

COVER SHEET

A S 0 9 1 1 9 0 3 8 5

SEC Registration Number

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

(Company's Full Name)

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

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

Jonna C. Liaguno

(Contact Person)

856-5801 to 03

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

Definitive Information Statement

(Form Type)

Month Day

Month Day
(Annual Meeting)

Secondary License Type, If Applicable

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total No. of Stockholders

Total No. of Stockholders

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

Document ID

Document ID

Cashier

STAMPS

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

CERTIFICATION OF INDEPENDENT DIRECTOR

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

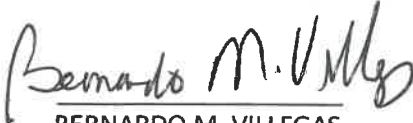
1. I am a nominee for independent director of Filipino Fund, Inc., and have been its independent director since 2009.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

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

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

7. I shall inform the Corporate Secretary of Filipino Fund of any changes in the above-mentioned information within five (5) days form its occurrence.

Done this 20th day of March 2023 at Bonifacio Global City.


BERNARDO M. VILLEGAS

Affiant

SUBSCRIBED AND SWORN to before me this MAR 27 2023 day of MAKATI CITY,
affiant personally appeared before me and exhibited to me his [REDACTED] no. [REDACTED] issued at
[REDACTED] on [REDACTED].

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ATTY. GEORGE DAVID D. SITON

NOTARY PUBLIC FOR MAKATI CITY

APPT. NO. M-61 - UNTIL DEC. 31, 2023

ROLL NO. 68402 / MCLE COMPLIANCE NO. VII-3010736/2-15-2022

IBP O.R. No. 092382 LIFETIME MEMBER MAY 5, 2017

PTR No. MRT 9563580- JAN 03, 2023-MAKATI CITY

EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY

CERTIFICATION OF INDEPENDENT DIRECTOR


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

1. I am a nominee for independent director of Filipino Fund, Inc., and have been its independent director since 2008.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Philippine National Bank	Board of Director	2009 to 2013
Tanduay Distillers, Inc.	Board of Director	20015 to 2018
PAL Holdings, Inc.	Board of Director	2017 to 2019

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

Done this 20th day of March 2023 at Bonifacio Global City.



JOHN G. TAN
Affiant

SUBSCRIBED AND SWORN to before me this MAR 27 2023 day of _____ at MAKATI CITY
affiant personally appeared before me and exhibited to me his _____ no. _____
issued on _____.

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ATTY. ROMEO M. MONFORT
Notary Public, City of Makati
Until December 31, 2023
Appointment No. - 172 (2022-2023)
PTR NO. 958821 Jan. 3, 2023 Makati City
IBP No. 1062634 - Jan. 3, 2018
MCLE NO. VI-0023417 Roll No. 27932
26 Amorscilo Street Legaspi Village,
Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I am a nominee for independent director of Filipino Fund, Inc., and have been its independent director since 2022.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
EyeSite Reliance Center, Inc.	Chairman	Present
First Philippine Electric Corp.	Vice Chairman	Present
First Philec Manufacturing Technologies, Corp.	Vice Chairman	Present
First Philippine Power Systems, Inc.	Vice Chairman	Present
Asian Eye Institute	President	2020 to present
Philippine Impact Health Inc.	President	Present
Infopro Business Solutions, Inc.	President	Present
First Industrial Science and Technology School, Inc.	President	Present
Skycable	Board of Director	Present
AIA Philippines	Board of Director	Present
Energy Development Corporation	Board of Director	Present
First Balfour, Inc.	Board of Director	Present

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


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

Done this 20th day of March 2023 at Bonifacio Global City.


 JOAQUIN E. QUINTOS IV
 Affiant

SUBSCRIBED AND SWORN to before me this 13 day of APR 2023 at MAKATI CITY,
 affiant personally appeared before me and exhibited to me [REDACTED] no. [REDACTED] issued
 on [REDACTED].

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ATTY. GEORGE DAVID D. SITON
 NOTARY PUBLIC FOR MAKATI CITY
 APPT. NO. M-61 - UNTIL DEC. 31, 2023
 ROLL NO. 68402 / MCLE COMPLIANCE NO. VH-0010I36/2-15-2022
 IBP O.R No. 002282- LIFETIME MEMBER MAY 5, 2017
 PTR No. MRT 9563580- JAN 03, 2023- MAKATI CITY
 EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY



FILIPINO FUND, INC.

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

Please take notice that the 2023 Annual Stockholders' Meeting ("ASM") of Filipino Fund, Inc. (the "Company"), will be held on May 9, 2023 (Tuesday) at 9:00 in the morning via remote communication under the platform of Zoom Video Communications.

The Agenda for the Virtual ASM shall be as follows:

1. Calling of meeting to order
2. Certification of notice
3. Determination and declaration of quorum
4. Approval of the minutes of the Annual Stockholders' Meeting held on May 10, 2022
5. Presentation and approval of the Annual Report and Audited Financial Statements for the year ended December 31, 2022
6. Approval and confirmation of all acts, proceedings and resolutions of the Board of Directors, Officers, Committees, and the Fund Manager during the past year
7. Appointment of External Auditor for calendar year 2023
8. Election of the Board of Directors
9. Approval of the 1-year term extension of the Independent Directors, Bernardo M. Villegas and John G. Tan
10. Other Matters
11. Adjournment

The Minutes of the 2022 ASM is available for examination on the website of the Company at <https://www.filipinofund.com.ph>.

The record date shall be on April 11, 2023 for the purpose of determining the list of stockholders of the Company who are entitled to vote at the 2023 ASM.

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

Stockholders who will participate in the ASM by remote communication should pre-register at <https://www.filipinofund.com.ph/news/registration> on or before May 5, 2023. Successful registrants will receive an email invitation with a complete guide on how to join the ASM and how to cast votes *in absentia*. For any registration concerns, please contact corporatesecretary@filipinofund.com.ph. Please refer to the Definitive Information Statement on the guidelines on attendance by remote communication and voting *in absentia* which is posted on the website of the Company at <https://www.filipinofund.com.ph>. Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum.

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at corporatesecretary@filipinofund.com.ph not later than April 28, 2023. The proxies shall be validated on May 3, 2023. The Corporate Secretary's decision shall be final and binding on the stockholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

Stockholders may send their questions about the ASM and the Company to its Fund Manager at mgmanuel@abcapital.com.ph and/or corporatesecretary@filipinofund.com.ph.

Pursuant to SEC Notice dated March 13, 2023, the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A on the Company's website and through the PSE Edge Portal.

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

Mandaue City, Cebu, Philippines, March 23, 2023.

For the Board of Directors,



ATTY. VINCENT E. TOMANENG
Corporate Secretary

PROXY

The undersigned stockholder of Filipino Fund, Inc. (the "Company") hereby appoints _____ or in his absence, the Chairman of the meeting, as my proxy at the 2023 Annual Stockholders' Meeting ("ASM") of the Company, to be held via remote communication on May 9, 2023 (Tuesday) at 9:00 in the morning, for the purpose of acting on the following matters:

	Proposal	Approve	Disapprove	Abstain
I	Approval of the Minutes of the ASM held on May 10, 2022			
II	Approval of the Annual Report and the Audited Financial Statements for CY 2022			
III	Ratification of all acts, proceedings, and resolutions of the Board of Directors, Officers, Committees, and the Fund Manager since the last ASM up to the date of this meeting			
IV	Appointment of SGV & Co. as the External Auditor for CY 2023			

V	Election of Directors	Number of Votes¹
	1. Frank S. Gaisano	
	2. Margaret G. Ang	
	3. Bernardo M. Villegas	
	4. John G. Tan	
	5. Joaquin E. Quintos IV	
	6. Aljim C. Jamandre	
	7. Vincent E. Tomaneng	
VI	Approval of the 1-year term extension of Independent Directors Villegas and Tan	

_____ Number of Shares Held

_____ Signature of Stockholder/Authorized Signatory

_____ Date

_____ Printed name of Stockholder

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



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

A handwritten signature or set of initials, possibly 'M.A.', written in dark ink in the lower right quadrant of the page.

CERTIFICATION

I, **JONNA C. LLAGUNO**, 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 20-IS 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 13th day of April 2023.


Jonna C. Llaguno
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 Jonna C. Llaguno, [REDACTED] No. [REDACTED], issued in [REDACTED] on [REDACTED], bearing the affiant's photograph and signature.

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ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
AP/T. NO. M-61 - UNTIL DEC. 31, 2023
ROLL NO. 68402 / MCLE COMPLIANCE NO. VH-0010136/2-15-2022
IBP O.R No. 002382-LIFETIME MEMBER MAY 5, 2017
PTR No. MRT 9563580- JAN 03, 2023-MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-1S

Proxy Statement
Pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter
FILIPINO FUND, INC.
3. Country of Incorporation
Manila, Philippines
4. SEC Identification Number
ASO91-190385
5. BIR Tax Identification Code
002-284-545-000
6. Address of principal office
Units 1911-1912, 19th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City
7. Registrant's telephone number
(632) 8898-7522
8. Date, Time and place of the meeting
May 9, 2023, (Tuesday) 9:00 am via video conferencing through the Zoom Video Communications platform; Units 1911-1912, 19th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City
9. Approximate date on which the Information Statement is first to be sent or given to security holders
April 17, 2023
10. Name of Persons other than the Registrant Filing Proxy Statement
N/A
11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class
Common Shares

Number of Shares of Common Stock
50,167,397



12. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

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

PART I. GENERAL INFORMATION

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

Date : May 9, 2023 (Tuesday)
Time : 9:00 am
Place : via video conferencing through the Zoom Video Communications platform.

The approximate date on which the Proxy Statement is first to be sent or given to security holders is on April 17, 2023.

REVOCABILITY OF PROXY

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

ITEM 2. DISSENTERS' RIGHT OF APPRAISAL

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

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

1. In case of any amendment to the articles of incorporation which has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the terms of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

In order to avail of the appraisal right, a stockholder must have voted against the proposed corporate action. The appraisal right may be exercised by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the Company shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. If within a period of sixty (60) days from the

date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one (1) of whom shall be named by the stockholder, another by the Company, and the third (3rd) by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: and provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company. All other requirements and procedure set forth under Title X of the RCC shall be complied with.

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

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

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

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

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

PART II. SOLICITATION INFORMATION

PERSONS MAKING THE SOLICITATION

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

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at corporatesecretary@filipinofund.com.ph not later than 28 April 2023. The proxies shall be validated on 3 May 2023. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

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

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



PART III. CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

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

All stockholders of record as of April 11, 2023 are entitled to notice and to vote at the Annual Stockholders' Meeting.

MANNER OF VOTING

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

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

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

Security ownership of certain record and beneficial owners of more than five percent (5%) of the Corporation's voting securities as of 31 March 2023.

Class	Name and Address of Record Owner and Relationship to Issuer	Name of Beneficial Owner	Citizenship	No. of Shares	%
Common A	PCD Nominee Corporation	Various Stockholders	Filipino	44,213,838	88.13%

As of 31 March 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. Mr. Frank S. Gaisano will vote for the shares of Vicsal Development Corporation.



SECURITY OWNERSHIP OF MANAGEMENT

Security ownership of management of the Company's voting securities as of 31 March 2023:

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

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES

Except for the distribution of stock dividends through an increase in authorized capital stock which was approved by the Securities and Exchange Commission on December 27, 2013, there were no sales of unregistered or exempt securities, including issuance of securities constituting an exempt transaction, for the years 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022. The Securities and Exchange Commission approved on 27 December 2013 the Corporation's increase of authorized capital stock from Seventy-Eight Million Nine Hundred Fifty-One Thousand Eight Hundred Fifty Pesos (P78,951,850.00), divided into Seventy-Eight Million Nine Hundred Fifty-One Thousand Eight Hundred Fifty (78,951,850) shares, with a par value of One Peso (P1.00) per share, to One Hundred Eighty-Four Million Two Hundred Thirty-four Thousand Thirty-Eight Pesos (P184,234,038.00), divided into One Hundred Eighty-four Million Two Hundred Thirty Four Thousand Thirty-eight (184,234,038) shares, with par value of One Peso (P1.00) per share. Of the net increase in the authorized capital stock of One Hundred Five Million Two Hundred Eighty-Two Thousand One Hundred Eighty-Eight Pesos (P105,282,188.00), the amount of Twenty-Six Million Three Hundred Twenty Thousand Five Hundred Forty-Seven Pesos (P26,320,547.00) was subscribed and paid by way of stock dividends.

VOTING TRUST HOLDERS OF 5% OR MORE – As of 31 March 2023

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

CHANGES IN CONTROL

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

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

The members of the Board serve for a term of one (1) year and until their successors shall been elected and qualified. The following are the current directors and executive officers of FFI:

BERNARDO M. VILLEGAS – CHAIRMAN OF THE BOARD

Dr. Villegas, PhD, 84 years old, Filipino, has served as a director of the Fund since 2009 up to the present, but served as Chairman/Director from 1995-2007. He holds a Bachelor of Arts Degree and a Bachelor of Science Degree from De LaSalle University (summa cum laude), and an M.A. and Ph.D. in Economics from Harvard University. He is also a Certified Public Accountant. He worked as a Professor for Economics in the University of Asia and the Pacific and as a Visiting Professor for IESE Business School in Barcelona, Spain. He was also the Research Director of the Center for Research and Communication. Currently, he is a columnist for the Manila Bulletin and a member of the Boards of PHINMA Properties, DMCI Holdings, Benguet Corporation and Abacore Corporation. He also served as the Dean of the School of Economics from 1989 to 2004 and in 2001, he was the Acting Vice President for Academic Affairs of the University of Asia and the Pacific. Up to the present, he remains to be a professor in said University. He serves in boards of non-profit foundations such as the UA&P Foundation, the Dual Tech Foundation and the Philippine Foundation for Cultural and Educational Development, Inc. In 1999, he served as a member of the Preparatory Commission for Constitutional Reforms. He also became a member of the Constitutional Commission in 1986. He is the author of numerous books in the fields of economic theory, economic development, business economics, strategic management, social ethics and values education.

MARGARET G. ANG – PRESIDENT

Ms. Ang, 71 yrs. old, Filipino, has served as Director of the Fund from September 2003 up to the present. She holds a Bachelor of Science degree, major in Accounting (Cum Laude), from the University of San Carlos, Cebu City and is a Certified Public Accountant. She is currently the Director and Corporate Secretary of Vicsal Development Corporation from 1982 and Director of Metro Retail Stores Group, Inc. from 2003; President of Grand Holidays, Inc. from 1980; Director and Corporate Secretary of Taft Property Venture Development Corporation from 1992, Vicsal Securities & Stock Brokerage, Inc. from 1990, Midland Development Corporation from 1991, and Pacific Mall Corporation from 2001; Director of Manila Water Consortium, Inc. from 2012; and Trustee of Vicsal Foundation, Incorporated from 1996.

FRANK S. GAISANO – DIRECTOR

Mr. Gaisano, 65 yrs. old, Filipino, has served as Director of the Fund since September 2003 up to the present. He is a holder of a Bachelor of Science degree in Civil Engineering which he received from the Cebu Institute of Technology and is a licensed Civil Engineer. He also serves as Director of Vicsal Development Corporation from 1982; Chairman of the Board and Chief Executive Officer of Metro Retail Stores Group, Inc. from 2012; Director of AB Capital & Investment Corporation from 2012 and Chairman of Pacific Mall Corporation from 2001; President of Vicsal Securities & Stock Brokerage from 1990; Director of Taft Property Venture Development Corporation from 1992, , Taft Punta Engaño Property, Inc. from 2011, HTLand, Inc. from 2014, Midland Development Corporation from 1991, and Grand Holidays, Inc. from 1980; and a Trustee of Vicsal Foundation, Incorporated from 1996.

JOAQUIN E. QUINTOS, IV – INDEPENDENT DIRECTOR

Mr. Quintos IV, 63 years old, Filipino, has been Senior Vice President of First Philippine Holdings since August 2015. He is Vice Chairman of First Philippine Electric Corp., First Philec Manufacturing Technologies Corp. and First Philippine Power Systems, Inc. He was appointed President of Asian Eye Institute on January 1, 2020. He is President of Philippine Impact Health Inc, Pi Health Manufacturing and Distribution Services, First Industrial Science and Technology College. He served as the former President of Infopro Business Solutions, FPH's in house shared service unit. He is a member of the Board of Directors for AIA Philippines, Energy Development Corporation and First Balfour, Inc.. He previously served as a Board of Chairman of De La Salle University-Manila and was a

former independent director of STI Education Services, iPeople, and AB Capital & Investments Corporation. He is a graduate of the University of the Philippines with a Bachelor of Science degree in Industrial Engineering, (Cum Laude) (1982).

JOHN G.TAN – INDEPENDENTDIRECTOR

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 a Director of PAL Holdings and a fellow in the Institute of Corporate Directors. He was also a member of the Board of Philippine National Bank from 2009 to February of 2013, Tanduary Distillers, Inc. from 2015 to 2018, PNB Remittance (Company) Canada and Financial Co., HK., Board of Advisor at PNB Remittance Center, Inc. He served as Vice President of Landcom Realty Corporations for 12 years and Vice President for Operations of Philippine Airlines from 2007 to 2009.

ALJIM C. JAMANDRE – DIRECTOR

Mr. Jamandre, 64 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, 55 yrs. old, Filipino, is a Lawyer and a Certified Public Accountant, and has served as a Director and Corporate Secretary of the Fund since 2014. He earned his Bachelor of Laws (1994) and Bachelor of Science in Accountancy (Magna Cum Laude) (1988) both from the University of San Carlos in Cebu City. He is presently the Group General Counsel of Vicsal Development Corporation and the Metro Gaisano Group of Companies. Prior to joining Vicsal and the Metro Gaisano Group in May 2003, he has worked with Sycip Salazar Hernandez & Gatmaitan Law Offices (1997 to 2003) and with Sycip Gorres Velayo & Co., CPA's (1988 to 1996). He is currently a Director of Pacific Mall Corporation from 2010, and Corporate Secretary of Metro Retail Stores Group, Inc. from 2015 and HTLand, Inc from 2014, and Vice President for External Affairs of Vicsal Foundation, Incorporated since February 2021.

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

The extension of the terms of these directors was approved by the shareholders last May 10, 2022 during the annual shareholders meeting.

BRIAN M. DEVILA – TREASURER

Mr. Devila, 32 years old, Filipino, was elected as the Treasurer of Fund on May 11, 2021. He holds a B.S. Accountancy Degree from the University of Perpetual Help System DALTA – Molino Campus and is a Certified Public Accountant. Currently, Accounting Manager of AB Capital & Investment Corporation since 2016. Prior to joining AB Capital, he worked with Vicsal Investment, Inc., Prople BPO Company and Fortune Life insurance Co., Inc.

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

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

The following Directors comprise the Nomination Committee for the fiscal year 2022-2023:

Frank S. Gaisano – Chairman
Margaret G. Ang – Member
Joaquin E. Quintos, IV – (Independent Director)

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

Nominated directors for 2023-2024:

Seven (7) directors are to be elected at the annual shareholders' meeting on May 9, 2023 for a full one (1)-year term expiring in 2024.

The following nominees have been nominated for election as directors, including independent directors. The nominees are also the incumbent directors.

1. Dr. Bernardo M. Villegas (Independent)
2. Mr. Frank S. Gaisano
3. Ms. Margaret G. Ang
4. Joaquin E. Quintos, IV (Independent)
5. Mr. John G. Tan (Independent)
6. Mr. Aljim C. Jamandre
7. Atty. Vincent E. Tomaneng.

The qualifications of the nominees are discussed on pages 6 and 7 of this Information Statement.

Additional Information required under Annex C of SRC Rule 12:

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

- None of the directors, executive officers or nominees for election to the FFI Board have been involved in any bankruptcy proceeding, nor have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment, or decree of a court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or found in action by any court or administrative bodies to have violated a securities or commodities law, for the past five (5) years up to the latest date.

SIGNIFICANT EMPLOYEES

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

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

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

For the past five (5) years until the present, FFI has no material pending legal proceedings to which it is a party or of which any of its property is the subject. FFI has no subsidiaries. FFI is not aware of any such proceedings known to be contemplated by government authorities and any other entity.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

- a. Parties are considered to be related if one (1) party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or the parties are subject to common control or common significant influence, referred to as affiliates. Related parties may be individuals or corporate entities.

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

As discussed in the notes to the Company's audited financial statements, a summary of significant related party transactions and outstanding balances as at and for the year ended December 31, 2022 is shown below:

Category	Amount/Volume	December 31, 2022	
		Outstanding Balances	Terms and conditions/Nature
<u>Parent Company</u>			
VDC			
Miscellaneous Expenses	₱1,837	₱-	Various expenses advanced by VDC on behalf of the Fund.
Postage and Courier	473	-	Various expenses advanced by VDC on behalf of the Fund.

Entities under
Common Control

ABCIC			
Management and Administration Fees	1,973,237	802,306	Management fees incurred for management services rendered by ABCIC, computed at 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.
Advertising and Publicity	319,491	—	Newspaper publication of the annual shareholders' meeting of the Fund.
Meetings and Conferences	14,606	—	Payment for the platform used for virtual meetings
Miscellaneous Expenses	9,872	800	Various expenses advanced by ABCIC for the Fund.
AB Capital Securities, Inc.			
Due from Broker	—	2,243,813	Receivables from trade of FVTPL securities transactions due on trade date +3 and proceeds from past sales held to fund future purchases.
Commission Expenses	562,372	—	Commissions paid to AB Capital Securities, Inc. for buy and sell of equity securities transactions, at the rate of 0.25% of gross purchases and selling prices.
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.
<u>Key Management Personnel</u>			
Directors			
Directors' Fees	777,778	—	Fees paid to the members of the Fund's BOD at a fixed amount of ₱27,778 per director for every attendance in BOD meetings.

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**SUMMARY COMPENSATION TABLE**

Annual Compensation

Name and Principal Position	Year	Compensation (Php) (per diem)	Bonus (Php)	Other Annual Compensation
All Directors and Officer of FFI	2023*	861,111	None	None
	2022	777,778	None	None
	2021	805,556	None	None
	2020	833,333	None	None

*estimated directors' fees for 2023

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

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

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

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors has re-appointed Sycip Gorres, Velayo & Co. (SGV & Co.) as the independent public accountants of the Company with respect to its operations for the year 2022, subject to ratification by the majority holders of common stock of the Company. In taking this action, the members of the Board of Directors considered carefully SGV & Co.'s performance, its independence with respect to the services to be performed and its general reputation for adherence to professional auditing standards. In compliance with the required 5-year rotation of external auditor, a new partner, Mr. Ray Francis C. Balagtas, from SGV and Co. was assigned to conduct the audit on the Company's financial statements starting from the calendar year ended 2020. This Representative of the firm will be present at the Annual Stockholders' Meeting to make a statement of their desire to do so and to answer appropriate questions that may be asked by stockholders.

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

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

The following Directors comprise the Audit Committee for the fiscal year 2022-2023:

Bernardo M. Villegas (Independent Director)	-	Chairman
Joaquin E. Quintos, IV (Independent Director)	-	Member
Aljim C. Jamandre (Non-Executive Director)	-	Member

EXTERNAL AUDIT FEES

Audit fees for fiscal years 2022 and 2021 amounted to ₱368,012 each year, exclusive of VAT and out-of-pocket expenses. The Company did not avail of other services from the external auditor for 2022 and 2021.

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

PART IV. OTHER MATTERS

Action with Respect to Reports

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

1. Annual Report and audited financial statements of the Company for the year ended December 31, 2022;
2. Minutes of the 2022 Annual Stockholders' Meeting with the following items:
 - a. Approval of the Minutes of the Annual Stockholders' Meeting held on May 11, 2021;
 - b. Approval of annual report and audited financial statements for 2021
 - c. Ratification of the acts of the Board of Directors, Officers, Committees, and the Fund Manager and for the preceding year;
 - d. Appointment of External Auditor; and
 - e. Election of the Board of Directors.
3. Ratification of all acts of the Board of Directors, Committees, Fund Manager and Officers for the preceding year.
4. Appointment of external auditor for current year 2023

Matters Not Required to be Submitted

No action will be taken with respect to this item.

VOTING PROCEDURE

Guidelines for Participating via Remote Communication and Voting in Absentia

The 2023 Annual Stockholders' Meeting ("ASM") of Filipino Fund, Inc. (the "Company"), will be held on May 9, 2023 (Tuesday) at 9:00 in the morning via remote communication using the Zoom Video Communications platform.

The record date shall be on April 11, 2023 for the purpose of determining the list of stockholders of the Company who are entitled to vote at the 2023 ASM.

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

Stockholders who will participate in the ASM by remote communication should pre-register at <https://www.filipinofund.com.ph/news/registration> on or before May 3, 2023. Successful registrants will receive an e-mail invitation with a complete guide on how to join the ASM by remote and cast votes *in absentia*. For any registration concerns, please send an e-mail to corporatesecretary@filipinofund.com.ph. Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum.

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at corporatesecretary@filipinofund.com.ph not later than April 28, 2023. The proxies shall be validated on May 3, 2023. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

Pre- Registration

A stockholder who wishes to attend/participate in the 2023 ASM must pre-register at <https://www.filipinofund.com.ph/news/registration> on or before May 3, 2023 and upload the following supporting documents/information:

A. Individual stockholders

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

B. Multiple stockholders or joint owners

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

C. Corporate stockholders

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

D. Stockholders with shares under broker account

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

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

Voting

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

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

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

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

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

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

Voting shall close on May 5, 2023.

Method by which Votes will be Counted

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

ASM Livestream

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

Others

There will be no open forum during the ASM. Stockholders may send their questions about the ASM and the Company to its Fund Manager at mgmanuel@abcapital.com.ph and/or corporatesecretary@filipinofund.com.ph.

Pursuant to SEC Notice dated March 13, 2023, the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A at the Company's Website and through the PSE Edge Portal.

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

SEC FORM 17-A

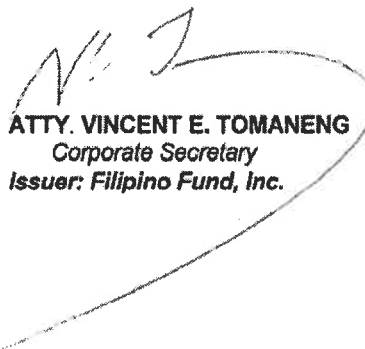
A copy of the Company's Annual Report on SEC Form 17-A will be provided without charge to each person upon written request of any such person addressed to:



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

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Mandaue on March 22, 2023

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



MANAGEMENT REPORT

for the
2023 Annual Meeting of Stockholders

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**FINANCIAL CONDITION****1) Discussion of the registrant's financial condition, changes in financial condition, changes in financial condition and results of operations of the last 3 fiscal years****Year 2022**

Total assets of the Fund decreased to P201.50 million as of December 31, 2022 from P207.62 million of the previous year, a decrement of 2.95% or P6.12 million. Total receivables went down to P2.77 million from P15.97 million, arising mostly from the trade of equity securities, translating to a decrease of P13.20 million or 82.65% of the previous year's receivables. Moreover, cash increased by P3.34 million or 26.96%, from P12.39 million to P15.73 million, mainly due to collections of dividends from various securities. Financial assets at fair value through profit or loss were valued at P183 million, boosted by P3.74 million or 2.09% from P179.26 million as of December 31, 2021. Deducting liabilities of P2.12 million, net assets were valued at P199.38 million, a decrease of P6.06 million compared to the P205.44 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 P0.25 million in 2022, a complete reversal from the gross investment income of P9.82 million in 2021. This was mostly attributed to the P8.62 million in trading loss experienced during the year less total dividend earned at P8.36 million and interest from deposits at P0.01 million. Total operating expenses incurred during the year was relatively higher at P5.81 million, an increase of P0.38 million or 7.00% mainly due to higher operating expenses incurred during the period. Higher expenses were particularly noted in commission and other transaction fees due to greater volume of stock transactions. With the provision for income tax of P0.002 million, the Fund ended the year with a net investment loss of P6.06 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 P207.62 million as of December 31, 2021 from P203.10 million of the previous year, an improvement of 2.23% or P4.52 million. Total receivables went up to P15.97 million from P5.61 million, arising mostly from the trade of equity securities, translating to an increase of P10.36 million or 184.51% of the previous year's receivables. Moreover, cash decreased by P3.87 million or 23.78%, from P16.25 million to P12.39 million, mainly due to the maturity of time deposit and the settlement of regular operating expenses of the Fund. Financial assets at fair value through profit and loss were valued at P179.26 million, declining slightly by P1.98 million or 1.09% from P181.24 million as of December 31, 2020. Deducting liabilities of P2.18 million, net assets were valued at P205.4 million, an increase of P4.39 million compared to the P201.06 million posted over the same period last year. This translated to a net asset value per share (NAVPS) of Php4.0952 and Php4.0077 in 2021 and 2020, respectively.



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

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

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

The Fund posted a net loss of P6.06 million in 2022, compared to the P4.39 million net income recorded in 2021. This was primarily due to the unfavorable market results of its equity investments which led to a severe loss from trading activities in 2022. Simultaneously, dividend earned had accelerated further than the previous period. The impact of tighter financial conditions brought about by higher interest rates and the current inflationary environment on corporates, consumers, and the broad economy is expected to be the focal point for the year ahead. The ongoing reopening of the Philippine economy is expected to continue but at a more modest pace compared to 2022. The Fund remains to be highly selective in positioning in terms of sectors and underlying stocks, with a pronounced preference for corporates able to generate sustainable revenue growth as well as control costs amid the high interest rate and inflationary environment. Our year-end PSEI target is at 7,359 based on 10% earnings growth and P/E multiple of 14.

3) Key Variable and other Qualitative and Quantitative Factors.

Key Performance Indicators:

- a. NAV Growth – The Total Net Asset Value (“NAV”) of FFI in 2022 is reduced by 2.95%, a decrease of Php6.06 million from 2021. In 2021, NAV grew by 2.19%, an increase of Php4.39 million from 2020.
- b. 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 2022, the Company registered a net loss of Php6.06 million compared to the Php4.39 million net income incurred in 2021. This translates to a loss per share of Php0.12 in 2022 as against the income per share of Php0.09 the prior year.
- c. Portfolio Quality – The Funds’ portfolio should, at all times, adhere to the investment parameters as indicated in the Funds’ prospectus. The Fund invests in a mix of fixed income investments, unit investment trust funds and local equities.
- d. Expense Ratio – expense ratio is computed as Operating Expense divided by Average Net Asset Value (NAV). As of the end of 2022, the Fund’s expense ratio went up to 2.87% from 2.67% for the same period in 2021.

- e. Performance versus competition – In 2022, FFI ranked 1st among other equity mutual funds with a full year return of negative 2.95%. In 2021, FFI ranked 1st with a full year return of 2.14%.
- f. Market Price (MP) to Net Asset Value (NAV) - Discount of MP to NAV as of the end of 2022 is at 7.91% vs premium of 59.21% recorded in 2021.

If Material:

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

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

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

Not Applicable

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

Not Applicable

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

None

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

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

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

None

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

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

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

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

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

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

FFI has no subsidiaries.

MARKET INFORMATION

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

(1) State the name of the Exchange

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

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

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

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

Year 2022	High	Low	Quarter-end-Close
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	High	Low	Quarter-end-Close
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
Year 2020	High	Low	Quarter-end-Close
First Quarter	6.11	6.11	6.11
Second Quarter	6.09	6.09	6.09
Third Quarter	7.35	7.33	7.33
Fourth Quarter	7.00	7.00	7.00

HOLDERS

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

FFI has a total of 5,363 stockholders owning at least one (1) share as of December 31, 2022.

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

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

Title of Class	Shareholder's Name	Amount of Ownership and Nature of Ownership		Percent of Class
Common A	PCD NOMINEE CORPORATION (FILIPINO)	44,208,729	(b)	88.12%
Common A	PCD NOMINEE CORPORATION (NON-FILIPINO)	165,562	(b)	0.33%
Common A	ALLEN C. ROXAS	94,667	(b)	0.19%
Common A	ALBERT GO ONG	90,250	(b)	0.18%
Common A	SEGUNDO SEANGIO AND/OR VIRGINIA SEANGIO	32,818	(b)	0.07%
Common A	VICTOR HERNANDEZ BOCALING	31,555	(b)	0.06%
Common A	ROMEO TAN PE	25,244	(b)	0.05%
Common A	EMMANUEL HERNANDEZ BOCALING	25,244	(b)	0.05%
Common A	INTERNATIONAL POLYMER CORP.	22,089	(b)	0.04%
Common A	ANTONIO SUNTAY TANJANGCO	20,826	(b)	0.04%
Common A	WILLINGTON W. CHUA	20,524	(b)	0.04%
Common A	NORBERTO VALDIVIA SAUCO	20,195	(b)	0.04%
Common A	ALEXANDER JO TANCHAN	19,879	(b)	0.04%
Common A	JAN CED 18933	18,933	(b)	0.04%
Common A	PATRICK YAP TONG	18,933	(b)	0.04%
Common A	MA. GEORGINA VERA PEREZ	18,933	(b)	0.04%
Common A	MELY NGO LIM	18,933	(b)	0.04%
Common A	KA SIONG TIU	16,555	(b)	0.03%
Common A	MARCIANO S. BACALLA JR	16,409	(b)	0.03%
Common A	ARTHUR CANG UY	15,777	(b)	0.03%

DIVIDENDS

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

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

Record date – April 23, 2018

Payment Date – May 4, 2018

No cash/stock/property dividends were declared in 2022, 2021, 2020, and 2019.

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

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

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

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

FINANCIAL STATEMENTS

The Fund's audited financial statements and schedule of investments for the year 2022 are attached herewith.

CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

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

DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

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

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

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

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

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

FFI has also adopted the following policies:

1. Charter of the Board of Directors
2. Code of Business Conduct and Ethics
3. Nomination Committee Charter

4. Anti-Corruption and Bribery Policy
5. Whistle Blowing Policy
6. Data Privacy Policy (pursuant to the Data Privacy Act of 2012)
7. Policy on Related Party Transactions

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

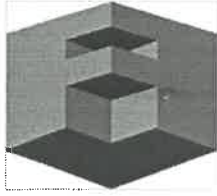
c. Any deviation from the company's Manual of Corporate Governance, including a disclosure of the name and position of the person/s involved and sanctions imposed on said individual

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

d. Any plan to improve corporate governance of the company

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





Filipino Fund, Inc

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

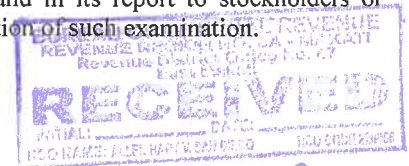
The management of Filipino Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including schedules attached therein, as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020, in accordance with prescribed financial 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.

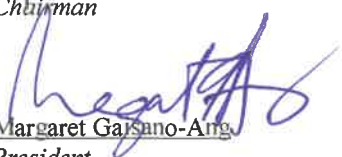
The board of directors (BOD) reviews and approves the financial statements, including schedules attached therein, and submits the same to stockholders or members.

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.



MAR 28 2023


Bernardo M. Villegas
Chairman


Margaret Gajano-Ang
President


Brian M. Devila
Treasurer

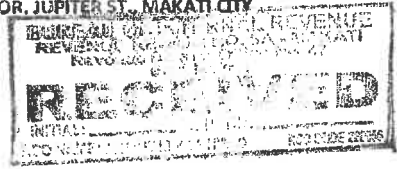
Signed this 22 of March 2023

SUBSCRIBED AND SWORN to before me this day MAR 27 2023 affiants exhibiting to me their identification as follows:

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

Doc. No. 426
 Page No. 57
 Book No. 458
 Series of 2022

GD
ATTY. GEORGE DAVID D. SITON
 NOTARY PUBLIC FOR MAKATI CITY
 APPT. NO. M-61 - UNTIL DEC. 31, 2023
 ROLL NO. 66402 / MCLE COMPLIANCE NO. VM-0010136/2-15-2022
 IBP O.R. No. 092382 LIFETIME MEMBER MAY 5, 2017
 PTR No. MRT 9563580- JAN 03, 2023-MAKATI CITY
 EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY



MAR 28 2023

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

Form Type

A	A	F	S
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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	Company's Telephone Number	Mobile Number
info@filipinofund.com.ph	8898-7522	N/A
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,363	Every 2 nd Tuesday of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Jonna C. Llaguno	jllaguno@abcapital.com.ph	8898-7522	0920 9090 690

CONTACT PERSON'S ADDRESS

Units 1911-1912, 19 th Floor, PSE Tower, 5 th Avenue corner 28 th St., Bonifacio Global City, Taguig

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

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



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We audited the accompanying financial statements of Filipino Fund, Inc. (the Fund), which comprise the statement of financial position, as at December 31, 2022 and 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for each of the three years in the period ended December 31, 2022, and the summary of significant accounting policies and other explanatory information.

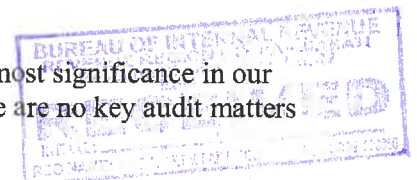
In our opinion, the accompanying financial statements are presented fairly, in all material respects. The financial position of the Fund, as at December 31, 2022 and 2021, and its financial performance and cash flows, for each of the three years in the period ended December 31, 2022, are in accordance 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.



MAR 28 2023



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, 2022, 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, 2022 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

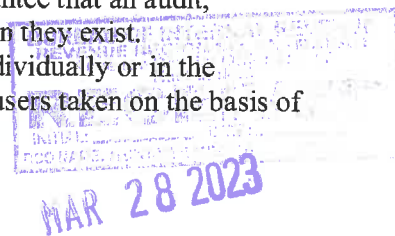
The management is responsible for the preparation and fair presentation of financial statements, in accordance with PFRSs, and for such internal control, as what the management determines necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud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



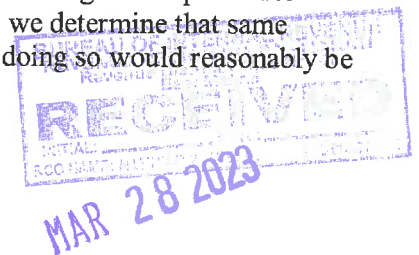
As part of the audit, in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 audit was 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

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

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

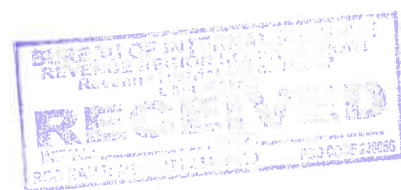
SEC Firm Accreditation No. 0001-SEC (Group A)

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

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

PTR No. 9369775, January 3, 2023, Makati City

March 22, 2023



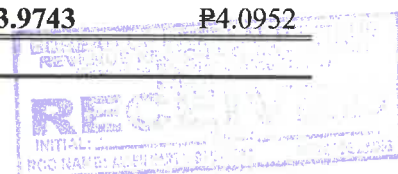
MAR 28 2023



FILIPINO FUND, INC.
STATEMENT OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Cash and cash equivalents (Note 6)	₱15,726,185	₱12,386,648
Financial assets at fair value through profit or loss (Note 7)	182,997,010	179,260,562
Receivables (Note 8)	2,766,161	15,972,095
Other current assets (Note 9)	8,500	-
	₱201,497,856	₱207,619,305
LIABILITIES		
Accounts payable and accrued expenses (Note 9)	₱2,117,628	₱2,175,257
EQUITY (Note 10)		
Capital stock	105,272,397	105,272,397
Additional paid-in capital	94,361,124	94,361,124
Retained earnings	48,945,032	55,008,852
Treasury stock	(49,198,325)	(49,198,325)
	199,380,228	205,444,048
	₱201,497,856	₱207,619,305
Net Asset Value Per Share (Note 11)	₱3.9743	₱4.0952

See accompanying Notes to Financial Statements.



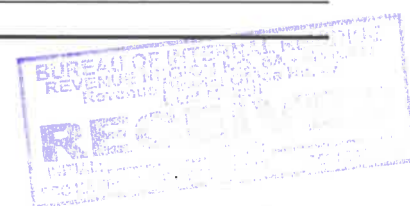
MAR 28 2023



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

	Years Ended December 31		
	2022	2021	2020
INVESTMENT INCOME (LOSS)			
Trading gains (losses) - net (Note 7)	(₱8,623,143)	₱3,063,098	(₱9,322,549)
Dividend income (Note 7)	8,359,690	6,742,029	2,975,514
Interest income (Note 6)	11,583	18,850	378,630
	(251,870)	9,823,977	(5,968,405)
OPERATING EXPENSES			
Management and administration fees (Notes 17 and 18)	1,973,237	1,952,672	1,791,202
Transaction fees (Note 12)	1,233,882	824,662	490,952
Directors' fees (Note 18)	777,778	805,556	833,333
Professional and legal fees (Note 13)	764,012	764,012	1,005,807
Advertising and publicity	327,991	337,140	325,749
Membership fee	250,000	253,000	261,000
Donation (Note 18)	200,000	200,000	200,000
Taxes and licenses	22,323	16,910	35,709
Meetings (Note 18)	14,606	11,831	–
Postage and courier	473	–	1,338
Miscellaneous (Notes 14 and 18)	245,332	265,748	225,787
	5,809,633	5,431,531	5,170,877
INVESTMENT INCOME (LOSS) BEFORE INCOME TAX	(6,061,503)	4,392,446	(11,139,282)
PROVISION FOR INCOME TAX (Note 16)	2,317	3,771	75,726
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)*	(₱6,063,820)	₱4,388,675	(₱11,215,008)
Basic and Diluted Earnings (Losses) Per Share (Note 11)	(₱0.1209)	₱0.0875	(₱0.2236)

*There were no other comprehensive income (loss) items in 2022, 2021 and 2020.
See accompanying Notes to Financial Statements.



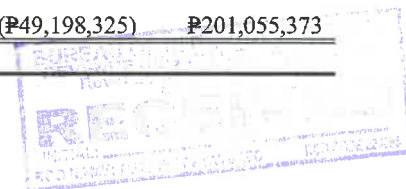
MAR 28 2023



FILIPINO FUND, INC.**STATEMENT 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, 2022	₱105,272,397	₱94,361,124	₱55,008,852	(₱49,198,325)	₱205,444,048
Net loss/total comprehensive income 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 loss 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
Balances as at January 1, 2020	₱105,272,397	₱94,361,124	₱61,835,185	(₱49,198,325)	₱212,270,381
Net loss/total comprehensive income for the year	—	—	(11,215,008)	—	(11,215,008)
Balances as at December 31, 2020	₱105,272,397	₱94,361,124	₱50,620,177	(₱49,198,325)	₱201,055,373

See accompanying Notes to Financial Statements.



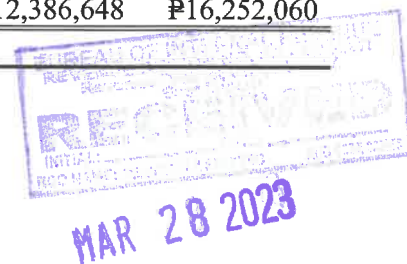
MAR 28 2023



FILIPINO FUND, INC.
STATEMENT OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Investment income (loss) before income tax	(₱6,061,503)	₱4,392,446	(₱11,139,282)
Adjustments for:			
Unrealized trading losses (gains) (Note 7)	(4,858,264)	(1,186,636)	11,184,164
Interest income (Note 6)	(11,583)	(18,850)	(378,630)
Dividend income (Note 7)	(8,359,690)	(6,742,029)	(2,975,514)
Decrease (increase) in:			
Financial assets at fair value through profit or loss	1,121,816	3,163,819	(17,860,845)
Receivables	13,576,601	(10,378,760)	12,284,241
Other current assets	(8,500)	-	-
Increase (decrease) in accounts payable and accrued expenses	(57,629)	126,865	517,895
Net cash generated from (used in) operations	(4,658,752)	(10,643,145)	(8,367,971)
Interest received	11,583	25,077	378,550
Dividend received	7,989,023	6,756,427	2,931,498
Income tax paid (Note 16)	(2,317)	(3,771)	(75,726)
NET INCREASE (DECREASE) IN CASH IN BANK	3,339,537	(3,865,412)	(5,133,649)
CASH IN BANK AT BEGINNING OF YEAR	12,386,648	16,252,060	21,385,709
CASH IN BANK AT END OF YEAR (Note 6)	₱15,726,185	₱12,386,648	₱16,252,060

See accompanying Notes to Financial Statements.



FILIPINO FUND, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Preparation

The Fund's financial statements 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, 2022. Adoption of these pronouncements did not have any significant impact in the Fund's financial position or performance.

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



Significant 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 measurement is based on the presumption that the transaction to sell an asset or to transfer a liability takes place either in the principal market for such asset or liability; or in the absence of a principal market, in the most advantageous market for such asset or liability.

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

The fair value of an asset or a liability is measured using the 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 assets and liabilities not listed in an active market, the Fund uses valuation techniques which are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

For purposes of fair value disclosures, the Fund 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.

'Day 1' difference

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

Classification and Subsequent Measurement of financial instruments

Classification of financial assets

Financial assets are classified in their entirety, based on their contractual cash 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, 2022 and 2021, based on the results of the contractual cash flows characteristics test and business model assessment, the Fund classified its cash and cash equivalents, dividends receivable, interest receivable and due from broker as financial assets at amortized cost, and its financial assets held for trading as financial assets at FVTPL.

As of December 31, 2022 and 2021, 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.

Reclassifications of financial instruments

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

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated as at FVTPL, are classified as financial liabilities at amortized cost. After initial measurement, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the EIR. This policy applies to accounts payable and to other accrued expenses of the Fund.

As of December 31, 2022 and 2021, 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

PFRS 9 requires the Fund to record ECL for all loans and other debt financial assets, not classified as at FVTPL, together with loan commitments and financial guarantee contracts. ECL represents credit 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.



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

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

Interest income

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

Current taxes

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

Deferred tax

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

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



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

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

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, 2022, 2021 and 2020.

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, 2023

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

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*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

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.



Judgments

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

Estimates

Recognition of deferred tax assets

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

Historically, the Fund has been in a tax loss position. Management believes that the Fund will continue to be in a tax loss position as the items comprising the Fund's investment income are either tax-exempt or subject to final tax. As of December 31, 2022 and 2021, the Fund did not recognize deferred tax asset amounting to ₱3.65 million and ₱3.80 million, respectively, on NOLCO as management believes that the benefit from such asset will not be realized prior to its expiration (see Note 16).

4. Financial Risk Management Objectives and Policies

Governance Framework

The Fund 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 2022 and 2021, 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, 2022 and 2021, 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:

	2022		
	Cash and cash equivalents	Receivables	Total
Corporate:			
Financial institutions	P15,726,185	P53,640	P15,779,825
Services	–	2,243,813	2,243,813
Holding firms	–	468,708	468,708
Total	P15,726,185	P2,766,161	P18,492,346
	2021		
	Cash and cash equivalents	Receivables	Total
Corporate:			
Financial institutions	P12,386,648	P14,400	P12,401,048
Services	–	15,820,414	15,820,414
Holding firms	–	137,281	137,281
Total	P12,386,648	P15,972,095	P28,358,743

As of December 31, 2022 and 2021, 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, 2022 and 2021.

	2022	
Changes in PSEi	20.55%	(20.55%)
Change in equity under:		
Service	₱9,750,552	(₱9,750,552)
Holding firms	9,318,860	(9,318,860)
Financial	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%)



	2021	
Changes in PSEi	18.54%	(18.54%)
Change in equity under:		
Holding firms	₱11,622,290	(₱11,622,290)
Property	6,339,044	(6,339,044)
Services	3,442,716	(3,442,716)
Mining and oil	2,234,207	(2,234,207)
Financials	2,038,706	(2,038,706)
Industrial	1,623,721	(1,623,721)
Total	₱27,300,684	(₱27,300,684)
As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL	2,367.97%	(2,367.97%)

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 the 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				
2022	₱57,725	(₱57,725)	₱28,862	(₱28,862)
2021	58,555	(58,555)	29,278	(29,278)

5. Fair Value of Financial Assets and Liabilities

As of December 31, 2022 and 2021, 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.

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

There were no transfers between fair value hierarchy levels in 2022 and 2021.

6. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash in bank	₱15,726,185	₱12,386,648

Cash in bank earns interest at the prevailing bank deposit rates. Short-term placements are made for varying periods of up to less than two months depending on the immediate cash requirements of the Fund and earned interest of 1.90% in 2021. There were no short-term placements in 2022.

Interest income earned on cash and cash equivalents amounted to ₱0.01 million, ₱0.02 million and ₱0.38 million in 2022, 2021 and 2020, respectively.

7. Financial Assets at Fair Value through Profit or Loss

This account consists of:

	2022	2021
Quoted equity securities	₱177,224,560	₱173,405,053
UITF (Note 18)	5,772,450	5,855,509
	₱182,997,010	₱179,260,562



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:

	2022		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	P2,845,687	P1,596,123	P1,330,640
Outstanding units	2,469,188	583,159	1,250,000
NAV per share	P1.152479	P2.737029	P1.064512

	2021		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	P2,817,373	P1,687,587	P1,350,549
Outstanding units	2,469,188	583,159	1,250,000
NAV per share	P1.141012	P2.893871	P1.080439

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:

	2022	2021	2020
Realized	(P13,481,407)	P1,876,462	P1,861,615
Unrealized	4,858,264	1,186,636	(11,184,164)
	(P8,623,143)	P3,063,098	(P9,322,549)

Dividend income earned from quoted equity securities, under financial assets at FVTPL, amounted to P8.36 million, P6.74 million and P2.98 million in 2022, 2021 and 2020, respectively.

8. Receivables

This account consists of:

	2022	2021
Due from broker (Note 18)	P2,243,813	P15,820,414
Dividends receivable	522,348	151,681
	P2,766,161	P15,972,095

Due from broker pertains to receivables from trade of FVTPL securities transactions which are expected to be settled on Trade Date +3. This account also includes proceeds from past FVTPL sales that are maintained with the broker agreed to fund future purchase of securities.



9. Accounts Payable and Accrued Expenses

This account consists of:

	2022	2021
Financial Liabilities		
Accrued expenses (Notes 17 and 18)	₱1,262,832	₱1,318,763
Other liabilities	795,444	797,325
	2,058,276	2,116,088
Non-financial Liabilities		
Withholding tax payable	25,869	25,686
Other liabilities	33,483	33,483
	59,352	59,169
	₱2,117,628	₱2,175,257

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, 2022 and 2021, the Fund's capital stock consists of:

Capital stock - ₱1 par value	
Authorized - 184,234,038 common shares in 2022 and 2021	
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:

	2022	2021
Net asset value	₱199,380,228	₱205,444,048
Number of shares outstanding	50,167,397	50,167,397
NAV per share	₱3.9743	₱4.0952

The total number of stockholders of the Fund are 5,363 and 5,381 as of December 31, 2022 and 2021, respectively.

Determination of retained earnings available for dividend declaration

Retained earnings of the Fund amounted to ₱48.95 million and ₱55.01 million as of December 31, 2022 and 2021, respectively. Retained earnings available for dividend declaration is determined by the Fund in accordance with SEC Memorandum Circular No. 11 issued in December 2001. Under the said SEC Circular, dividends shall be declared out of unrestricted retained earnings, adjusted for unrealized items which are considered not available for dividend declaration. As of December 31, 2022 and 2021, 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 2022 and 2021.

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, 2022 and 2021, 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:

	2022	2021	2020
Net income (loss)	(₱6,063,820)	₱4,388,675	(₱11,215,008)
Weighted average number of common shares outstanding	50,167,397	50,167,397	50,167,397
Basic and diluted earnings (loss) per share	(₱0.1209)	₱0.0875	(₱0.2236)

As of December 31, 2022, 2021 and 2020, 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:

	2022	2021	2020
Stock transaction tax	₱637,767	₱448,482	₱166,341
Commissions (Note 18)	562,372	354,887	306,116
SCCP* fees	22,495	14,196	12,245
Transaction fees	11,248	7,097	6,250
	₱1,233,882	₱824,662	₱490,952

*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 ₱0.76 million, ₱0.76 million and ₱1.01 million in 2022, 2021 and 2020, respectively.

14. Miscellaneous Expenses

This account consists of:

	2022	2021	2020
Unrecoverable input VAT	₱209,849	₱168,039	₱160,929
Printing and photocopy	2,000	1,000	–
Miscellaneous expense	33,483	96,709	64,858
	₱245,332	₱265,748	₱225,787

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

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

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

The provision for income tax consists of final taxes amounting ₱2,317, ₱3,771 and ₱75,726 in 2022, 2021 and 2020, respectively.

The regulation also provides for MCIT of 2.0% (prior to CREATE) and 1.0% (from July 1, 2020 to June 30, 2023, before reverting to 2.0%) on modified gross income and allows a NOLCO. The MCIT and NOLCO may be applied against the Company's income tax liability and taxable income, respectively, over a three-year period from the year of inception. Pursuant to the provisions of Section 244 of National Internal Revenue Code (NIRC), as amended, the 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
2019	₱5,527,318	(₱5,527,318)	₱-	2022
2020	4,842,320	-	4,842,320	2025
2021	4,815,011	-	4,815,011	2026
2022	4,961,018	-	4,961,018	2025
	₱20,145,667	(₱5,527,318)	₱14,618,349	

As of December 31, 2022 and 2021, the Fund did not recognize deferred tax asset amounting to ₱3.65 million and ₱3.80 million, respectively, on NOLCO since management believes that the benefit from such asset will not be realized prior to its expiration.

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

	2022	2021	2020
Statutory income tax (tax loss)	(₱1,515,376)	₱1,098,111	(₱3,341,784)
Tax effect of:			
Tax-exempt loss (income)	65,863	(2,451,282)	1,904,110
Change in unrecognized deferred tax asset	1,240,254	1,203,753	1,452,696
Non-deductible expenses	212,155	154,131	98,567
Tax-paid income	(579)	(942)	(37,863)
	₱2,317	₱3,771	₱75,726

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 2022, 2021 and 2020, the Fund recognized management and administration fees amounting ₱1.97 million, ₱1.95 million and ₱1.79 million, respectively (see Note 18).

Management fees payable amounted to ₱0.80 million and ₱0.43 million as of December 31, 2022 and 2021, 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, 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	-		
<u>Fund manager and its subsidiary</u>				
ABCIC				
Management and Administration fees	1,973,237	802,306	Management fees incurred for management services rendered by ABCIC computed as 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.	
Advertising and publicity	319,491	-		
Meetings and conferences	14,606	-	Newspaper publication of the annual shareholders' meeting of the Fund. Payment for the platform used for virtual meetings.	
Miscellaneous expense	9,872	800		
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	-		
Purchases	118,654,131	-	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. FVTPL trade transactions due on Trade date +3.	
Sales	106,294,540	-		
ABCIC- TID				
Investments in UITF	-	5,772,450	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, 2021
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature	
<u>Parent Company</u>				
VDC				
Miscellaneous expense	₱1,357	₱-	Various expenses advanced by VDC on behalf of the Fund.	
<u>Fund manager and its subsidiary</u>				
VII				
Miscellaneous expense	₱4,277	₱-	Various expenses advanced by VII for the Fund.	

(Forward)



December 31, 2021			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
ABCIC			
Management and Administration Fees	₱1,952,672	₱426,162	Management fees incurred for management services rendered by ABCIC computed as 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.
Miscellaneous expense	91,859	—	Various expenses advanced by ABCIC for the Fund.
Meetings and conferences	11,831	—	
Advertising and Publicity	300,560	—	
AB Capital Securities, Inc.			
Due from broker	—	15,820,414	Receivable from trade of FVTPL securities transactions due on Trade date +3 and proceeds from past sales held to fund future purchases.
Commission expense	354,887	—	Commission paid to AB Capital Securities, Inc. for buy and sell of equity securities transactions at the rate of 0.25% of gross purchase price/selling price.
Purchases	67,207,909	—	FVTPL trade transactions due on Trade date +3.
Sales	74,746,950	—	FVTPL trade transactions due on Trade date +3.
ABCIC– TID			
Investments in UITF	—	5,855,509	Investments managed by ABCIC – TID.
Wealthbank			
Interest Income	1,946	—	Interest income earned from short-term placements ranging from 1.90% to 4.00%.
Vicsal Foundation, Inc.			
Donation	200,000	—	Donation to Vicsal Foundation, Inc. for corporate social responsibility program.
<u>Key management personnel</u>			
Directors			
Director’s fees	805,556	—	Fees paid to the members of the Fund’s BOD at a fixed amount of ₱27,778 per director for every attendance in BOD meetings.

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, 2022 and 2021, 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, 2020, donation to Vicsal Foundation, Inc. amounted to ₱200,000, fees incurred for management services rendered by ABCIC amounted to ₱1,791,202, and commission on trade transactions paid to AB Capital Securities, Inc. amounted to P=306,116. The Fund paid director’s fee in 2020 amounting to ₱833,333. Various miscellaneous expenses advanced by VDC and ABCIC for the Fund amounted to ₱8,844 in 2020.



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:

	2022	2021	2020
Cash in bank (Note 6)	₱11,583	₱18,850	₱378,630
Quoted equity securities*	(180,394)	9,770,268	(6,516,071)
Investments in UITF	(83,059)	34,859	169,036
	(₱251,870)	₱9,823,977	(₱5,968,405)

*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 22, 2023.

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 ₱22,323 pertain to business permits paid by the Fund in 2022.

Withholding Taxes

Total remittances of the Fund in 2022 on expanded withholding taxes amounted to ₱468,550 with an outstanding balance of ₱25,869 as of December 31, 2022.

Stock Transaction Taxes

Total stock transaction tax of the Fund for the sale of equity shares amounted to ₱637,767 in 2022.



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, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, included in this Form 17-A and issued our report thereon dated March 22, 2023. 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
SEC Partner Accreditation No. 108795-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-107-2020, November 27, 2020, valid until November 26, 2023
PTR No. 9369775, January 3, 2023, Makati City

March 22, 2023



FILIPINO FUND INC.
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2022

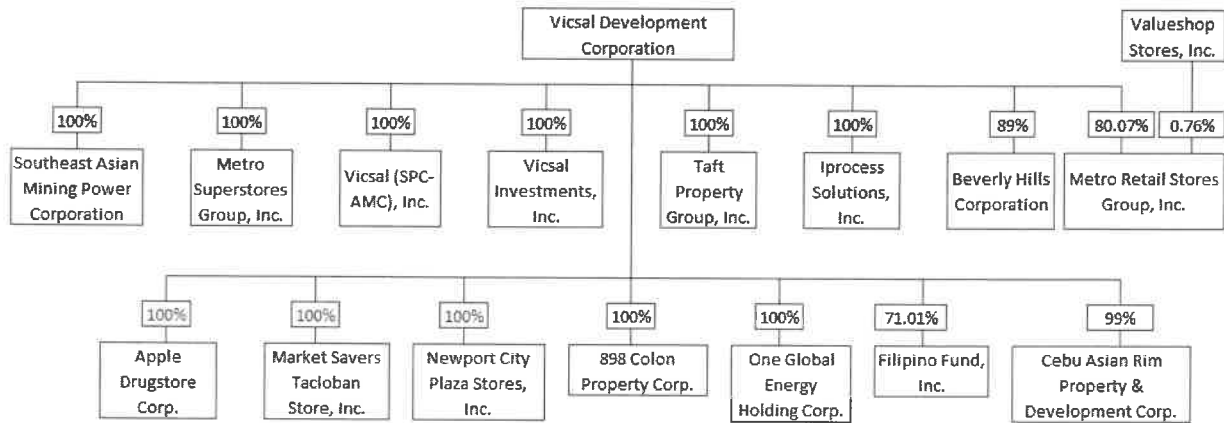
Schedules Required under Revised Securities Regulation Code Rule 68

Schedule	Content	Page No.
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I	Reconciliation of Retained Earnings Available for Dividend Declaration <i>(Part 1 5B, Annex 68-D)</i>	1
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Part 2		
A	Financial Assets <i>(Part II 7D, Annex 68-J, A)</i>	3-4
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) <i>(Part II 7D, Annex 68-J, B)</i>	5
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements <i>(Part II 7D, Annex 68-J, C)</i>	6
D	Long-Term Debt <i>(Part II 7D, Annex 68-J, D)</i>	7
E	Indebtedness to Related Parties (included in the consolidated statement of financial position) <i>(Part II 7D, Annex 68-J, E)</i>	8
F	Guarantees of Securities of Other Issuers <i>(Part II 7D, Annex 68-J, F)</i>	9
G	Capital Stock <i>(Part II 7D, Annex 68-J, G)</i>	10

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

Unappropriated Retained Earnings, <i>as adjusted to available for dividend declaration, beginning (before deducting treasury shares)</i>	₱40,662,430
Less: Net loss during the period closed to Retained Earnings	6,063,820
Less: Unrealized fair value gain	4,858,264
Net investment income actually earned during the year	29,740,346
Less: Treasury shares	(49,198,325)
Dividend Declaration	0
TOTAL AVAILABLE UNAPPROPRIATED RETAINED EARNINGS FOR DIVIDEND	₱0

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, 2022



FILIPINO FUND, INC.
SCHEDULE A – FINANCIAL ASSETS
As of December 31, 2022

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>	5,000,000	9,250,000	–
<i>Ayala Corporation</i>	–	–	522,269
<i>Ayala Land, Inc.</i>	–	–	63,003
<i>Banco de Oro Unibank, Inc.</i>	178,800	18,899,160	207,140
<i>Bloomberry Resorts Corporation</i>	1,000,000	7,650,000	–
<i>Century Pacific Food, Inc.</i>	–	–	90,000
<i>DMCI Holdings, Inc.</i>	2,000,000	24,000,000	2,400,000
<i>First Gen Corporation</i>	–	–	42,000
<i>First Philippine Holdings</i>	–	–	49,500
<i>GT Capital Holdings, Inc.</i>	25,000	10,875,000	66,000
<i>International Container Terminal Services, Inc.</i>	100,000	20,000,000	120,000
<i>LT Group, Inc</i>	–	–	1,110,000
<i>Manila Electric Co.</i>	18,000	5,378,400	104,508
<i>Metro Retail Stores Group, Inc.</i>	2,626,000	3,702,660	–
<i>Metropolitan Bank & Trust Company</i>	197,210	10,649,340	503,630
<i>Nickel Asia</i>	–	–	220,000
<i>Phinma Corporation</i>	770,000	14,676,200	–
<i>PLDT Inc.</i>	12,000	15,804,000	712,350
<i>Robinsons Land Corporation</i>	367,500	5,497,800	183,750
<i>Robinsons Retail Holdings, Inc.</i>	120,000	6,462,000	240,000
<i>Semirara Mining Corporation</i>	240,000	8,280,000	1,587,540
<i>SM Investments Corporation</i>	10,000	9,000,000	–
<i>SM Prime Holdings, Inc</i>	200,000	7,100,000	–
<i>Universal Robina Corporation</i>	–	–	138,000
Subtotal	12,864,510	177,224,560	8,359,690
Investments in UITF			
<i>Short-term fund</i>	2,469,188	2,845,687	–
<i>Equity Fund</i>	583,159	1,596,123	–
<i>Balanced Fund</i>	1,250,000	1,330,640	–
Subtotal	4,302,347	5,772,450	–
Total	17,166,857	182,997,010	8,359,690

*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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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	–	35,686,627	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, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and issued our report thereon dated March 22, 2023. 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, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, 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

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

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

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

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

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

PTR No. 9369775, January 3, 2023, Makati City

March 22, 2023



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

	2022	2021
Current/liquidity ratio	95.15:1.0	95.45:1.0
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	2,407.52%	44.67%
Return on assets	-2.96%	2.14%
Return on equity	-3.00%	2.16%

^(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, 2022**

	2022	2021
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*	2.8702%	2.6723%
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, 2022

INVESTEE COMPANY	2022	2021
Alliance Global Group, Inc.	–	0.008974%
Apex Mining Corp., Inc.	0.080284%	–
Ayala Corporation	–	0.003628%
Ayala Land, Inc.	–	0.003146%
Banco de Oro Unibank, Inc.	0.003397%	0.001095%
Bloomberry Resorts Corporation	0.009231%	0.005985%
Converge Information and Communications Tech.	–	0.003986%
DMCI Holdings, Inc.	0.015063%	0.015063%
First Gen Corporation	–	0.003337%
First Philippine Holdings	–	0.009234%
GT Capital Holdings, Inc.	0.011613%	0.007897%
International Container Terminal Services, Inc.	0.004925%	–
LT Group, Inc.	–	0.008317%
Manila Electric Co.	0.001597%	–
Megaworld Corporation	–	0.003610%
Metro Retail Stores Group, Inc.	0.080005%	0.078248%
Metropolitan Bank & Trust Company	0.004385%	0.003496%
Nickel Asia Corporation	–	0.007336%
Phinma Corporation	0.268925%	–
PLDT, Inc.	0.005554%	0.001527%
Robinsons Land Corporation	0.007272%	0.007108%
Robinsons Retail Holdings Inc	0.008113%	0.004299%
Semirara Mining Corporation	0.005646%	0.011725%
SM Investment Corporation	0.000818%	0.000747%
SM Prime Holdings, Inc.	0.000693%	0.000519%
Universal Robina Corporation	–	0.001817%

FILIPINO FUND, INC.
PERCENTAGE OF INVESTMENT IN A SINGLE ENTERPRISE TO NET ASSET VALUE
DECEMBER 31, 2022

COMPANY	2022	2021
Alliance Global Group, Inc.	–	4.882108%
Apex Mining Corp., Inc.	4.639377%	–
Ayala Corporation	–	9.092928%
Ayala Land, Inc.	–	8.324505%
Banco de Oro Unibank, Inc.	9.478954%	2.820038%
Bloomberry Resorts Corporation	3.836890%	1.993243%
Converge Information and Communications Tech.	–	4.658203%
DMCI Holdings, Inc.	12.037302%	7.505693%
First Gen Corporation	–	1.626720%
First Philippine Holdings	–	1.534359%
GT Capital Holdings, Inc.	5.454402%	4.468370%
International Container Terminal Services, Inc.	10.031085%	–
LT Group, Inc.	–	4.336947%
Manila Electric Co.	2.697559%	–
Megaworld Corporation	–	1.763254%
Metro Retail Stores Group, Inc.	1.857085%	1.840618%
Metropolitan Bank & Trust Company	5.341222%	4.262278%
Nickel Asia Corporation	–	2.604115%
Phinma Corporation	7.360910%	–
PLDT, Inc.	7.926563%	2.910573%
Robinsons Land Corporation	2.757445%	3.434512%
Robinsons Retail Holdings Inc	3.241044%	2.069177%
Semirara Mining Corporation	4.152869%	5.179019%
SM Investment Corporation	4.513988%	4.131052%
SM Prime Holdings, Inc.	3.561035%	2.475126%
Universal Robina Corporation	–	2.492163%