

CERTIFICATION

I, **VERONICA C. MOJARES**, the Compliance officer of **FILIPINO FUND, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number AS091-190385 with principal office at Units 1911-1912, 19th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, on oath state:

1. That I have caused this SEC FORM 17-A for to be prepared in behalf of Filipino Fund, Inc.;
2. That I have read and understood its content which are true and correct of my own personal knowledge and/or on authentic records;
3. That the Company, Filipino Fund, Inc., will comply with the requirements set forth in SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that submitted documents which require pre-evaluation and/or payment processing fee shall be considered complete and officially received only upon payment of filing fee; and
5. That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hands this 8th day of April 2024.



Veronica C. Mojares
Compliance Officer

SUBSCRIBED AND SWORN to before me, a Notary Public for and in the City of Makati, Philippines, this certification, by affiant who is personally known to me and whose identity I have confirmed through Veronica C. Mojares, [REDACTED] bearing the affiant's photograph and signature.

Doc. No. 277
Page No. 51
Book No. XXVII
Series of 2024

ATTY. CHERIE MAE R. ALANAG
Notary Public
Appointment No. 14148 for the City of Makati
Until December 31, 2024
Roll No. 88613
PTR No. 10075517; 01/02/2024; Makati City
ISP Lifetime Member No. 010360; Batangas
MCLE Compliance No. VII-0011357; 03/25/2022
(Valid until April 14, 2025)
3810 Cuenca Street, Palanan, Makati City

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 2 1 0 - 1 2 1 2 , 1 2 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)

Veronica C. Mojares

(Contact Person)

8898 7522

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

SEC FORM 17-A

(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

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT

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

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **ASO91-190385**
3. BIR Tax Identification No. **002-284-545-000**
4. Exact name of issuer as specified in its charter **FILIPINO FUND, INC.**
5. Province, Country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. **Units 1210- 1212, 12th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio**
Global City, Taguig City **1634**
 Address of principal office **Postal Code**
8. **(632) 898-7522**
 Issuer's telephone number, including area code
9. **NA**
 Former name, former address and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
COMMON SHARES	50,167,397 shares

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

Yes ☒ No ☐

If yes, state the name of such stock exchange: **PHILIPPINE STOCK EXCHANGE**

12. Check whether the issuer:

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

Yes ☒ No ☐




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

Yes [X]

No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of as specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Php210,703,067.40 (50,167,397 outstanding shares multiplied by FFI's closing price of Php4.20 as of December 22, 2023, the last trading day of FFI covered by this report).

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

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

N/A

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) Any annual report to security holders: **Audited Financial Statements attached herewith**

(b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1 (b)
NONE

(c) Any prospectus filed pursuant to SRC Rule 8.1-1.
NONE




PART I – BUSINESS AND GENERAL INFORMATION

DESCRIPTION OF BUSINESS

1. *Business Development*

Filipino Fund, Inc. (the “Fund” or “FFI”) was originally incorporated as a closed-end investment company on May 9, 1991. On March 28, 1995, the Fund was registered with the Securities and Exchange Commission (“SEC”) under Republic Act No. 2629, or the Investment Company Act of 1960. In November 2002, its shareholders approved the proposal to re-organize the Fund to provide shareholders with a liquidity vehicle to cash in on their investment. On March 14, 2003, the SEC approved the financial restructuring of FFI. After the requisite ten-day trading suspension, the new FFI began trading on March 31, 2004. Since then, the Fund still continues to trade in the Philippine Stock Exchange (“PSE”).

The post-restructuring investment objective of the Fund is to provide original FFI investors with a repackaged investment which would now have a more responsive net asset value per share which should correspond to an improved share price in the stock exchange.

2. *Business of Issuer*

FFI is a corporation 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.

A total of 70.42% of FFI’s total issued and outstanding shares of 23,846,850 was acquired by Vicsal Development Corporation (“VDC”), a holding company of the Metro Gaisano group, in September 2003 through a Tender Offer and was increased by stock dividends on February 24, 2014. VDC still remains the majority shareholder of FFI as of 2023.

3. *Principal products or services and distribution methods*

FFI remains listed and traded in the PSE where its shares may be bought and sold through any of the PSE member stockbrokers.

As of December 31, 2023, the total investments in equity holdings accounts for 94.43% of total assets. Income contributions, from this segment of the portfolio, were through cash dividends of Php11.27 million and net trading gains of Php9.49 million. Meanwhile, investments in unit investment trust funds (“UITFs”) account for 4.73% of the total company resources.

FFI’s services include investments in equities, UITFs, and high-grade fixed income securities. There are no distribution methods adopted by FFI as it does not deal or trade in goods or products.

4. *Competition*

As a listed company, FFI competes with the other listed shares in the stock market.

Like most other mutual funds, FFI’s fund manager possesses the necessary experience, training, skill and expertise in assessing financial investments. Also, FFI’s relatively smaller size allows it to be more flexible in navigating the financial markets. Furthermore, FFI can easily change its strategy to adopt to changes in market conditions. Unlike pure equity funds (which suffer when the stock market is in a downtrend) or pure fixed income funds (which miss out when the stock market booms or suffer when interest rates rise quickly) or even balanced funds (which, for some, have to maintain a certain ratio or have equity limits), FFI’s strategy can change more freely.

5. Transactions with and/or dependence on related parties

FFI's transactions, and thus, dependence would be mainly by way of the maintenance of the investment portfolio by the Fund Manager, AB Capital & Investment Corporation ("ABCIC").

6. Effect of existing or probable governmental regulations on the business.

FFI maintains the belief that government regulations are intended to strengthen the industry for the benefit of the investing public and thus will comply with the regulations imposed as may be instituted by the regulatory authorities.

7. Major risk/s involved in the business of the company.

The Fund has no subsidiary and is primarily exposed to Market Risk.

Market Risk is the risk of the change in the fair value of the financial instruments from fluctuations in market interest rates (fair value interest 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 structures the level 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 the financial assets and liabilities; the asset allocation and duration limit based on the Fund's chosen benchmark; diversification benchmarks by type of instrument; sets out the net exposure limits by each counterparty or group of counterparties and industry segments; reporting of market risk exposure and breaches to the monitoring authority; monitoring compliance with market risk policy and review of market risk policy for pertinence and changing environment.

Other than Market Risk, the Fund may also be exposed to Credit Risk and Liquidity.

Credit Risk

Credit Risk is the financial loss to the Fund if the counterparty to a financial instrument fails to meet its contractual obligations. The Fund invests in short-term deposits in banks, local equities and unit investment trust funds wherein the risk of default is considered minimal.

Liquidity Risk

Liquidity Risk or funding risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity may result from inability to sell financial asset quickly at their fair value; 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 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 Fair Value through Profit or Loss can be readily disposed of whenever the need for funding arises. The Fund's total financial liabilities mature within three months and are noninterest-bearing.

8. Number of employees

FFI does not have employees of its own, as the management of the Fund, including its administrative operations, is completely handled by its Fund Manager, ABCIC.




9. Operation, investment objectives, and plans

The investment objective of FFI is to provide FFI investors with an investment that corresponds to an improved share price in the PSE. It has no business operations except for the normal trading of its shares in the PSE.

10. Management contracts

FFI has entered into an Investment Management and Distribution Agreement (IMDA) with ABCIC, a corporation registered with the SEC primarily engaged in business as an investment house. The Fund pays management fee, on a quarterly basis, equivalent to 1.00% per annum of the average net asset value of the Fund at the beginning and the end of quarter period. The agreement further provides that the Fund shall reimburse the operating expenses actually paid or incurred by ABCIC in the performance of services as an investment manager.

Frank S. Gaisano, FFI's Director, is also ABCIC's Director.

11. Sale of unregistered securities or exempt securities

All shares of stock issued by FFI are duly registered. There are no recent sales of unregistered securities.

12. Family relationships

Directors Frank S. Gaisano and Margaret Gaisano-Ang are siblings. There are no other relevant family relationships.

PROPERTIES

FFI has no existing real properties.

LEGAL PROCEEDINGS

There is no material pending legal proceedings to which FFI is subject.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(Matters submitted during the fourth quarter of the fiscal year covered by this report)

There were no matters submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information

The Fund's shares, being listed, are traded in the PSE through the PSE member stockbrokers.

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

	High	Low	Quarter-end Close
Year 2023			
First Quarter	4.00	4.00	4.00
Second Quarter	3.30	3.30	3.30
Third Quarter	3.90	3.90	3.90
Fourth Quarter	4.20	4.20	4.20
Year 2022			
First Quarter	6.55	6.55	6.55
Second Quarter	5.50	5.50	5.50
Third Quarter	4.50	4.50	4.50
Fourth Quarter	3.66	3.66	3.66
Year 2021			
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

2. Dividends and exempt transaction

On March 26, 2018, the Board of Directors of the Company unanimously declared a cash dividend of Php0.08 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 2023, 2022, 2021, 2020, and 2019.

The Company's declaration of cash/stock/property 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 dividends.

3. Number of Holders

FFI has a total of 5,345 stockholders owning at least one (1) share as of December 31, 2023.

4. Top 20 Shareholders

Name of Stockholder	Type of Shares	No. of Shares Subscribed	Amount Subscribed	Amount Paid-up	% to Total Outstanding Shares
1. PCD Nominee Corporation – Filipino	Common	44,303,438	44,303,438.00	44,303,438.00	88.31%
2. PCD Nominee	Common	111,286	111,286.00	111,286.00	0.22%

Corporation – Non-Filipino					
3. Allen C. Roxas	Common	94,667	94,667.00	94,667.00	0.19%
4. Albert G. Ong	Common	90,250	90,250.00	90,250.00	0.18%
5. Segundo Seangio and/or Virginia Seangio	Common	32,818	32,818.00	32,818.00	0.07%
6. Victor Hernandez Bocaling	Common	31,555	31,555.00	31,555.00	0.06%
7. Emmanuel Hernandez Bocaling	Common	25,244	25,244.00	25,244.00	0.05%
8. Romeo Tan Pe	Common	25,244	25,244.00	25,244.00	0.05%
9. International Polymer Corp.	Common	22,089	22,089.00	22,089.00	0.04%
10. Antonio Suntay Tanjanco	Common	20,826	20,826.00	20,826.00	0.04%
11. Willington W. Chua	Common	20,524	20,524.00	20,524.00	0.04%
12. Norberto Valdivia Saucó	Common	20,195	20,195.00	20,195.00	0.04%
13. Alexander Jo Tanchan	Common	19,879	19,879.00	19,879.00	0.04%
14. Mely Ngo Lim	Common	18,933	18,933.00	18,933.00	0.04%
15. Jan Ced	Common	18,933	18,933.00	18,933.00	0.04%
16. Maria Georgina Vera Perez	Common	18,933	18,933.00	18,933.00	0.04%
17. Patrick Yap Tong	Common	18,933	18,933.00	18,933.00	0.04%
18. Ka Siong Tiu	Common	16,555	16,555.00	16,555.00	0.03%
19. Marciano S. Bacalla Jr.	Common	16,409	16,409.00	16,409.00	0.03%
20. Arthur Cang Uy	Common	15,777	15,777.00	15,777.00	0.03%

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Key Performance Indicators:

- NAV Growth – The Total Net Asset Value (“NAV”) of FFI in 2023 increased by 7.46%, an increase of Php14.87 million from 2022. In 2022, NAV is reduced by 2.95%, a decrease of Php6.06 million from 2021.
- Earnings or (Loss) per Share – The 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 2023, the Company registered a net income of Php14.87 million compared to net loss of Php6.06 million incurred in 2022. This translates to an income per share of Php0.30 in 2023 as against the loss per share of Php0.12 the prior year.
- 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 investment trust funds and local equities.
- Expense Ratio – expense ratio is computed as Operating Expense divided by Average Net Asset Value (NAV). As of the end of 2023, the Fund’s expense ratio went down to 2.85%




from 2.87% for the same period in 2022.

- e. Performance versus competition – In 2023, FFI ranked 3rd among other equity mutual funds with a full year return of 7.46%. In 2022, FFI ranked 1st with a full year return of 2.95%.
- f. Market Price (MP) to Net Asset Value (NAV) - Discount of MP to NAV as of the end of 2023 is at 1.65% vs discount of 7.91% recorded in 2022.

Discussion and analysis of material event/s and uncertainties known to the management that would address the past and would have an impact on future operations

- a. *Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's 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.

- b. *Any 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

- c. *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

- d. *Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.*

None

- e. *Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.*

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

- f. *Any significant elements of income or loss that did not arise from the issuer's continuing operations.*

None

- g. *Cause 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 disclosed in the management's discussion on financial condition and the results of operations of the Fund.

- h. *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.

Year 2023

Total assets of the Fund Increased to Php216.04 million as of December 31, 2023 from Php201.50 million of the previous year, an increment of 7.21% or Php14.54 million. Total receivables decreased to Php1.88 million or 68.19% from Php2.77 million, primarily due to the collection of trade receivable resulting from sale of equity securities. Moreover, cash decreased by Php14.80 million or 94.10%, from Php15.73 million to Php0.93 million, mainly due to reinvestment of available funds to listed equities. Financial assets at fair value through profit or loss were valued at Php214.23 million, boosted by Php31.23 million or 17.07% from Php183.00 million as of December 31, 2022, due to addition of stocks combined with an improvement in stock market prices. Deducting liabilities of Php1.79 million, net assets were valued at Php214.25 million, an increase of Php14.87 million or 7.46% compared to the Php199.38 million posted over the same period last year. This translated to a net asset value per share (NAVPS) of Php4.2706 and Php3.9743 in 2023 and 2022, respectively.

The Fund posted a gross investment income of Php20.76 million in 2023, a complete reversal from the gross investment loss of Php0.25 million in 2022. This was mostly attributed to the Php11.27 million dividend income and Php9.49 million trading gains. Total operating expenses incurred during the year was slightly higher at Php5.90 million, an increase of Php0.09 million or 1.55% mainly due to higher operating expenses incurred during the period. With the provision for income tax of Php0.001 million, the Fund ended the year with a net investment income of Php14.87 million.

As of December 31, 2023, investment in listed equities represented 94.43% of total assets, leaving investment in Unit Investment Trust Fund at 4.73% and liquid assets at 0.84% of total company resources.

Year 2022

Total assets of the Fund decreased to Php201.50 million as of December 31, 2022 from Php207.62 million of the previous year, a decrement of 2.95% or Php6.12 million. Total receivables went down to Php2.77 million from Php15.97 million, arising mostly from the trade of equity securities, translating to a decrease of Php13.20 million or 82.65% of the previous year's receivables. Moreover, cash increased by Php3.34 million or 26.96%, from Php12.39 million to Php15.73 million, mainly due to collections of cash dividends from various securities. Financial assets at fair value through profit or loss were valued at Php183 million, boosted by Php3.74 million or 2.09% from Php179.26 million as of December 31, 2021. Deducting liabilities of Php2.12 million, net assets were valued at Php199.38 million, a decrease of Php6.06 million compared to the Php205.44 million posted over the same period last year. This translated to a net asset value per share (NAVPS) of Php3.9743 and Php4.0952 in 2022 and 2021, respectively.

The Fund posted a gross investment loss of Php0.25 million in 2022, a complete reversal from the gross investment income of Php9.82 million in 2021. This was mostly attributed to the Php8.62 million in trading loss experienced during the year less total dividend earned at Php8.36 million and interest from deposits at Php0.01 million. Total operating expenses incurred during the year was relatively higher at Php5.81 million, an increase of Php0.38 million or 7.00% 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 Php0.002 million, the Fund ended the year with a net investment loss of Php6.06 million.

As of December 31, 2022, investment in listed equities represented 87.95% of total assets, leaving

investment in Unit Investment Trust Fund at 2.86% and liquid assets at 9.18% of total company resources.

Year 2021

Total assets of the Fund increased to Php207.62 million as of December 31, 2021 from Php203.10 million of the previous year, an improvement of 2.22% or Php4.52 million. Total receivables went up to Php15.97 million from Php5.61 million, arising mostly from the trade of equity securities, translating to an increase of Php10.36 million or 184.51% of the previous year's receivables. Moreover, cash decreased by Php3.87 million or 23.78%, from Php16.25 million to Php12.39 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 Php179.26 million, declining slightly by Php1.98 million or 1.09% from Php181.24 million as of December 31, 2020. Deducting liabilities of Php2.18 million, net assets were valued at Php205.44 million, an increase of Php4.39 million compared to the Php201.06 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 Php9.82 million in 2021, a complete reversal from the gross investment loss of Php5.97 million in 2020. This was mostly attributed to the Php6.74 million in dividend income earned during the year, coupled with a net trading gain of Php3.06 million. On the other hand, the Fund received lower interest income at Php0.02 million, down by Php0.36 million or 95.02% from the Php0.38 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 Php5.43 million, an increase of Php0.26 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 Php0.004 million, the Fund ended the year with a net investment income of Php4.39 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.

FINANCIAL STATEMENTS

The Fund's audited financial statements and schedule of investments for the year 2023 are attached hereto.

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.

PARTIII – CONTROL AND COMPENSATION INFORMATION

DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

The following, who are all Filipino citizens, are the Fund's Directors and Officers:

BERNARDO M. VILLEGAS – CHAIRMAN OF THE BOARD

Dr. Villegas, PhD, 85 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 the Business World. He is member of PHINMA Education, DMCI Corporation, Benguet Corporation, ASEAN Bond Fund, Transnational Diversified and First Metro Equity Fund. He served in the boards of BPI, Globe Telecom, Alaska Milk, IBM, AES, PHINMA Properties and the Advisory Board of Rolls Royce. He was the Dean of the School of Economics of the University of Asia and the Pacific from 1989 to 2004. He is now Professor Emeritus at UA&P. He serves in boards of not-for-profit foundations such as Dualtech, the Philippine Foundation for Cultural and Economic Development and the Philippine Food Bank Foundation. He was a member of the Philippine Constitutional Commission that drafted the Philippine Constitution of 1987 under the Administration of President Corazon Aquino. He is the author of numerous books in the fields of economics education, economic theory, economic development, business economics, strategic management, social ethics and values education.

MARGARET GAISANO-ANG – PRESIDENT

Ms. Ang, 72 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 of Taft Property Venture Development Corporation from 1992, Director of Midland Development Corporation from 1991, and Director and Corporate Secretary of Pacific Mall Corporation from 2001; and Trustee of Vicsal Foundation, Incorporated from 1996.

FRANK S. GAISANO – DIRECTOR

Mr. Gaisano, 66 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; President and Vice-Chairman of HTLand, Inc. since 2023; 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, Midland Development Corporation from 1991, and AB Capital & Investment Corporation from 2012; and the incumbent Chairman and President of Vicsal Foundation, Incorporated since February 2024.

JOAQUIN E. QUINTOS IV – INDEPENDENT DIRECTOR

Mr. Quintos, 64 years old, Filipino, has served as Independent Director of the Fund since February 22, 2022 up to the present. He is currently the President of the Healthcare and Education Group of First Philippine Holdings, a publicly listed Philippine conglomerate engaged in energy, property, construction, manufacturing, healthcare, and education businesses. He joined First Philippine Holdings in 2015 and is currently a board director in various operating subsidiaries of the group. In his operational role, Mr. Quintos runs the group's four (4) healthcare businesses, namely, Asian Eye Institute, Pi Health, Pi Health Manufacturing and Distribution, and MSA Philippines and the group's education business, First Industrial Science and Technology College. He was also the former Chairman and President of IBM Philippines. He held various senior management positions during a successful 27 year career at IBM, including assignments at IBM's headquarters in Singapore and New

York. Mr. Quintos currently holds various board positions in leading companies and non profit organizations in the Philippines, including AIA Philippines, Skycable, De La Salle College of St Benilde, University of St La Salle, and Knowledge Channel. He previously served the boards of established educational institutions including De La Salle University Manila, STI Education Services, and iPeople. He also serves as an advisor to many technology start up companies in the Philippines and abroad. He is a graduate of the University of the Philippines with a Bachelor of Science degree in Industrial Engineering (*Cum Laude*). He participated and completed the New York Marathon in 2007.

JOHN G. TAN – INDEPENDENT DIRECTOR

Mr. Tan, 55 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, Tanduay 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, 65 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; 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, 56 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, HTLand, Inc. from 2014, and Vicsal Foundation, Incorporated since February 2024.

During its regular meeting held on March 22, 2023 the Board of Directors of FFI approved the extension of the terms of Directors Villegas and Tan as Independent Directors for another year (or until 2024), as the Board strongly believes that their experience and expertise in their leadership role in FFI, as well as their strong independent views, cannot be matched.

The extension of the terms of these directors was approved by the shareholders last May 9, 2023 during the annual shareholders meeting.

BRIAN M. DEVILA – TREASURER

Mr. Devila, 33 years old, Filipino, was elected as the Treasurer of the 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, Senior 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.

VERONICA C. MOJARES – Compliance Officer

Ms. Mojares, a Filipino citizen, was appointed as the Compliance Officer of the Fund in November 2023. She holds a Bachelor of Science in Commerce-major in Accounting, a Bachelor of Science in Education- major in English Literature, and a Juris Doctor Degree from Philippine Law School, Pasay City. Prior to joining AB Capital Trust, she worked with the Trust Banking Groups of UCPB, Bank of Commerce, Planters Development Bank, Philippine Business Bank, Insular Trust and Investment Corp., Dharmala Capital, and Urban Bank.

SIGNIFICANT EMPLOYEE

FFI does not have employees of its own since management of the Fund, which includes its administrative operations, is completely being handled by its fund manager, ABCIC.


Additional Information required under Annex C of SRC Rule12:

- ❑ 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 election (excluding those serving the unexpired terms of resigned directors) 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 ($\frac{3}{4}$) vote of the subscribed capital stock entitled to vote.
- ❑ Incumbent directors Frank S. Gaisano and Margaret Gaisano-Ang are siblings.
- ❑ No member of the Board of FFI has been the subject of any legal/criminal proceedings for the past five years.
 - a. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

None.
 - b. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal, domestic or foreign, excluding traffic violations and other minor offenses;

None.
 - c. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

None.




- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

None.

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

Annual Compensation

Name and Principal position	Year	Compensation (P) (per diem)	Bonus (P)	Other Annual Compensation
All Directors and Officers of FFI	2023	777,778	None	None
	2022	777,778	None	None
	2021	805,556	None	None

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

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

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

Title of Class	Name and Address of Record Owner	Name of Beneficial Owner	Citizenship	No. of Shares	% of Class
Common	PCD Nominee Corporation	Various Stockholders	Filipino	44,303,438	88.31%

As of December 31, 2023, 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. Ms. Margaret Gaisano-Ang and/or Mr. Aljim C. Jamandre will vote for the shares of Vicsal Development Corporation.

SECURITY OWNERSHIP OF MANAGEMENT
As of December 31, 2023

Class	Name of Beneficial Owner	Amount and Nature of Ownership		Citizenship	Percent of Class
		Direct	Indirect		
Common	Mr. Frank S. Gaisano	10,518	0	Filipino	0.0210%
Common	Ms. Margaret Gaisano-Ang	10,518	0	Filipino	0.0210%
Common	Mr. Bernardo M. Villegas	10,518	0	Filipino	0.0210%
Common	Mr. John G. Tan	10,518	0	Filipino	0.0210%
Common	Mr. Joaquin E. Quintos IV	10,518	0	Filipino	0.0210%
Common	Mr. Aljim C. Jamandre	5,631	0	Filipino	0.0112%
Common	Atty. Vincent E. Tomaneng	5,000	0	Filipino	0.0100%

CHANGES IN CONTROL

There are no existing arrangements which may result in a change in control of FFI.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Please refer to the Note 18 of the Financial Statements for the Related Party Transactions.

PART IV – CORPORATE GOVERNANCE

COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

FFI has adopted a Manual of Corporate Governance ever since the SEC has mandated this requirement. The said Manual was amended on September 30, 2010 and was further supplemented on March 21, 2011 in compliance with the directive of the Securities and Exchange Commission. FFI has also adopted an Anti-Money Laundering Operating Manual on September 30, 2010. On 24 September 2012, FFI has 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 has 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 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.

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

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.

EXTERNAL AUDIT FEES

Audit fees for fiscal years 2023 and 2022 amounted to PhP371,000.00 and PhP368,012.00, respectively, exclusive of VAT and out of pocket expenses. The Company did not avail of other services from the external auditor for 2023 and 2022.

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 Audit Committee then agrees on the fees to be charged by the external auditors.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

ABCIC, being the lead foreign financial institution of an Expanded Affiliate Group (EAG), has created a FATCA account for FFI. FFI has been registered since 26 June 2014 and has been issued a Global Intermediary Identification Number (GIIN) in compliance with FATCA requirements and the SEC Memorandum Circular No. 8-2014.

FFI, in coordination with its Fund Manager, ABCIC, is regularly reviewing its policies and systems to enable it to comply with the FATCA requirement.

PART V – EXHIBITS AND SCHEDULES

EXHIBITS AND REPORTS ON SEC FORM 17-C

1. Exhibits *NONE*

2. Reports on SEC Form 17-C *(for the last six-month period covered by this report)*


<u>Date of Board Approval</u>	<u>Description</u>
August 14, 2023	Approval of the Q2 2023 Financial Report
November 10, 2023	1. Approval of the Q3 2023 Financial Report 2. Appointment of Veronica C. Mojares as the New Compliance Officer

SIGNATURES¹

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Cebu, Philippines on April 5, 2024.

By:


MARGARET GAISANO-ANG
President


BRIAN M. DEVILA
Treasurer

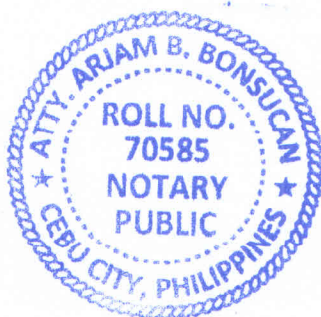

ATTY. VINCENT E. TOMANENG
Corporate Secretary/Director


Republic of the Philippines)
 Cebu City) S.S.

SUBSCRIBED AND SWORN to before me this APR 05 2024 day of APR 05 2024 affiants exhibiting to me their identifications, as follows:

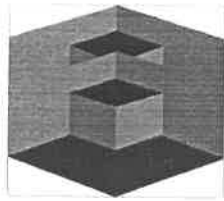
NAMES	PASSPORT/DRIVER'S LICENSE NO.	EXPIRY	PLACE OF ISSUE
Margaret Gaisano-Ang	[REDACTED]	[REDACTED]	[REDACTED]
Brian M. Devila	[REDACTED]	[REDACTED]	[REDACTED]
Vincent E. Tomaneng	[REDACTED]	[REDACTED]	[REDACTED]

Doc. No. 444
 Page No. 90
 Book No. 11
 Series of 2024.




ATTY. ARJAM B. BONSUCCAN, CPA
 Notarial Commission No. 77-18; valid until December 31, 2025
 Notary Public for and in the City of Cebu
 Attorney's Roll No. 70585
 PTR No. CEB 2490924; 07 December 2023; Cebu City
 IBP OR No. 324381; 04 December 2023; IBP - Cebu Chapter
 Room 406, Bldg. 5 Phase 1, UDH Tisa, Brgy. Tisa, Cebu City
 arjbon@gmail.com

¹ FFI does not have a Principal Operating Officer, Comptroller, and Principal Accounting Officer. The bookkeeping, financial recording, and accounting functions are being done by ABCIC (the Fund Manager).



Filipino Fund, Inc

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

The management of Filipino Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including schedules attached therein, as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, in accordance with prescribed financial reporting frameworks indicated therein, and for such internal control as what the management determines necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management either intends to liquidate the Fund, 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 schedules attached therein, and submits the same to stockholders or members.

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


Bernardo M. Villegas

Chairman


Margaret Gaisano-Ang

President


Brian M. Devila
Treasurer

Signed this 14 of March 2024



SUBSCRIBED AND SWORN to before me this _____ day of _____
their identification as follows:

APR 02 2024

MAKATI CITY

affiants exhibiting to me

Name	Com. Tax Cert. No./Passport No.	Date of Issue	Place of Issue
Bernardo M. Villegas	[REDACTED]	[REDACTED]	[REDACTED]
Margaret Gaisano-Ang	[REDACTED]	[REDACTED]	[REDACTED]
Brian M. Devila	[REDACTED]	[REDACTED]	[REDACTED]

Doc. No. 63
Page No. 25
Book No. 25
Series of 2024

ATTY. ROBERT M. MONFORT
Notary Public City of Makati
MCL No. 10000000000000000000
Appointed No. 10000000000000000000
PTR No. 10000000000000000000
IBP No. 30000000000000000000
MCL No. 10000000000000000000
101 Urban Ave. Campos Ruesla Bldg.
Brgy. Pio Del Pilar, Makati City

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	1	1	9	0	3	8	5
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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	2	1	0	-	1	2	1	2	,		1	2	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
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Department requiring the report

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

Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

info@filipinofund.com.ph

Company's Telephone Number

8898-7522

Mobile Number

N/A

No. of Stockholders

5,363

Annual Meeting (Month / Day)

Every 2nd Tuesday of May

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Veronica C. Mojares

Email Address

vcmojares @abcapital.com.ph

Telephone Number/s

8898-7512

Mobile Number

09559833065

CONTACT PERSON'S ADDRESS

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

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

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

SGVFS169486

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Filipino Fund, Inc. (the Fund), which comprise the statements of financial position, as at December 31, 2023 and 2022, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows, for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

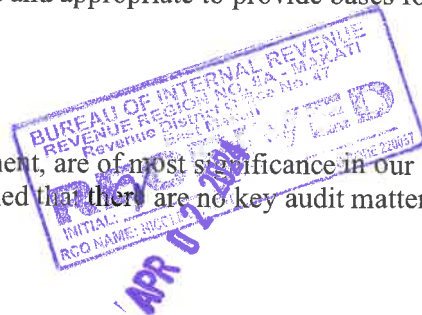
In our opinion, the accompanying financial statements are presented fairly, in all material respects. The financial position of the Fund, as at December 31, 2023 and 2022, and its financial performance and cash flows, for each of the three years in the period ended December 31, 2023, are in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit 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 which are relevant to our audit of financial statements in the Philippines, and we fulfill our other ethical responsibilities in accordance with those requirements and with the Code of Ethics. We believe that all audit evidences we obtained are sufficient and appropriate to provide bases for our opinion.

Key Audit Matters

Key audit matters are those matters, which in our professional judgment, are of most significance in our audit of 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 information included in Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and the Annual Report for the year ended December 31, 2023, but does not include financial statements and our auditor's report thereon. We obtained the SEC Form 17-A prior to the date of our auditor's report, and we expect to obtain SEC Form 20-IS (Definitive Information Statement), and the Annual Report for the year ended December 31, 2023 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 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.

If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those In-Charged of Governance for the Financial Statements

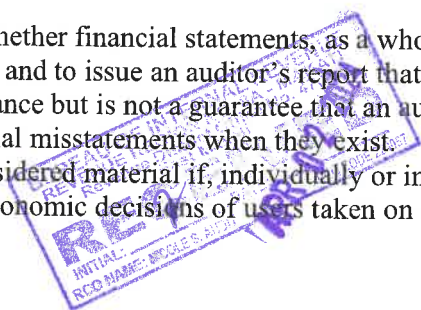
The management is responsible for the preparation and fair presentation of financial statements, in accordance with PFRSs, and for such internal control, as what the management determines necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud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

In preparing financial statements, the management is responsible for (1) assessing the Fund's ability to continue as a going concern, (2) disclosing, as applicable, matters related to going concern, and (3) using the going concern basis of accounting unless they either intend to liquidate the Fund, to cease operations or has no realistic alternative but to do so.

Those in-charged of 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 financial statements, as a whole, is 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, always detects material misstatements when they exist. Misstatements might arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.



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

- Identify and assess risks of material misstatements in financial statements, whether due to fraud or error. We 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 which 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, the reasonableness of accounting estimates, and the 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 on related disclosures of financial statements. Or, if disclosures are inadequate, we 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 financial statements, including corresponding disclosures, and whether financial statements represent underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated to those in-charged of governance, we determine matters which are of most significance in the audit of financial statements of the current period, and therefore, deemed as key audit matters. We describe those matters in our auditor's report unless a law or a regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that same should not be communicated in our report because adverse consequences of doing so would reasonably be expected to outweigh 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 basic financial statements, taken as a whole. The supplementary information, required under Revenue Regulations 15-2010, under Note 21 of the notes to financial statements, is presented for purposes of filing to 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 was subjected to 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 basic financial statements, taken as a whole.

The engagement partner of the audit, resulting in this independent auditor's report, is
Ray Francis C. Balagtas

SYCIP GORRES VELAYO & CO.

Ray Francis C. Balagtas

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

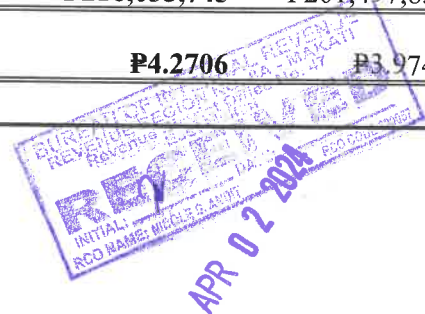
March 14, 2024



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

	December 31	
	2023	2022
ASSETS		
Cash and cash equivalents (Note 6)	₱928,005	₱15,726,185
Financial assets at fair value through profit or loss (Note 7)	214,227,495	182,997,010
Receivables (Note 8)	879,975	2,766,161
Other current assets (Note 9)	270	8,500
	₱216,035,745	₱201,497,856
LIABILITIES		
Accounts payable and accrued expenses (Note 9)	₱1,789,428	₱2,117,628
EQUITY (Note 10)		
Capital stock	105,272,397	105,272,397
Additional paid-in capital	94,361,124	94,361,124
Retained earnings	63,811,121	48,945,032
Treasury stock	(49,198,325)	(49,198,325)
	214,246,317	199,380,228
	₱216,035,745	₱201,497,856
Net Asset Value Per Share (Note 10)	₱4.2706	₱3.9743

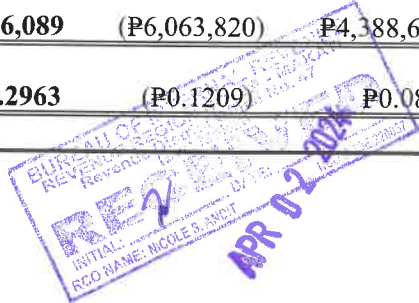
See accompanying Notes to Financial Statements.



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

	Years Ended December 31		
	2023	2022	2021
INVESTMENT INCOME (LOSS)			
Dividend Income (Note 7)	₱11,272,326	₱8,359,690	₱6,742,029
Trading gains (losses) - net (Note 7)	9,485,587	(8,623,143)	3,063,098
Interest income (Note 6)	5,733	11,583	18,850
	20,763,646	(251,870)	9,823,977
OPERATING EXPENSES			
Management and administration fees (Notes 17 and 18)	2,109,950	1,973,237	1,952,672
Transaction fees (Note 12)	1,078,766	1,233,882	824,662
Directors' fees (Note 18)	777,778	777,778	805,556
Professional and legal fees (Note 13)	814,012	764,012	764,012
Advertising and publicity	386,004	327,991	337,140
Membership fee	250,370	250,000	253,000
Donation (Note 18)	200,000	200,000	200,000
Taxes and licenses	16,511	22,323	16,910
Miscellaneous (Notes 14 and 18)	263,019	260,410	277,579
	5,896,410	5,809,633	5,431,531
INVESTMENT INCOME (LOSS) BEFORE INCOME TAX	14,867,236	(6,061,503)	4,392,446
PROVISION FOR INCOME TAX (Note 16)	1,147	2,317	3,771
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)*	₱14,866,089	(₱6,063,820)	₱4,388,675
Basic and Diluted Earnings (Losses) Per Share (Note 11)	₱0.2963	(₱0.1209)	₱0.0875

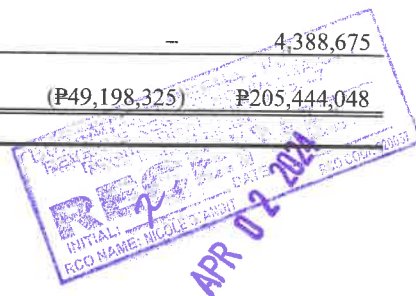
*There were no other comprehensive income (loss) items in 2023, 2022 and 2021.
See accompanying Notes to Financial Statements.



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

	Capital Stock (Note 10)	Additional Paid-in Capital (Note 10)	Retained Earnings (Note 10)	Treasury Stock (Note 10)	Total
Balances as at					
January 1, 2023	₱105,272,397	₱94,361,124	₱48,945,032	(₱49,198,325)	₱199,380,228
Net income/total comprehensive income for the year	—	—	14,866,089	—	14,866,089
Balances as at					
December 31, 2023	₱105,272,397	₱94,361,124	₱63,811,121	(₱49,198,325)	₱214,246,317
Balances as at					
January 1, 2022	₱105,272,397	₱94,361,124	₱55,008,852	(₱49,198,325)	₱205,444,048
Net loss/total comprehensive loss for the year	—	—	(6,063,820)	—	(6,063,820)
Balances as at					
December 31, 2022	₱105,272,397	₱94,361,124	₱48,945,032	(₱49,198,325)	₱199,380,228
Balances as at					
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
Balances as at					
December 31, 2021	₱105,272,397	₱94,361,124	₱55,008,852	(₱49,198,325)	₱205,444,048

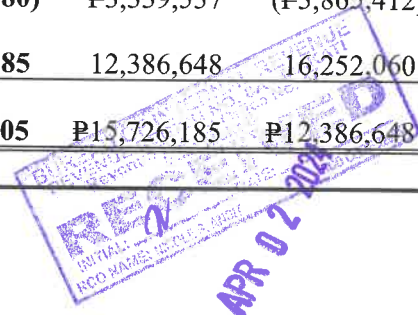
See accompanying Notes to Financial Statements.



FILIPINO FUND, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Investment income (loss) before income tax	₱14,867,236	(₱6,061,503)	₱4,392,446
Adjustments for:			
Unrealized trading gains (Note 7)	(4,759,788)	(4,858,264)	(1,186,636)
Interest income (Note 6)	(5,733)	(11,583)	(18,850)
Dividend income (Note 7)	(11,272,326)	(8,359,690)	(6,742,029)
Decrease (increase) in:			
Financial assets at fair value			
through profit or loss	(26,470,697)	1,121,816	3,163,819
Receivables	1,519,935	13,576,601	(10,378,760)
Other current assets	8,230	(8,500)	—
Increase (decrease) in accounts payable and accrued expenses	(328,200)	(57,629)	126,865
Net cash used in operations	(26,441,343)	(4,658,752)	(10,643,145)
Interest received	5,733	11,583	25,077
Dividend received	11,638,577	7,989,023	6,756,427
Income tax paid (Note 16)	(1,147)	(2,317)	(3,771)
NET INCREASE (DECREASE) IN CASH IN BANK	(₱14,798,180)	₱3,339,537	(₱3,865,412)
CASH IN BANK AT BEGINNING OF YEAR	15,726,185	12,386,648	16,252,060
CASH IN BANK AT END OF YEAR (Note 6)	₱928,005	₱15,726,185	₱12,386,648

See accompanying Notes to Financial Statements.



FILIPINO FUND, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

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

2. Summary of Material Accounting Policies

Basis of Preparation

The Fund's financial statements are prepared at historical cost, except for financial assets at fair value through profit or loss (FVTPL) which are measured at fair value. Financial statements are presented in Philippine peso, 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 are prepared in compliance to Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies

Accounting policies adopted are consistent with those of the previous financial year, except that the Fund adopted the following new accounting pronouncements beginning January 1, 2023. Adoption of these pronouncements did not have any significant impact in the Fund's financial position or performance.

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



Material Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents includes cash in banks and short-term highly liquid investments which are readily convertible to known amounts of cash, with original maturities of three months or less from dates of placement, and are subject to 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 would be paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value of an asset or a liability is measured using the assumption of what market participants would use when pricing an asset or a 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 has an ask price, the price within the bid-ask spread, with the 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 purposes of fair value disclosures, the Fund determined classes of assets and liabilities, on the basis of their nature, characteristics and risks, and the level of hierarchy.
(see Note 5).

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

The Fund recognizes a financial asset or a financial liability, in the statement of financial position, when it becomes a party to the contractual provisions of the instrument. Purchase or sale of a financial asset that requires delivery of such asset, 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.

Classification and Subsequent Measurement of financial instruments

Classification of financial assets

Financial assets are classified in their entirety, based on their contractual cash flow characteristics and the Fund's business model for managing such financial assets. The Fund classifies its financial assets under 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 cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding. Instruments, with cash flows which are not SPPI, are classified as at FVTPL.



In making this assessment, the Fund determines if 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 the 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 financial assets held within that business model, are evaluated and reported to the Fund's key management personnel. The Fund also considers 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, 2023 and 2022, based on the results of the contractual cash flows characteristics test and business model assessment, the Fund classified its cash and cash equivalents, due from broker, dividends receivable, and advances to affiliates as financial assets at amortized cost, and its financial assets held for trading as financial assets at FVTPL.

As of December 31, 2023 and 2022, the Fund had 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, which 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 the acquisition and fees and costs which 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 which objective is to sell financial assets. The Fund may designate 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 the Profit or Loss. Dividend income is reported in the Profit or Loss, under Dividend income, when the right to receive the payment is established.

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 integral parts of the EIR. This policy applies to accounts payable and to other accrued expenses of the Fund.



As of December 31, 2023 and 2022, the Fund had no financial liabilities at FVTPL.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset is derecognized when:

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

Financial liability

A financial liability is derecognized when the obligation, under the liability, is discharged, cancelled or expires.

Impairment of Financial Assets

Expected credit loss

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

Staging assessment

For non-credit-impaired financial instruments:

- Stage 1 comprises all non-impaired debt financial assets which have not experienced an SICR since initial recognition. The Fund recognizes a 12-month ECL for Stage 1 debt financial assets.
- Stage 2 comprises all non-impaired debt financial assets which have experienced an 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 an internal or an external information indicates that the Fund is unlikely to receive 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 EC, since those receivables arise from transaction 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 cash flows.

Trading gains (losses)

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

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 once accrued, 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 occurs, and the decrease from economic benefits can be measured reliably.

Management and Administration Fees

Management fees are being charged to the Fund as a percentage of its average net asset value, and are recognized through the accrual method of accounting.

Income Taxes

Income tax, on profit or loss for the year, comprises of current taxes arising from passive income that is recognized in profit or loss. 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. Tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted in accordance with Philippine laws, as at the reporting date. With the applicable taxes on the Fund's revenue and income, there are no temporary differences that results in recognition of deferred tax assets and liabilities.

Equity

Capital stock is measured at par value for all shares issued. When 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, 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, 2023, 2022 and 2021.

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. It 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 are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Date

Any post year-end event, up to the date of approval by the BOD, of the financial statements that provide additional information about the Fund's position at the reporting date (adjusting event), is reflected in the financial statements. Post statement of financial position date event that is not an adjusting event, if any, is 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 to the Fund's financial statements, unless otherwise indicated.



Effective beginning on or after January 1, 2024

- Amendments in PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *lack of exchangeability*

Deferred effectivity

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

3. Significant Accounting Estimates and Judgments

The preparation of the financial statements, in compliance to PFRS, requires the Fund to make use of estimates, assumptions and judgments which affect the reported amounts of assets, liabilities, income and expenses and the disclosures on 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.

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

4. Financial Risk Management Objectives and Policies

Governance Framework

The Fund 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 to specify reporting requirements.

Risk Management Framework

The Fund's risk management personnel develops and implements certain minimum stress and scenario tests for identifying the risks to which the Fund is exposed, and quantifies their impact on the volatility of economic capital. The results of the tests, particularly the anticipated impact to the statement of financial position and to the 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 the Bureau of Internal Revenue (BIR). Said regulations do 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, the Fund primarily faces due to the nature of its investments, is the 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 statement of financial position and the related notes, represent the financial assets' maximum exposure to credit risk. As of December 31, 2023 and 2022, 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, 2023 and 2022, 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:

2023			
	Cash and cash equivalents	Receivables	Total
Corporate:			
Financial institutions	₱928,005	₱97	₱928,102
Services	—	723,878	723,878
Industrial	—	156,000	156,000
Total	₱928,005	₱879,975	₱1,807,980
2022			
	Cash and cash equivalents	Receivables	Total
Corporate:			
Financial institutions	₱15,726,185	₱53,640	₱15,779,825
Services	—	2,243,813	2,243,813
Holding firms	—	468,708	468,708
Total	₱15,726,185	₱2,766,161	₱18,492,346



As of December 31, 2023 and 2022, 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 fails on the 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 risk 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; the diversification benchmarks per type of instrument; the net exposure limit of each counterparty or group of counterparties and industry segments; the reporting of market risk exposures and breaches to the monitoring authority; the monitoring of compliance with market risk policy and the review of such policy for pertinent 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 of the Fund's trading gains or losses on its quoted equity securities as of December 31, 2023 and 2022.

	2023	
Changes in PSEi	14.04%	(14.04%)
Change in equity under:		
Service	₱6,941,122	(₱6,941,122)
Industrial	6,071,535	(6,071,535)
Financial	3,535,002	(3,535,002)

(Forward)



2023		
Holding firms	3,039,356	(3,039,356)
Property	2,469,403	(2,469,403)
Mining and oil	1,500,342	(1,500,342)
Total	₱23,556,760	(₱23,556,760)
As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL		
	18.13%	(18.13%)
2022		
Changes in PSEi	20.55%	(20.55%)
Change in equity under:		
Services	₱9,750,552	(₱9,750,552)
Holding firms	9,318,860	(9,318,860)
Financials	5,526,605	(5,526,605)
Mining and oil	2,984,181	(2,984,181)
Property	2,464,170	(2,464,170)
Industrial	2,109,100	(2,109,100)
Total	₱32,153,468	(₱32,153,468)
As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL		
	650.71%	(650.71%)

The sensitivity analyses above show the effect of assumed changes in 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 equity securities at the reporting date for the effects of assumed changes in PSEi.

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

The data below sets forth impacts of reasonably possible changes in NAV per share of the Fund's investments in UITF:

	Changes in price quotation (in basis points)			
	+ 100	-100	+ 50	- 50
Change in equity				
2023	₱102,174	(₱102,174)	₱ 51,087	(₱51,087)
2022	57,725	(57,725)	28,862	(28,862)

5. Fair Value of Financial Assets and Liabilities

As of December 31, 2023 and 2022, 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 fair values 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, management, administration fees and other liabilities have carrying amounts which approximate their fair values as they 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 technique for which the lowest level input, significant to the fair value measurement, is directly or indirectly observable.
- Level 3 – Valuation technique for which the lowest level input, significant to the fair value measurement, is unobservable.

2023					
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	₱204,010,098	₱204,010,098	₱–	₱–	₱204,010,098
UITF	10,217,396	–	10,217,396	–	10,217,396
	₱214,227,494	₱204,010,098	₱10,217,396	₱–	₱214,227,494

2022					
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	₱177,224,560	₱177,224,560	₱–	₱–	₱177,224,560
UITF	5,772,450	–	5,772,450	–	5,772,450
	₱182,997,010	₱177,224,560	₱5,772,450	₱–	₱182,997,010

There were no transfers between fair value hierarchy levels in 2023 and 2022.

6. Cash and Cash Equivalents

This account consists of bank deposits that earn 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 earned interest of 1.90% in 2021. There were no short-term placements in 2023 and 2022.

Interest income earned on cash and cash equivalents amounted to ₱0.01 million, ₱0.01 million and ₱0.02 million in 2023, 2022 and 2021, respectively.



7. Financial Assets at Fair Value through Profit or Loss

This account consists of:

	2023	2022
Quoted equity securities	₱204,010,099	₱177,224,560
UITF (Note 18)	10,217,396	5,772,450
	₱214,227,495	₱182,997,010

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:

	2023		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	₱7,113,432	₱1,669,169	₱1,434,795
Outstanding units	5,892,466	583,159	1,250,000
NAV per share	₱1.207208	₱2.862288	₱1.147836

	2022		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	₱2,845,687	₱1,596,123	₱1,330,640
Outstanding units	2,469,188	583,159	1,250,000
NAV per share	₱1.152479	₱2.737029	₱1.064512

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 PSE. The balanced fund has a portfolio mixed of fixed-income investments and equity securities listed in the PSE.

Breakdown of trading gains (losses) - net follows:

	2023	2022	2021
Realized	₱4,725,799	(₱13,481,407)	₱1,876,462
Unrealized	4,759,788	4,858,264	1,186,636
	₱9,485,587	(₱8,623,143)	(₱3,063,098)

Dividend income earned from quoted equity securities, under financial assets at FVTPL, amounted to ₱11.27 million, ₱8.36 million and ₱6.74 million in 2023, 2022 and 2021, respectively.



8. Receivables

This account consists of:

	2023	2022
Due from broker (Note 18)	₱723,870	₱2,243,813
Dividends receivable	156,097	522,348
Advances to affiliates	8	-
	₱879,975	₱2,766,161

Due from broker pertains to receivables from trade of FVTPL securities transactions which are expected to be settled on Trade Date +2 effective August 24, 2023 as approved by SEC En-Banc on August 10, 2023. In 2022, these receivables were settled on Trade Date +3.

9. Accounts Payable and Accrued Expenses

This account consists of:

	2023	2022
Financial Liabilities		
Accrued expenses (Notes 17 and 18)	₱928,381	₱1,262,832
Other liabilities	795,229	795,444
	1,723,610	2,058,276
Non-financial Liabilities		
Withholding tax payable	32,335	25,869
Other liabilities	33,483	33,483
	65,818	59,352
	₱1,789,428	₱2,117,628

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

10. Equity

As of December 31, 2023 and 2022, the Fund's capital stock consists of:

Capital stock - ₱1 par value	
Authorized - 184,234,038 common shares in	
2023 and 2022	
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)
	₱150,435,196

NAV per share is computed as follows:

	2023	2022
Net asset value	₱214,246,318	₱199,380,228
Number of shares outstanding	50,167,397	50,167,397
NAV per share	₱4.2706	₱3.9743



The total number of stockholders of the Fund are 5,345 and 5,363 as of December 31, 2023 and 2022, respectively.

Determination of retained earnings available for dividend declaration

Retained earnings of the Fund amounted to ₱63.81 million and ₱48.95 million as of December 31, 2023 and 2022, respectively. Retained earnings available for dividend declaration is determined by the Fund in accordance with 2023 SEC Memorandum Circular No. 16 and 2001 SEC Memorandum Circular No. 11. Under the said SEC Circulars, 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, 2023 and 2022, 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 2023 and 2022.

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, 2023 and 2022, the Fund is compliant to the above externally imposed capital requirement.

11. Basic and Diluted Earnings (Losses) Per Share

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

	2023	2022	2021
Net income (loss)	₱14,866,089	(₱6,063,820)	₱4,388,675
Weighted average number of common shares outstanding	50,167,397	50,167,397	50,167,397
Basic and diluted earnings (loss) per share	₱0.2963	(₱0.1209)	₱0.0875

As of December 31, 2023, 2022 and 2021, there were no potential common shares or other instruments with a dilutive effect on the basic earnings (losses) per share.



12. Transaction Fees

This account consists of:

	2023	2022	2021
Stock transaction tax	₱546,494	₱637,767	₱448,482
Commissions (Note 18)	502,144	562,372	354,887
SCCP* fees	20,085	22,495	14,196
Transaction fees	10,043	11,248	7,097
	₱1,078,766	₱1,233,882	₱824,662

*Securities Clearing Corporation of the Philippines

13. Professional and Legal Fees

This account consists of expenses incurred for legal, accounting and stock transfer services provided to the Fund amounting ₱0.81 million in 2023 and ₱0.76 million in 2022 and 2021.

14. Miscellaneous Expenses

This account consists of:

	2023	2022	2021
Unrecoverable input VAT	₱191,269	₱209,849	₱168,039
Miscellaneous expense	71,750	50,561	109,540
	₱263,019	₱260,410	₱277,579

15. Maturity Analysis of Assets and Liabilities

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

16. Provision for Income Tax

Provision for income tax pertains to the 20.00% final withholding taxes on gross interest income from cash in bank and short-term placements. None of the other income of the Fund is subject to the Regular corporate income tax (RCIT) rate of 25% nor minimum corporate income tax (MCIT) on modified gross income, which was increased to 2.0% from 1.0% effective July 1, 2023. The tax regulations also allow a NOLCO to be applied against taxable income. 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 regulation is further amended to implement Section 4 of Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act", which allows businesses or enterprises to carry over NOLCO for taxable years 2020 and 2021 for the next 5 years.



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

Inception Year	Amount	Expired	Balance	Expiry Year
2020	₱4,842,320	–	₱4,842,320	2025
2021	4,815,011	–	4,815,011	2026
2022	4,961,018	–	4,961,018	2025
2023	5,135,662	–	5,135,662	2026
	₱19,754,011	–	19,754,011	

The Fund does not recognize deferred tax asset on NOLCO since management believes that the benefit from such asset will not be realized prior to its expiration given the Fund's sources of income.

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

	2023	2022	2021
Statutory income tax (tax loss)	₱3,716,809	(₱ 1,515,376)	₱1,098,111
Tax effect of:			
Tax-exempt loss (income)	(5,189,478)	65,863	(2,451,282)
Change in unrecognized deferred tax asset	1,283,915	1,240,254	1,203,753
Non-deductible expenses	190,188	212,155	154,131
Tax-paid income	(287)	(579)	(942)
	₱1,147	₱2,317	₱3,771

17. Investment Management Agreement

The Fund's investment manager is ABCIC. The Fund is charged of management fee of 1.00% per annum of the average net asset value of the Fund plus reimbursement of operating expenses, paid or incurred by ABCIC in the performance of its service as an investment manager.

In 2023, 2022 and 2021, the Fund recognized management and administration fees amounting ₱2.11 million, ₱1.97 million and ₱1.95 million respectively (see Note 18).

Management fees payable amounted to ₱0.45 million and ₱0.80 million as of December 31, 2023 and 2022, 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:

December 31, 2023			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<u>Parent Company</u>			
VDC			
Miscellaneous expense	₱1,278	₱—	Various expenses advanced by VDC on behalf of the Fund.
<u>Fund manager and its subsidiary</u>			
ABCIC			
Management and administration fees	2,109,950	452,245	Management fees incurred for management services rendered by ABCIC are computed as 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.
Advertising and publicity	357,504	—	Newspaper publication of the annual shareholders' meeting of the Fund.
Miscellaneous expense	12,011	—	Various expenses advanced by ABCIC for the Fund.
AB Capital Securities, Inc.			
Due from broker	—	723,870	Receivable from trade of FVTPL securities transactions due on Trade date +2 and proceeds from past sales held to fund future purchases.
Commission expense	502,144	—	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	109,768,988	—	FVTPL trade transactions due on Trade date +2.
Sales	91,082,326	—	FVTPL trade transactions due on Trade date +2.
ABCIC- TID			
Investments in UITF	—	10,217,396	Investments managed by ABCIC – TID.
Vicsal Foundation, Inc.	200,000	—	Donation to Vicsal Foundation, Inc. for corporate social responsibility program
<u>Key management personnel</u>			
Directors			
Director's fees	777,778	—	Fees paid to the members of the Fund's BOD at a fixed amount of ₱27,778 per director for every attendance in BOD meetings.
December 31, 2022			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<u>Parent Company</u>			
VDC			
Miscellaneous expense	₱1,837	₱—	Various expenses advanced by VDC on behalf of the Fund.
Postage and courier	473		
ABCIC			
Management and Administration Fees	1,972,237	802,306	Management fees incurred for management services rendered by ABCIC are computed as 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.
Advertising and Publicity	319,491	—	Various expenses advanced by ABCIC for the Fund.
Meetings and conferences	14,606	—	
Miscellaneous expense	9,872	800	

(Forward)



December 31, 2022			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
AB Capital Securities, Inc.			
Due from broker	₱–	₱ 2,243,813	Receivable from trade of FVTPL securities transactions due on Trade date +3 and proceeds from past sales held to fund future purchases.
Commission expense	562,372	–	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	118,654,131	–	FVTPL trade transactions due on Trade date +3.
Sales	106,294,540	–	FVTPL trade transactions due on Trade date +3.
ABCIC– TID			
Investments in UITF	–	5,772,450	Investments managed by ABCIC – TID.
Vicsal Foundation, Inc.			
Donation	200,000	–	Donation to Vicsal Foundation, Inc. for corporate social responsibility program.
<u>Key management personnel</u>			
Directors			
Director's fees	777,778	–	Fees paid to the members of the Fund's BOD at a fixed amount of ₱27,778 per director for every attendance in BOD meetings.

Terms and conditions of transactions with related parties

Outstanding balances at year-end were unsecured and interest-free. Settlements were made in cash. There was no guarantee provided or received for any related party receivable or payable. As of December 31, 2023 and 2022, the Fund did not record any provision for impairment of receivables from related parties. This assessment is undertaken each year by examining the financial position of the related party.

For the year ended December, 31, 2021, donation to Vicsal Foundation, Inc. amounted to ₱200,000, fees incurred for management services rendered by ABCIC amounted to ₱1,952,672, and commission on trade transactions paid to AB Capital Securities, Inc. amounted to ₱354,887. The Fund paid director's fee in 2021 amounting to ₱805,556. Various expenses advanced by VDC, VII and ABCIC for the Fund amounted to ₱409,884 in 2021. Interest income amounted to ₱1,946 from short term placements with Wealthbank.

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:

	2023	2023	2021
Quoted equity securities*	₱20,269,489	(₱180,394)	₱9,770,268
Investments in UITF	488,424	(83,059)	34,859
Cash in bank (Note 6)	5,733	11,583	₱18,850
	₱20,763,646	(₱251,870)	₱9,823,977

*Includes trading gain (loss) and dividend income

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



20. Approval for the Release of the Financial Statements

The accompanying financial statements of the Fund were approved and authorized for issue by the BOD on March 14, 2024.

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 ₱16,511 pertain to business permits paid by the Fund in 2023.

Withholding Taxes

Total remittances of the Fund in 2023 on expanded withholding taxes amounted to ₱476,963 with an outstanding balance of ₱32,335 as of December 31, 2023.

Stock Transaction Taxes

Total stock transaction tax of the Fund for the sale of equity shares amounted to ₱546,494 in 2023.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We audited, in accordance with Philippine Standards on Auditing, the financial statements of Filipino Fund, Inc. (the Fund), as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, included in this Form 17-A and issued our report thereon dated March 14, 2024. Our audit was made for the purpose of forming an opinion on basic financial statements, taken as a whole. Those schedules listed in the Index to the Financial statements and Supplementary Schedules are responsibilities of the Fund's management. Those schedules are presented for purposes of complying to the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. Those schedules were subjected to auditing procedures applied in the audit of the basic financial statements. And, in our opinion, fairly stated, in all material respects, the financial information set forth therein in relation to 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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

March 14, 2024



FILIPINO FUND INC.
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2023

Schedules Required under Revised Securities Regulation Code Rule 68

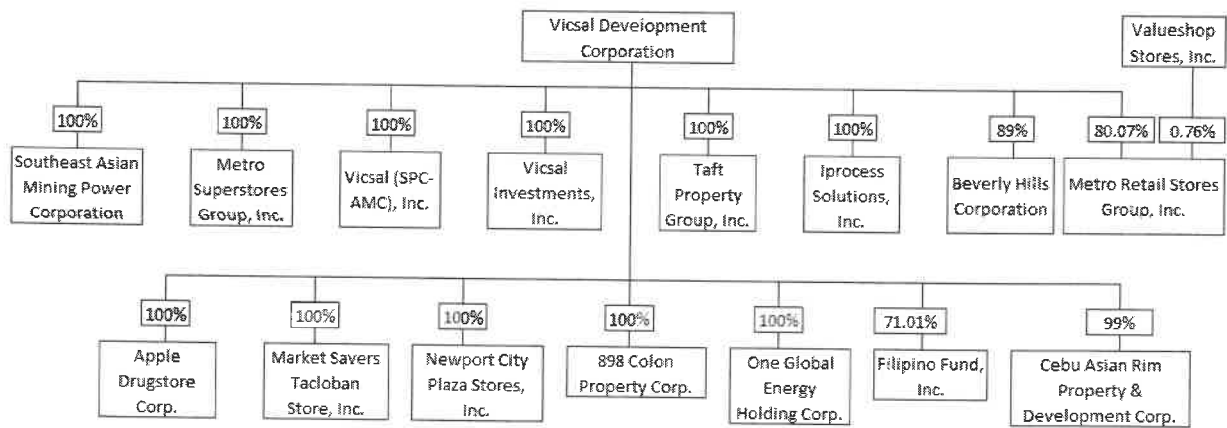
Schedule	Content	Page No.
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FILIPINO FUND, INC.
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023

Unit 1009-1011, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Total retained earnings (deficit), beginning of reporting period	(P19,457,979)
Net income for the current year	14,866,090
Less: Unrealized fair value adjustment of financial instruments through FVTPL during the reporting period	(4,759,788)
Add: Unrealized fair value adjustment of financial instruments through FVTPL in prior reporting period but realized in the current reporting period	4,858,264
Adjusted net income	14,964,566
Less: Net movement in treasury shares	(-)
TOTAL RETAINED EARNINGS (DEFICIT), END OF THE REPORTING PERIOD	(P4,493,413)

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, 2023



FILIPINO FUND, INC.
SCHEDULE A – FINANCIAL ASSETS
As of December 31, 2023

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>
Quoted Equity Securities			
<i>Apex Mining Corp., Inc.</i>	2,500,000	7,500,000	134,053
<i>Ayala Corporation</i>	–	–	30,318
<i>ACEN Corporation</i>	67,440	295,388	2,698
<i>Banco de Oro Unibank, Inc.</i>	150,000	19,575,000	456,600
<i>Bloomberry Resorts Corporation</i>	1,000,000	9,840,000	–
<i>Bank of the Philippine Islands</i>	30,000	3,114,000	1,161,502
<i>DMCI Holdings, Inc.</i>	1,472,500	14,386,325	2,500,200
<i>Globe Telecom, Inc.</i>	7,500	12,900,000	650,000
<i>GT Capital Holdings, Inc.</i>	13,000	7,670,000	–
<i>International Container Terminal Services, Inc.</i>	80,000	19,744,000	1,000,000
<i>Monde Nissin Corporation</i>	1,300,000	10,894,000	156,000
<i>Manila Water Company, Inc.</i>	650,000	12,090,000	108,325
<i>Metro Retail Stores Group, Inc.</i>	2,626,000	3,335,020	157,560
<i>Metropolitan Bank & Trust Company</i>	–	–	537,870
<i>Phinma Corporation</i>	770,000	15,708,000	462,000
<i>PLDT Inc.</i>	–	–	1,198,000
<i>Robinsons Land Corporation</i>	–	–	191,100
<i>Philippine Seven Corporation</i>	135,930	10,357,866	–
<i>Semirara Mining Corporation</i>	340,000	10,285,000	2,380,000
<i>SM Investments Corporation</i>	10,000	8,720,000	75,000
<i>SM Prime Holdings, Inc.</i>	600,000	19,740,000	71,100
<i>Universal Robina Corporation</i>	60,000	7,092,000	–
<i>Wilcon Depot, Inc.</i>	515,000	10,763,500	–
Subtotal	12,327,370	204,010,099	11,272,326
Investments in UITF			
<i>Short-term fund</i>	5,892,466	7,113,432	–
<i>Equity Fund</i>	583,159	1,669,169	–
<i>Balanced Fund</i>	1,250,000	1,434,795	–
Subtotal	7,725,625	10,217,396	
Total	20,052,995	214,227,495	11,272,326

*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, 2023

Name and Designation of Debtor	Balance at Beginning of the Period	Additions	Amounts Collected	Amounts Written- off	Current	Not Current	Balance at End of the Period
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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, 2023

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

FILIPINO FUND, INC.
SCHEDULE D – LONG TERM DEBT
As of December 31, 2023

Title of Issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption “Current portion of Long-Term Debt” in related balance sheet (ii)	Amount shown under caption “Long-Term Debt” in related balance sheet (iii)	Interest Rate	Maturity Date
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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, 2023

Name of Related Party (i)	Balance at the Beginning of the Period	Balance at the End of the Period (ii)
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NONE TO REPORT

FILIPINO FUND, INC.
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUES
As of December 31, 2023

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

FILIPINO FUND, INC.
SCHEDULE G – CAPITAL STOCK
As of December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding at shown under related Balance Sheet caption*	Number of Shares reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by related parties	Directors, Officers, and Employees	Others
FILIPINO FUND INCORPORATED – Common Shares	184,234,038	50,167,397	–	35,623,406	63,221	14,480,770


**Net of treasury shares*

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
5th Avenue corner 28th Street, Bonifacio Global City
Taguig City

We audited, in accordance with Philippine Standards on Auditing, the financial statements of Filipino Fund, Inc. (the Fund), as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and issued our report thereon dated March 14, 2024. Our audit was made for the purpose of forming an opinion on 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, is the responsibility of the Fund's management. Those financial soundness indicators are not measures of the operating performance, defined by Philippine Financial Reporting Standards (PFRSs), and may not be comparable to similarly titled measures presented by other companies. Such schedule is presented for the purpose of complying to 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. Components of those financial soundness indicators were traced in the Fund's financial statements, as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and no material exceptions were noted.

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

March 14, 2024



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

	2023	2022
Current/liquidity ratio	120.73:1.0	95.15:1.0
Solvency ratio	0.01:1.0	0.01:1.0
Debt-to-equity ratio	0.01:1.0	0.01:1.0
Asset-to-equity ratio	1.01:1.0	1.01:1.0
Profit margin	71.60%	2,407.52%
Return on assets	7.12%	-2.96%
Return on equity	7.19%	-3.00%

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

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

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

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

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

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

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

**FILIPINO FUND INC.
ANNEX 68-G
SCHEDULE FOR MUTUAL FUNDS
DECEMBER 31, 2023**

	2023	2022
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	100.0000%	100.0000%
4 Total Operating Expenses to Net Worth*	2.8511%	2.8702%
5 Total Assets to Total Borrowings	Not applicable	Not applicable

*Average Net Worth

FILIPINO FUND, INC.
TOTAL INVESTMENT OF THE FUND TO THE OUTSTANDING SECURITIES
ON AN INVESTEE COMPANY
DECEMBER 31, 2023

INVESTEE COMPANY	2023	2022
ACEN Corporation	0.000170%	—
Apex Mining Corp., Inc.	0.040142%	0.080284%
Banco de Oro Unibank, Inc.	0.002847%	0.003397%
Bloomerry Resorts Corporation	0.008749%	0.009231%
Bank of the Philippine Islands	0.000607%	—
DMCI Holdings, Inc.	0.011090%	0.015063%
GT Capital Holdings, Inc.	0.006039%	0.011613%
Globe Telecom, Inc.	0.005200%	—
International Container Terminal Services, Inc.	0.003937%	0.004925%
Manila Electric Co.	—	0.001597%
Manila Water Company, Inc.	0.025052%	—
Metro Retail Stores Group, Inc.	0.080845%	0.080005%
Metropolitan Bank & Trust Company	—	0.004385%
Monde Nissin Corporation	0.007235%	—
Phinma Corporation	0.268925%	0.268925%
PLDT, Inc.	—	0.005554%
Philippine Seven Corporation	0.017970%	—
Robinsons Land Corporation	—	0.007272%
Robinsons Retail Holdings Inc	—	0.008113%
Semirara Mining Corporation	0.007999%	0.005646%
SM Investment Corporation	0.000818%	0.000818%
SM Prime Holdings, Inc.	0.002078%	0.000693%
Universal Robina Corporation	0.002756%	—
Wilcon Depot, Inc.	0.012562%	—

FILIPINO FUND, INC.
PERCENTAGE OF INVESTMENT IN A SINGLE ENTERPRISE TO NET ASSET VALUE
DECEMBER 31, 2023

COMPANY	2023	2022
ACEN Corporation	0.137873%	—
Apex Mining Corp., Inc.	3.500644%	4.639377%
Banco de Oro Unibank, Inc.	9.136680%	9.478954%
Bloomberry Resorts Corporation	4.592844%	3.836890%
Bank of the Philippine Islands	1.453467%	—
DMCI Holdings, Inc.	6.714853%	12.037302%
GT Capital Holdings, Inc.	3.579992%	5.454402%
Globe Telecom, Inc.	6.021107%	—
International Container Terminal Services, Inc.	9.215561%	10.031085%
Manila Electric Co.	—	2.697559%
Manila Water Company, Inc.	5.643037%	—
Metro Retail Stores Group, Inc.	1.556629%	1.857085%
Metropolitan Bank & Trust Company	—	5.341222%
Monde Nissin Corporation	5.084802%	—
Phinma Corporation	7.331748%	7.360910%
PLDT, Inc.	—	7.926563%
Philippine Seven Corporation	4.834560%	—
Robinsons Land Corporation	—	2.757445%
Robinsons Retail Holdings Inc	—	3.241044%
Semirara Mining Corporation	4.800549%	4.152869%
SM Investment Corporation	4.070082%	4.513988%
SM Prime Holdings, Inc.	9.213694%	3.561035%
Universal Robina Corporation	3.310209%	—
Wilcon Depot, Inc.	5.023890%	—

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	FILIPINO FUND, INC.
Location of Headquarters	Units 1210-1212, 12 th Floor, PSE Tower, 5 th Avenue corner 28 th Street., Bonifacio Global City, Taguig City 1634
Location of Operations	Units 1210-1212, 12 th Floor, PSE Tower, 5 th Avenue corner 28 th Street., Bonifacio Global City, Taguig City 1634
Report Boundary: Legal entities(e.g. subsidiaries) included in this report*	This Sustainability Report covers only Filipino Fund, Inc. (“FFI”), as it has no subsidiaries.
Business Model, including Primary Activities, Brands, Products, and Services	FFI’s business operations are limited to the regular trading of its shares in the Philippine Stock Exchange (“PSE”) and the maintenance of its investment portfolio. FFI invests in a mix of fixed income investments, Unit Investment Trust Funds (“UITFs”) and local equities.
Reporting Period	January to December 2023
Highest Ranking Person responsible for this report	Margaret G. Ang – President

*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹⁴

As explained, FFI’s business operations are limited to the regular trading of its shares in the Philippine Stock Exchange (“PSE”) and the maintenance of its investment portfolio. FFI, therefore, identified material topics by assessing what may reasonably be considered important in reflecting the organization’s economic, environmental, and social impacts, if any, and in the decision-making of its stakeholders.

¹⁴ See [GRI 102-46](#) (2016) for more guidance.

ECONOMIC

Economic Performance as of December 31, 2023

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	20,763,646	PhP
Direct economic value distributed:		
a. Operating costs	5,896,410	PhP
b. Employee wages and benefits	-	PhP
c. Payments to suppliers, other operating costs	-	PhP
d. Dividends given to stockholders and interest payments to loan providers	-	PhP
e. Taxes given to government	563,005	PhP
f. Investments to community (e.g. donations, CSR)	200,000	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
FFI's business operations are limited to the regular trading of its shares in the Philippine Stock Exchange ("PSE") and the maintenance of its investment portfolio. The post-restructuring investment objective of the Fund is to provide original FFI investors with a repackaged investment, which would now have a more responsive net asset value per share corresponding to an improved share price in the stock exchange. The investment objective of FFI is to provide its investors with an investment that corresponds to an improved share price in the PSE.	Stockholders	<p>FFI has engaged a fund manager, AB Capital & Investment Corporation ("ABCIC"), which possesses the necessary experience, training, skills and expertise in assessing and managing financial investments</p> <p>FFI is likewise prepared to revise and adjust its strategy to adopt to changes in market conditions. Unlike pure equity funds (which suffer when the stock market is in a downtrend) or pure fixed income funds (which miss out when the stock market booms or suffer when interest rates rise quickly) or even balanced funds (which, for some, have to maintain a certain ratio or have equity limits), FFI's strategy is able to adjust more freely to market conditions.</p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>FFI is primarily exposed to market risk.</p> <p>Market risk is the risk of the change in the fair value of the financial instruments due to fluctuations in market interest rates (fair value interest risk) and market prices (equity price risk), which may be caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. Other than market risk, the Fund may also be exposed to credit risk and liquidity.</p> <p>Credit risk is the financial loss to FFI if the counterparty to a financial instrument fails to meet its contractual obligations.</p> <p>Liquidity risk or funding risk is the risk that FFI will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity issues may result from inability to sell financial assets quickly at their fair value; a counterparty failing on repayment of a contractual obligation, or the inability of FFI to generate cash inflows as anticipated.</p>	<p>Stockholders</p>	<p>To mitigate market risks, FFI structures the level of market risk it accepts through a market risk policy that determines what constitutes acceptable market risk for the Fund; the basis used to determine the fair value of the financial assets and liabilities; the asset allocation and duration limit based on the Fund's chosen benchmark; diversification benchmarks by type of instrument; the net exposure limits by each counterparty or group of counterparties and industry segments; reporting of market risk exposure and breaches to the monitoring authority; monitoring compliance with market risk policy and review of market risk policy for pertinence and changing environment.</p> <p>To mitigate credit risks, FFI invests in unit investment trust funds that is invested in short term deposits listed equities and government securities where the risk of default is considered minimal.</p> <p>To mitigate liquidity risks, all financial assets and financial liabilities of FFI are to be realized and settled within one year from the respective statement of financial position dates. FFI has no interest-bearing financial liabilities. Hence, the carrying values of FFI's financial liabilities approximate their undiscounted contractual future payments.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

2024 presents opportunities for a recovery in equity markets with inflation subsiding globally and central banks expected to unwind the unprecedented monetary policy tightening they have implemented over the past two years. Investor appetite for Philippine equities will be driven by attractive valuations and healthy earnings growth from corporates.	Stockholders	Coming from a defensive posture in 2023, the Fund was able to protect capital and generate profits despite the lackluster performance of local equities. In 2024, the strategy aims to recalibrate positioning in order to adequately capture the expected upside from the market by optimizing exposure to cash and concentrating positions in the preferred high-quality companies of the portfolio..
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Climate-related risks and opportunities¹⁵

Governance	Strategy	Risk Management	Metrics and Targets
Given the nature of FFI's business, FFI is not exposed to climate-related risks.	Not applicable	Not applicable.	Not applicable
Recommended Disclosures			
Not applicable	Not applicable.	Not applicable.	Not applicable

¹⁵ Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non- financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

¹⁶ For this disclosure, impact refers to the impact of climate-related issues on the company.

Procurement Practices²

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Immaterial	%
What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, FFI does not materially engage in the procurement of supplies.	Not applicable.	Not applicable.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable.	Not applicable.	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable.	Not applicable.	Not applicable.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Nil	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Nil	%
Percentage of directors and management that have received anti-corruption training	Nil	%
Percentage of employees that have received anti-corruption Training	Nil	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As an investment company, FFI has to ensure that its financial investments are made objectively and with the increase of FFI's share price in mind.	Stockholders	FFI has an Anti-Corruption and Bribery Policy, a Whistle Blowing Policy and a Code of Business Conduct and Ethics that have been communicated to ABCIC.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There is a minor risk of financial investments not being made objectively, i.e. with fair analysis of market conditions and profitability.	Stockholders	FFI has an Anti-Corruption and Bribery Policy that has been communicated to ABCIC. FFI likewise has evaluated its fund manager's experience in financial investments.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

FFI sees as an opportunity continued monitoring of the actions of and compliance by ABCIC and its employees with the pertinent policies.	Stockholders	FFI shall continue to monitor the actions of and compliance by ABCIC and its employees with the pertinent policies.
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Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	Nil	-
Number of incidents in which employees were dismissed or disciplined for corruption	Nil	-
Number of incidents when contracts with business partners were terminated due to incidents of corruption	Nil	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
There have been no incidents of corruption in FFI, whether concerning directors or business partners.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
FFI has no employees, hence the risk is insignificant. Nonetheless, there is risk that employees of ABCIC, which manages the operations of FFI, may be involved in incidents of corruption.	Stockholders Government	The company has an Anti-Corruption and Bribery Policy that has been communicated to ABCIC. Since FFI has no employees, its Fund Manager, through its Compliance Officer, continually monitors the actions of, and ensures the compliance by, ABCIC employees responsible for the management of FFI. FFI continually monitors and evaluates its fund manager's performance.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
FFI sees as an opportunity continued monitoring of the actions of and compliance by ABCIC and its employees with the pertinent policies.	Stockholders Government	FFI shall continue to monitor the actions of and compliance by ABCIC and its employees with the pertinent policies.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	Nil	GJ
Energy consumption (gasoline)	Nil	GJ
Energy consumption (LPG)	Nil	GJ
Energy consumption (diesel)	Nil	GJ
Energy consumption (electricity)	Nil	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	Nil	GJ
Energy reduction (LPG)	Nil	GJ
Energy reduction (diesel)	Nil	GJ
Energy reduction (electricity)	Nil	kWh
Energy reduction (gasoline)	Nil	GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, FFI does not consume energy of any form.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable.

Water consumption within the organization

Disclosure	Quantity	Units
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Water withdrawal	Nil	Cubic meters
Water consumption	Nil	Cubic meters
Water recycled and reused	Nil	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, FFI does not consume water.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	Nil	kg/liters
• non-renewable	Nil	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Nil	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, FFI does not use any materials.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and are as of high biodiversity value outside protected areas	Nil	-
Habitats protected or restored	Nil	-
IUCN ¹⁷ Red List species and national conservationist species with habitats in areas affected by operations	Nil	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, it has no impact on ecosystems and biodiversity, as it has no operational sites.	Not applicable	Not applicable

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable.	Not applicable.	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

17 International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Nil	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	Nil	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	Nil	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, it has no air emissions of any form.	Not applicable	Not applicable.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Air pollutants

Disclosure	Quantity	Units
NO _x	Nil	Kg
Sox	Nil	Kg
Persistent organic pollutants (POPs)	Nil	Kg
Volatile organic compounds (VOCs)	Nil	Kg

Hazardous air pollutants (HAPs)	Nil	Kg
Particulate matter (PM)	Nil	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, it generates no air pollutants of any form.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	Kg
Reusable	0	Kg
Recyclable	0	Kg
Composted	0	Kg
Incinerated	0	Kg
Residuals/Landfilled	0	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, it generates no solid wastes of any form.	Not applicable	Not applicable

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	Kg
Total weight of hazardous waste transported	0	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, it generates no hazardous wastes of any form.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic Meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Given the nature of FFI's business, the fact that FFI's business is primarily carried out by its fund manager and its lack of any employees, it generates no effluents of any form.	Not applicable	Not applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	Php
No. of cases resolved through dispute resolution mechanism	0	Php

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
FFI has not been investigated, involved in litigation concerning, adjudged as having committed or penalized in any manner for non-compliance with environmental laws and regulations.	Community Government	FFI strives to ensure that the environmental impact of its business operations, if any, is mitigated and/or minimized and strictly abides by the regulatory standards and policies.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

Possible violations of any environmental laws and regulations.	Community Government	FFI, through its fund manager, is implementing responsible and proper procedures and practices to make sure that it does not violate such laws and regulations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Given that there is growing global consciousness as regards environmental preservation, FFI will find ways to assist in protecting the environment, such as by making necessary donations to environmental organizations and implementing other corporate social responsibility projects.	Community Government	FFI will create and find ways to protect the environment by making donations to environmental organizations and implementing other corporate social responsibility projects.

SOCIAL

Employee Management Employee Hiring and Benefits Employee data

Disclosure	Quantity	Units
Total number of employees ¹⁸	0	#
a. Number of female employees	0	#
b. Number of male employees	0	#
Attrition rate ¹⁹	0	%
Ratio of lowest paid employee against minimum wage	0	#

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the Year	% of male employees who availed for the Year
SSS	N/A	N/A	N/A
PhilHealth	N/A	N/A	N/A
Pag-ibig	N/A	N/A	N/A
Parental leaves	N/A	N/A	N/A
Vacation leaves	N/A	N/A	N/A
Sick leaves	N/A	N/A	N/A
Medical benefits (aside from PhilHealth)	N/A	N/A	N/A
Housing assistance (aside from Pag-ibig)	N/A	N/A	N/A

Retirement fund (aside from SSS)	N/A	N/A	N/A
Further education support	N/A	N/A	N/A
Company stock options	N/A	N/A	N/A
Telecommuting	N/A	N/A	N/A
Flexible-working Hours	N/A	N/A	N/A
(Others)	N/A	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has no employees, as its business is carried out by its fund manager, ABCIC.	Not applicable.

¹⁸ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

¹⁹ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What are the Risk/s Identified?	Management Approach
Not applicable	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable	Not applicable.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	Nil	Hours
b. Male employees	Nil	Hours
Average training hours provided to employees		
a. Female employees	Nil	hours/employee
b. Male employees	Nil	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has no employees, as its business is carried out by its fund manager, ABCIC.	Not applicable.
What are the Risk/s Identified?	Management Approach

Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has no employees, as its business is carried out by its fund manager, ABCIC.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	0	%
% of male workers in the workforce	0	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has no employees, as its business is carried out by its fund manager, ABCIC.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach

Not applicable.	Not applicable.
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Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	0	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has no employees, as its business is carried out by its fund manager, ABCIC.	Not applicable.
Not applicable.	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N/A	N/A
Child labor	N/A	N/A
Human Rights	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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FFI has no employees, as its business is carried out by its fund manager, ABCIC. Hence, there is no impact.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

None

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	N/A
Forced labor	N/A	N/A
Child labor	N/A	N/A
Human rights	N/A	N/A
Bribery and corruption	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI does not have suppliers.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting Indigenous People (IP), indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#
What are the Risk/s Identified?	Management Approach	
FFI has no operations involving IPs.	Not applicable.	
What are the Opportunity/ies Identified?	Management Approach	
Not applicable.	Not applicable.	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study(Y/N)?
Customer satisfaction	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has no customers.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has not been the recipient of any health and safety complaints, particularly given the nature of its business. It has no business operations except for the normal trading of its shares in the PSE and the maintenance of its investment portfolio.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has not been the recipient of any marketing and labelling complaints, particularly given the nature of its business. It has no business operations except for the normal trading of its shares in the PSE and the maintenance of its investment portfolio.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has not been the recipient of any customer privacy complaints, particularly given the nature of its business. It has no business operations except for the normal trading of its shares in the PSE and the maintenance of its investment portfolio. Hence, it has no customers.	Not applicable.
What are the Risk/s Identified?	Management Approach
Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
Not applicable.	Not applicable

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
FFI has not experienced any data breach. It has no business operations except for the normal trading of its shares in the PSE and the maintenance of its investment portfolio. Personal information of its stockholders are processed, collected and stored by its stock and transfer agent.	FFI has adopted and implemented a Data Privacy Policy that has been communicated to ABCIC and its stock transfer agent.
What are the Risk/s Identified?	Management Approach

There is possibility of unauthorized disclosure of personal information of its stockholders.	FFI has adopted and implemented a Data Privacy Policy that has been communicated to ABCIC and its stock transfer agent. Since FFI has no employees, its Fund Manager, ABCIC through its Compliance Officer, continually monitors and ensures the compliance with the Data Privacy Policy of FFI and other pertinent rules and regulations issued by the relevant government authority.
What are the Opportunity/ies Identified?	Management Approach
FFI sees as an opportunity continued monitoring of the actions of and compliance by the stock transfer agent, ABCIC, and their employees with the pertinent policies.	FFI shall continue to monitor the actions of and compliance by the stock transfer agent, ABCIC, and its employees with the pertinent data privacy policy and regulations.

UNSUSTAINABLEDEVELOPMENTGOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Financial investments (such as investments in equities and UITFs).	FFI's limited operations and services contribute to SDG 1 (No Poverty) by working to increase the financial resources of stockholders and promoting economic growth.	The increase in financial resources of stockholders may increase the gap between the marginalized sector and the stockholders. No trickle down to the lowest rungs of society may occur.	FFI, being a publicly listed company, continues to make its shares available and accessible to the public.

* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.