b>2,469,188</b>	<b>583,159</b>	<b>1,250,000</b>
NAV per share	<b>₱1.141012</b>	<b>₱2.893871</b>	<b>₱1.080439</b>





	2020		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	₱3,791,218	₱1,698,645	₱1,330,787
Outstanding units	3,352,547	583,159	1,250,000
NAV per share	₱1.130847	₱2.912833	₱1.064630

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:

	2021	2020	2019
Realized	<b>₱1,876,462</b>	₱1,861,615	₱10,741,245
Unrealized	<b>1,186,636</b>	(11,184,164)	(6,440,293)
	<b>₱3,063,098</b>	(₱9,322,549)	₱4,300,952

Dividend income earned from quoted equity securities under financial assets at FVTPL amounted to ₱6.74 million, ₱2.98 million and ₱2.14 million in 2021, 2020 and 2019, respectively.

## 8. Receivables

This account consists of:

	2021	2020
Due from broker (Note 18)	<b>₱15,820,414</b>	₱1,441,653
Dividends receivable	<b>151,681</b>	166,079
Accounts receivable	–	4,000,001
Interest receivable	–	6,227
	<b>₱15,972,095</b>	₱5,613,960

Accounts receivable pertains to the proceeds from the redemption of UITF investments with AB Capital and Investments Corporation – Trust and Investment Division.

Due from broker pertains to receivable from trade of FVTPL securities transactions which is expected to be settled on Trade Date +3. As of December 31, 2021, this account also includes proceeds from past FVTPL sales that are maintained with the broker agreed to fund future purchase of securities.

## 9. Accounts Payable and Accrued Expenses

This account consists of:

	2021	2020
<b>Financial Liabilities</b>		
Accrued expenses (Notes 17 and 18)	<b>₱1,318,763</b>	₱1,190,296
Other liabilities	<b>797,325</b>	797,325
	<b>2,116,088</b>	1,987,621

(Forward)



	2021	2020
<b>Non-financial Liabilities</b>		
Withholding tax payable	₱25,686	₱27,288
Other liabilities	33,483	33,483
	<b>59,169</b>	60,771
	<b>₱2,175,257</b>	₱2,048,392

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

## 10. Equity

As of December 31, 2021 and 2020, the Fund's capital stock consists of:

Capital stock - ₱1 par value	
Authorized - 184,234,038 common shares in 2021 and 2020	
Issued and fully paid-105,272,397 shares, at par	₱105,272,397
Additional paid-in capital	94,361,124
Treasury stock - 55,105,000 shares, at cost	(49,198,325)
	<b>₱150,435,196</b>

NAV per share is computed as follows:

	2021	2020
Net asset value	₱205,444,048	₱201,055,373
Number of shares outstanding	50,167,397	50,167,397
NAV per share	<b>₱4.0952</b>	₱4.0077

The total number of stockholders of the Fund is 5,381 and 5,394 as of December 31, 2021 and 2020, respectively.

### *Determination of retained earnings available for dividend declaration*

Retained earnings of the Fund amounted to ₱55.01 million and ₱50.62 million as of December 31, 2021 and 2020, 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, 2021 and 2020, the total unappropriated retained earnings available for dividend declaration amounted to nil.

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 2021 and 2020.

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, 2021 and 2020, the Fund is compliant with the above externally imposed capital requirement.

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**11. Basic and Diluted Earnings (Losses) Per Share**

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

	2021	2020	2019
Net income (loss)	<b>₱4,388,675</b>	(₱11,215,007)	₱388,009
Weighted average number of common shares outstanding	<b>50,167,397</b>	50,167,397	50,167,397
Basic and diluted earnings (loss) per share	<b>₱0.0875</b>	(₱0.2236)	₱0.0077

As of December 31, 2021, 2020 and 2019, there were no potential common shares or other instruments with a dilutive effect on the basic earnings (losses) per share.

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**12. Transaction Fees**

This account consists of:

	2021	2020	2019
Stock transaction tax (Note 21)	<b>₱448,482</b>	₱166,341	₱478,013
Commissions (Note 18)	<b>354,887</b>	306,116	352,160
SCCP* fees	<b>14,196</b>	12,245	14,087
Transaction fees	<b>7,097</b>	6,250	7,043
	<b>₱824,662</b>	₱490,952	₱851,303

\*Securities Clearing Corporation of the Philippines

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**13. Professional and Legal Fees**

This account consists of expenses incurred for legal, accounting and stock transfer services provided to the Fund amounting to ₱0.76 million, ₱1.01 million and ₱1.16 million in 2021, 2020 and 2019, respectively.



#### 14. Miscellaneous Expenses

This account consists of:

	2021	2020	2019
Unrecoverable input VAT	₱168,039	₱160,929	₱248,504
Printing and photocopy	1,000	–	282,417
Miscellaneous expense	96,709	64,858	116,043
	<b>₱265,748</b>	<b>₱225,787</b>	<b>₱646,964</b>

#### 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

On March 26, 2021, Republic Act (RA) No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) was signed into law. CREATE reduced the regular corporate income tax (RCIT) rate from 30% to 20% to 25% depending on the criteria set by the law effective July 1, 2020. Interest expense allowed as a deductible expense shall be reduced by 20.0% of interest income subjected to final tax under the CREATE Act, while its 33.0% prior to the CREATE Act.

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 ₱3,771, ₱75,726 and ₱50,131 in 2021, 2020 and 2019, respectively.

The regulations also provide for MCIT of 2.0% (prior to CREATE) and 1.0% (from July 1, 2020 to June 30, 2023, before reverting to 2.0%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Company's income tax liability and taxable income, respectively, over a three-year period from the year of inception. Pursuant to the provisions of Section 244 of National Internal Revenue Code (NIRC), as amended, the regulations are further amended to implement Section 4 of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act", which allows the business or enterprise to carry over NOLCO for taxable years 2020 and 2021 for the next 5 years. In addition, any excess of the MCIT over RCIT incurred in 2020 and 2021 can be used as a tax credit against future income tax liability for the next five years from the period 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
2018	₱5,021,809	(₱5,021,809)	₱–	2021
2019	5,527,318	–	5,527,318	2022
2020	4,842,320	–	4,842,320	2025
2021	4,815,011	–	4,815,011	2026
	<b>₱20,206,458</b>	<b>(₱5,021,809)</b>	<b>₱15,184,649</b>	



As of December 31, 2021 and 2020, the Fund did not recognize deferred tax asset amounting to ₱3.80 million and ₱4.61 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:

	2021	2020	2019
Statutory income tax (tax loss)	<b>₱1,098,111</b>	(₱3,341,784)	₱131,442
Tax effect of:			
Tax-exempt loss (income)	<b>(2,451,282)</b>	1,904,110	(1,932,396)
Change in unrecognized deferred tax asset	<b>1,203,753</b>	1,452,696	1,658,196
Non-deductible expenses	<b>154,131</b>	98,567	217,955
Tax-paid income	<b>(942)</b>	(37,863)	(25,066)
	<b>₱3,771</b>	₱75,726	₱50,131

## 17. Investment Management Agreement

The Fund's investment manager is ABCIC. In 2021 and 2020, the Fund charged management fee of 1.00% per annum of the average net asset value of the Fund plus reimbursement of the operating expenses actually paid or incurred by ABCIC in the performance of its service as an investment manager from 0.50% plus an administration fee at a fixed rate of ₱0.05 million per month in 2019.

In 2021, 2020 and 2019, the Fund recognized management and administration fees amounting to ₱1.95 million, ₱1.79 million and ₱1.69 million, respectively (see Note 18).

Management fees payable amounted to ₱0.43 million and ₱0.77 million as of December 31, 2021 and 2020, 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, 2021		
	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<i>Parent Company</i>			
VDC			
Miscellaneous expense	<b>₱1,357</b>	₱-	Various expenses advanced by VDC on behalf of the Fund.

(Forward)



December 31, 2021

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<u>Entities under common control</u>			
VII			
Miscellaneous expense	₱4,277	₱—	Various expenses advanced by VII for the Fund.
ABCIC			
Management and administration fees	1,952,672	426,162	Management fees incurred for management services rendered by ABCIC computed as 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.
Miscellaneous expense	91,859	—	Various expenses advanced by ABCIC for the Fund.
Meetings and conferences	11,831	—	
Advertising and Publicity	300,560	—	
AB Capital Securities, Inc.			
Due from broker	—	15,820,414	Receivable from trade of FVTPL securities transactions due on Trade date +3 and proceeds from past sales held to fund future purchases.
Commission expense	354,887	—	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	67,207,909	—	FVTPL trade transactions due on Trade date +3.
Sales	74,746,950	—	FVTPL trade transactions due on Trade date +3.
ABCIC– TID			
Investments in UITF	—	5,855,509	Investments managed by ABCIC – TID.
Wealthbank			
Interest Income	1,946	—	Interest income earned from short-term placements ranging from 1.90% to 4.00%.
Vicsal Foundation, Inc.	200,000	—	Donation to Vicsal Foundation, Inc.
<u>Key management personnel</u>			
Directors			
Director's fees	805,556	—	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, 2020

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<u>Entities under common control</u>			
VII			
Miscellaneous expense	₱1,251	₱20,736	Various expenses advanced by VII for the Fund.
Taxes and licenses	8,522	8,522	
ABCIC			
Management and administration fees	1,791,202	768,492	Management fees incurred for management services rendered by ABCIC computed as 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.
Miscellaneous expense	7,593	—	Various miscellaneous and advertising expenses advanced by ABCIC for the Fund.
Advertising and Publicity	300,560	—	
AB Capital Securities, Inc.			
Due from broker	—	1,441,653	Receivable from trade of FVTPL securities transactions due on Trade date +3.
Commission expense	306,116	—	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	94,722,716	—	FVTPL trade transactions due on Trade date +3.
Sales	27,723,477	—	FVTPL trade transactions due on Trade date +3.

(Forward)



December 31, 2020			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<b>ABCIC– TID</b>			
Accounts Receivable	–	4,000,001	Receivable from TID for the redemption of UITF investment expected to be settled on January 4, 2021 Investments managed by ABCIC – TID.
Investments in UITF	–	6,820,650	
<b>Wealthbank</b>			
Short-term placements	–	6,144,711	Short-term placements with Wealthbank with term ranging from 14 days to 32 days.
Interest Income	226,556	–	Interest income earned from short-term placements ranging from 1.90% to 4.00%.
<b>Vicsal Foundation, Inc.</b>			
Donation	200,000	–	Donation to Vicsal Foundation, Inc.
<b><u>Key Management Personnel</u></b>			
Director’s fees	833,333	–	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, 2021 and 2020, 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.

In 2019, the Fund donated ₱200,000 to Vicsal Foundation, Inc as part of the Fund’s corporate social responsibility. Also, for the year ended December, 31, 2019, fees incurred for management services rendered by ABCIC amounted to ₱1,686,814 and commission on trade transactions paid to AB Capital Securities, Inc. amounted to ₱352,160. The Fund paid director’s fee in 2019 amounting to ₱777,778. Various miscellaneous expenses advanced by VDC, VII and ABCIC for the Fund totalled to ₱118,920 in 2019, while interest income on short-term placements with Wealthbank amounted to ₱192,994 for the same period.

**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:

	2021	2020	2019
Cash in bank (Note 6)	<b>₱18,850</b>	₱378,630	₱250,655
Quoted equity securities*	<b>9,770,268</b>	(6,516,071)	3,798,288
Investments in UITF	<b>34,859</b>	169,036	2,643,032
	<b>₱9,823,977</b>	(₱5,968,405)	₱6,691,975

*\*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.



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**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 February 22, 2022.

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**21. 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 ₱16,910 pertain to business permits paid by the Fund in 2021.

Withholding Taxes

Total remittances of the Fund in 2021 on expanded withholding taxes amounted to ₱439,463, with an outstanding balance of ₱25,686 as of December 31, 2021.

Stock Transaction Taxes

Total stock transaction tax of the Fund for the sale of equity shares amounted to ₱448,482 in 2021.



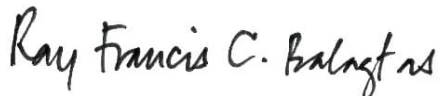


## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Filipino Fund, Inc.  
Units 1911-1912, 19F, PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> 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, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, included in this Form 17-A, and have issued our report thereon dated February 22, 2022. 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.



Ray Francis C. Balagtas  
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 108795-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-107-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8853467, January 3, 2022, Makati City

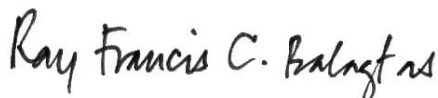
February 22, 2022



## **INDEPENDENT AUDITOR'S REPORT COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

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

We have audited in accordance with Philippine Standards on Auditing, financial statements of Filipino Fund, Inc. (the Fund) as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021, and have issued our report thereon dated February 22, 2022. 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 (PFRSs) 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 PFRSs. The components of these financial soundness indicators have been traced to the Fund's financial statements as at December 31, 2021 and 2020, and for each of the three years in the period ended December 31, 2021 and no material exceptions were noted.



Ray Francis C. Balagtas  
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 108795-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-107-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8853467, January 3, 2022, Makati City

February 22, 2022



**FILIPINO FUND INC.**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2021**

**Schedules Required under Revised Securities Regulation Code Rule 68**

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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>	5
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements <i>(Part II 7D, Annex 68-J, C)</i>	6
D	Long-Term Debt <i>(Part II 7D, Annex 68-J, D)</i>	7
E	Indebtedness to Related Parties (included in the consolidated statement of financial position) <i>(Part II 7D, Annex 68-J, E)</i>	8
F	Guarantees of Securities of Other Issuers <i>(Part II 7D, Annex 68-J, F)</i>	9
G	Capital Stock <i>(Part II 7D, Annex 68-J, G)</i>	10

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

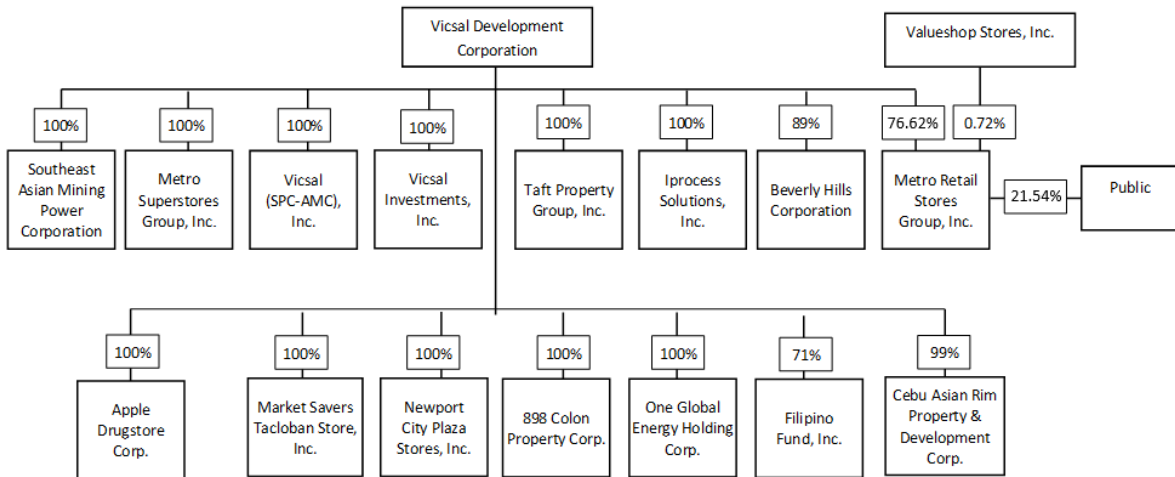
Unappropriated Retained Earnings, <i>as adjusted to available for dividend declaration, beginning (before deducting treasury shares)</i>	₱37,460,391
Add: Net income during the period closed to Retained Earnings	4,388,675
Less: Unrealized fair value gain	1,186,636
<hr/>	
Net investment income actually earned during the year	40,662,430
Less: Treasury shares	(49,198,325)
Dividend Declaration	0
<hr/>	

**TOTAL AVAILABLE UNAPPROPRIATED RETAINED EARNINGS**  
**FOR DIVIDEND** **₱0**

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**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, 2021**



**FILIPINO FUND, INC.**  
**SCHEDULE A – FINANCIAL ASSETS**  
**As of December 31, 2021**

**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>
<b><i>Quoted Equity Securities</i></b>			
<i>Ayala Corporation</i>	22,480	18,680,880	125,183
<i>Aboitiz Equity Ventures, Inc.</i>	–	–	44,954
<i>Alliance Global Group, Inc.</i>	850,000	10,030,000	59,500
<i>Ayala Land, Inc.</i>	466,000	17,102,200	105,474
<i>Banco de Oro Unibank, Inc.</i>	48,000	5,793,600	77,400
<i>Bank of the Philippine Islands</i>	–	–	76,500
<i>Bloomberry Resorts Corporation</i>	650,000	4,095,000	–
<i>Converge Information and Communications Tech.</i>	300,000	9,570,000	–
<i>DMCI Holdings, Inc.</i>	2,000,000	15,420,000	1,324,800
<i>First Gen Corporation</i>	120,000	3,342,000	78,000
<i>First Philippine Holdings</i>	45,000	3,152,250	99,000
<i>GT Capital Holdings, Inc.</i>	17,000	9,180,000	28,707
<i>International Container Terminal Services, Inc.</i>	–	–	215,000
<i>Jollibee Foods Corporation</i>	–	–	6,630
<i>JG Summit Holdings, Inc.</i>	–	–	19,000
<i>LT Group, Inc</i>	900,000	8,910,000	756,000
<i>Metropolitan Bank &amp; Trust Company</i>	157,210	8,756,597	1,035,640
<i>Megaworld Corporation</i>	1,150,000	3,622,500	48,910
<i>Manila Electric Company</i>	–	–	127,140
<i>Metro Pacific Investments Corp.</i>	–	–	154,700
<i>Metro Retail Stores Group, Inc.</i>	2,626,000	3,781,440	–
<i>Nickel Asia Corporation</i>	1,000,000	5,350,000	212,000
<i>PLDT Inc.</i>	3,300	5,979,600	352,600
<i>Puregold Price Club, Inc.</i>	–	–	45,000
<i>Robinsons Retail Holdings, Inc.</i>	65,000	4,251,000	118,950
<i>Robinsons Land Corporation</i>	367,500	7,056,000	87,500
<i>San Miguel Corp.</i>	–	–	20,024
<i>Security Bank Corporation</i>	–	–	105,000
<i>Semirara Mining Corporation</i>	498,360	10,639,986	1,165,080
<i>SM Investments Corporation</i>	9,000	8,487,000	54,400
<i>SM Prime Holdings, Inc</i>	150,000	5,085,000	21,320
<i>Universal Robina Corporation</i>	40,000	5,120,000	132,000

<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>DDMP Reit, Inc.</i>	–	–	45,617
<b><i>Subtotal</i></b>	<b><i>11,484,850</i></b>	<b><i>173,405,053</i></b>	<b><i>6,742,029</i></b>
<b><i>Investments in UITF</i></b>			
<i>Short-term fund</i>	<i>2,469,188</i>	<i>2,817,373</i>	–
<i>Equity Fund</i>	<i>583,159</i>	<i>1,687,587</i>	–
<i>Balanced Fund</i>	<i>1,250,000</i>	<i>1,350,549</i>	–
<b><i>Subtotal</i></b>	<b><i>4,302,347</i></b>	<b><i>5,855,509</i></b>	–
<b><i>Total</i></b>	<b><i>15,787,197</i></b>	<b><i>179,260,562</i></b>	<b><i>6,742,029</i></b>

*\*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, 2021**

<b>Name and Designation of Debtor</b>	<b>Balance at Beginning of the Period</b>	<b>Additions</b>	<b>Amounts Collected</b>	<b>Amounts Written-off</b>	<b>Current</b>	<b>Not Current</b>	<b>Balance at End of the Period</b>
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**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, 2021**

<b>Name and Designation of debtors</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amounts collected (i)</b>	<b>Amounts written off (ii)</b>	<b>Current</b>	<b>Not Current</b>	<b>Balance at end of the period</b>
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**NOT APPLICABLE**

**FILIPINO FUND, INC.**  
**SCHEDULE D – LONG TERM DEBT**  
**As of December 31, 2021**

<b>Title of Issue and type of obligation (i)</b>	<b>Amount authorized by indenture</b>	<b>Amount shown under caption “Current portion of Long-Term Debt” in related balance sheet (ii)</b>	<b>Amount shown under caption “Long-Term Debt” in related balance sheet (iii)</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
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**NONE TO REPORT**

**FILIPINO FUND, INC.**  
**SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES**  
**(LONG TERM LOANS FROM RELATED PARTIES)**  
**As of December 31, 2021**

<b>Name of Related Party (i)</b>	<b>Balance at the Beginning of the Period</b>	<b>Balance at the End of the Period (ii)</b>
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**NONE TO REPORT**

**FILIPINO FUND, INC.**  
**SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUES**  
**As of December 31, 2021**

<b>Name of issuing entity of securities guaranteed by the Fund for which the statement is filed</b>	<b>Title of issue of each class of securities guaranteed</b>	<b>Total amount guaranteed and outstanding (i)</b>	<b>Amount owned by person for which statement if filed</b>	<b>Nature of guarantee (ii)</b>
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**NONE TO REPORT**

**FILIPINO FUND, INC.**  
**SCHEDULE G – CAPITAL STOCK**  
**As of December 31, 2021**

<b>Title of Issue</b>	<b>Number of Shares Authorized</b>	<b>Number of Shares Issued and Outstanding at shown under related Balance Sheet caption*</b>	<b>Number of Shares reserved for Options, Warrants, Conversion and Other Rights</b>	<b>Number of Shares Held by related parties</b>	<b>Directors, Officers, and Employees</b>	<b>Others</b>
<b>FILIPINO FUND INCORPORATED – Common Shares</b>	<b>184,234,038</b>	<b>50,167,397</b>	<b>-</b>	<b>35,623,406</b>	<b>52,703</b>	<b>14,491,288</b>

*\*Net of treasury shares*

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

	<b>2021</b>	<b>2020</b>
Current/liquidity ratio	<b>95.45:1.0</b>	99.15:1.0
Solvency ratio	<b>0.01:1.0</b>	0.01:1.0
Debt-to-equity ratio	<b>0.01:1.0</b>	0.01:1.0
Asset-to-equity ratio	<b>1.01:1.0</b>	1.01:1.0
Profit margin	<b>44.67%</b>	-187.91%
Return on assets	<b>2.14%</b>	-5.38%
Return on equity	<b>2.16%</b>	-5.43%

<sup>(a)</sup> Current ratio is the measure of current assets to current liabilities.

<sup>(b)</sup> Solvency ratio is measured as total liabilities to total assets.

<sup>(c)</sup> Debt to equity ratio is measured as total liabilities to total equity.

<sup>(d)</sup> Asset to equity ratio is measured as total assets divided by total equity.

<sup>(e)</sup> Profit margin is derived by dividing net income (loss) with total revenues.

<sup>(f)</sup> Return on assets is measured by dividing net income (loss) over average total assets.

<sup>(g)</sup> Return on equity is derived by dividing net income (loss) over average equity.

**FILIPINO FUND INC.  
ANNEX 68-G  
SCHEDULE FOR MUTUAL FUNDS  
DECEMBER 31, 2021**

	<b>2021</b>	2020
1 Total Investment of the Fund to the Outstanding Securities on an Investee Company		
2 Percentage of Investment in a Single Enterprise to Net Asset Value		See succeeding pages
3 Total Investments in Liquid or Semi-Liquid Assets or Semi-Liquid Assets to Total Assets	<b>100.0000%</b>	100.0000%
4 Total Operating Expenses to Net Worth*	<b>2.6723%</b>	2.5021%
5 Total Assets to Total Borrowings	<b>Not applicable</b>	Not applicable

\*Average Net Worth

**FILIPINO FUND, INC.**  
**TOTAL INVESTMENT OF THE FUND TO THE OUTSTANDING SECURITIES**  
**ON AN INVESTEE COMPANY**  
**DECEMBER 31, 2021**

INVESTEE COMPANY	2021	2020
<b>Ayala Corporation</b>	<b>0.003628%</b>	0.001705%
<b>Aboitiz Equity Ventures, Inc.</b>	–	0.000877%
<b>Aboitiz Power Corporation</b>	–	0.000679%
<b>Alliance Global Group, Inc.</b>	<b>0.008974%</b>	0.006696%
<b>AllHome Corp.</b>	–	0.006667%
<b>Ayala Land, Inc.</b>	<b>0.003146%</b>	0.002037%
<b>Banco de Oro Unibank, Inc.</b>	<b>0.001095%</b>	0.001597%
<b>Bank of the Philippine Islands</b>	–	0.001684%
<b>Bloomberry Resorts Corporation</b>	<b>0.005985%</b>	0.003194%
<b>Converge Information and Communications Tech.</b>	<b>0.003986%</b>	0.001993%
<b>DMCI Holdings, Inc.</b>	<b>0.015063%</b>	0.008285%
<b>First Gen Corporation</b>	<b>0.003337%</b>	0.002501%
<b>First Philippine Holdings</b>	<b>0.009234%</b>	0.007970%
<b>Globe Telecom, Inc.</b>	–	0.000150%
<b>GT Capital Holdings, Inc.</b>	<b>0.007897%</b>	0.004445%
<b>Integrated Micro-Electronics, Inc.</b>	–	0.003157%
<b>International Container Terminal Services, Inc.</b>	–	0.001039%
<b>Jollibee Foods Corporation</b>	–	0.000767%
<b>JG Summit Holdings, Inc.</b>	–	0.000308%
<b>LT Group, Inc.</b>	<b>0.008317%</b>	0.004158%
<b>Metropolitan Bank &amp; Trust Company</b>	<b>0.003496%</b>	0.005757%
<b>Megaworld Corporation</b>	<b>0.003610%</b>	0.003605%
<b>Manila Electric Company</b>	–	0.001207%
<b>Metro Pacific Investment Corporation</b>	–	0.004565%
<b>Metro Retail Stores Group, Inc.</b>	<b>0.078248%</b>	0.076574%
<b>Megawide Construction Corp</b>	–	0.004813%
<b>Nickel Asia Corporation</b>	<b>0.007336%</b>	0.002201%
<b>PLDT, Inc.</b>	<b>0.001527%</b>	0.001458%
<b>Puregold Price Club, Inc.</b>	–	0.003467%
<b>Robinsons Land Corporation</b>	<b>0.007108%</b>	0.006739%
<b>Robinsons Retail Holdings Inc</b>	<b>0.004299%</b>	0.004157%
<b>Semirara Mining Corporation</b>	<b>0.011725%</b>	0.009137%
<b>Security Bank Corporation</b>	–	0.004645%



<b>INVESTEE COMPANY</b>	<b>2021</b>	<b>2020</b>
<b>SM Investment Corporation</b>	<b>0.000747%</b>	0.000946%
<b>San Miguel Food and Beverage, Inc.</b>	–	0.000255%
<b>San Miguel Corporation "A"</b>	–	0.000802%
<b>SM Prime Holdings, Inc.</b>	<b>0.000519%</b>	0.000675%
<b>Universal Robina Corporation</b>	<b>0.001817%</b>	0.001406%

**FILIPINO FUND, INC.**  
**PERCENTAGE OF INVESTMENT IN A SINGLE ENTERPRISE TO NET ASSET VALUE**  
**DECEMBER 31, 2021**

COMPANY	2021	2020
<b>Ayala Corporation</b>	<b>9.092928%</b>	4.401225%
<b>Aboitiz Equity Ventures, Inc.</b>	–	1.160949%
<b>Aboitiz Power Corporation</b>	–	0.660266%
<b>Alliance Global Group, Inc.</b>	<b>4.882108%</b>	3.426917%
<b>AllHome Corp.</b>	–	1.137746%
<b>Ayala Land, Inc.</b>	<b>8.324505%</b>	6.102796%
<b>Banco de Oro Unibank, Inc.</b>	<b>2.820038%</b>	3.718379%
<b>Bank of the Philippine Islands</b>	–	3.075073%
<b>Bloomberry Resorts Corporation</b>	<b>1.993243%</b>	1.411800%
<b>Converge Information and Communications Tech.</b>	<b>4.658203%</b>	1.111634%
<b>DMCI Holdings, Inc.</b>	<b>7.505693%</b>	3.096659%
<b>First Gen Corporation</b>	<b>1.626720%</b>	1.260101%
<b>First Philippine Holdings</b>	<b>1.534359%</b>	1.539959%
<b>Globe Telecom, Inc.</b>	–	0.201934%
<b>GT Capital Holdings, Inc.</b>	<b>4.468370%</b>	2.784240%
<b>Integrated Micro-Electronics, Inc.</b>	–	0.316828%
<b>International Container Terminal Services, Inc.</b>	–	1.303457%
<b>Jollibee Foods Corporation</b>	–	0.825245%
<b>JG Summit Holdings, Inc.</b>	–	0.825310%
<b>LT Group, Inc.</b>	<b>4.336947%</b>	2.932028%
<b>Metropolitan Bank &amp; Trust Company</b>	<b>4.262278%</b>	6.316437%
<b>Megaworld Corporation</b>	<b>1.763254%</b>	2.333685%
<b>Manila Electric Company</b>	–	1.975177%
<b>Metro Pacific Investment Corporation</b>	–	2.980273%
<b>Metro Retail Stores Group, Inc.</b>	<b>1.840618%</b>	1.959162%
<b>Megawide Construction Corp</b>	–	0.382674%
<b>Nickel Asia Corporation</b>	<b>2.604115%</b>	0.835591%
<b>PLDT, Inc</b>	<b>2.910573%</b>	2.099422%
<b>Puregold Price Club, Inc.</b>	–	2.039239%
<b>Robinsons Land Corporation</b>	<b>3.434512%</b>	3.690526%
<b>Robinsons Retail Holdings Inc</b>	<b>2.069177%</b>	2.101411%
<b>Semirara Mining Corporation</b>	<b>5.179019%</b>	2.661755%
<b>Security Bank Corporation</b>	–	2.332691%
<b>SM Investment Corporation</b>	<b>4.131052%</b>	5.947914%

<b>COMPANY</b>	<b>2021</b>	<b>2020</b>
<b>San Miguel Food and Beverage, Inc.</b>	–	0.501862%
<b>San Miguel Corporation "A"</b>	–	1.215022%
<b>SM Prime Holdings, Inc.</b>	<b>2.475126%</b>	3.734046%
<b>Universal Robina Corporation</b>	<b>2.492163%</b>	2.351342%