

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF
FILIPINO FUND, INC.**

Held via remote communication
Under the platform of Zoom Video Communications
May 14, 2024 (Tuesday)
9:00 a.m.

The Annual Stockholders' Meeting of Filipino Fund, Inc. ("FFI" or the "Corporation") was held via remote communication using the platform of Zoom Video Communications.

1. CALLING OF MEETING TO ORDER

Before the start of the program, the Corporate Secretary, Atty. Vincent E. Tomaneng, asked the Zoom Video Communications Host, Ms. Jonna C. Llaguno, whether the attendees present today at the 2024 Annual Stockholders' Meeting of FFI held via remote communication (the "ASM") can clearly hear and/or see the entire proceedings. Ms. Llaguno then replied in the affirmative and confirmed the same. Atty. Tomaneng then informed the assembly that the ASM will be duly recorded for future reference and as required by the Securities and Exchange Commission ("SEC").

The Chairman, Dr. Bernardo M. Villegas, welcomed everyone to the 2024 virtual ASM of FFI. He then introduced to the body the Directors and Officers in attendance.

Dr. Villegas then called the meeting to order and presided over the same. Atty. Tomaneng recorded the minutes of the proceedings.

2. CERTIFICATION OF NOTICE OF MEETING AND VOTING PROCEDURES

The Corporate Secretary reported to the Chairman and informed the assembly that written notice of the ASM with the date, time, platform, and agenda has been sent to all stockholders of record as of April 11, 2024 through the following modes:

- a) Publication of the Notice of the ASM in the Business Sections of the Philippine Daily Inquirer and the Philippine Star, both newspapers of general circulation in the Philippines, in both print and online format on April 22, 2024 and April 23, 2024, respectively;
- b) Disclosure of the ASM Notice on the Philippine Stock Exchange Edge portal; and
- c) Posting on FFI's website at www.filipinofund.com.ph.

The Corporate Secretary explained that these alternative modes of notification to stockholders are in compliance with the guidelines of the SEC per its Notice dated February 2024.

He also told the body that the stockholders had been duly informed about the guidelines for participating via remote communication and the voting procedures as contained in the Notice of the ASM and as indicated in FFI's 2024 Definitive Information Statement which was made available to the stockholders through the PSE Edge Portal and FFI's website. The Definitive Information Statement contains the detailed steps and procedures for participating via remote communication and voting in absentia.



3. **DETERMINATION AND DECLARATION OF QUORUM**

The Corporate Secretary reported to the Chairman and announced to the assembly that there were present at the meeting via remote communication, either personally or as represented by proxies, stockholders owning and/or representing 35,686,727 shares or 71.14% out of the 50,167,397 total issued and outstanding shares of capital stock of FFI entitled to vote at the meeting, as validated by its Stock and Transfer Agent, Stock Transfer Service, Inc. Since more than 50% of the total issued and outstanding shares is present, the Corporate Secretary certified that there is a quorum for the transaction of all matters on the agenda. Thereupon, the Chairman declared that a quorum was present and that the meeting was duly convened and ready to transact business.

4. **APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 9, 2023**

The Chairman announced that the first order of business was the approval of the minutes of the annual stockholders' meeting held on May 9, 2023. The Corporate Secretary certified that as indicated in the Notice of the ASM, copies of the said minutes were made available to the stockholders at the Corporation's website at www.filipinofund.com.ph.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed that out of the total issued and outstanding common shares entitled to vote, 35,686,627 shares or 71.14% have voted in favor of the proposal as validated by its Stock and Transfer Agent. The Chairman then confirmed the shareholders' approval on the matter as follows:


"RESOLVED, That the Minutes of the Annual Stockholders' Meeting of FFI held on May 9, 2023 be, and are hereby, approved *en toto* as recorded."

5. **PRESENTATION AND APPROVAL OF THE 2023 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE CY ENDING DECEMBER 31, 2023**

The Chairman then announced to the assembly that the next business was the presentation and approval of the Annual Report on the operations and activities of FFI during the calendar year 2023 and FFI's Audited Financial Statements for the year ended December 31, 2023, copies of which were made available to the stockholders through the PSE Edge Portal and the Corporation's website. He then called Mr. Luis Gregorio I. Francisco, representing the Fund Manager AB Capital & Investment Corporation, to present the highlights of the Annual Report and 2023 Audited Financial Statements.

Mr. Francisco presented the following highlights:

- a. FFI's Balance Sheet:
 - Total Assets increased by 7.21% from 2022 to 2023
 - o Cash and Cash Equivalents decreased by -94% - UITF assets are invested in the short-term fund which is expected to improve cash yields.
 - o Financial Assets at Fair Value increased by 17%.
 - o Receivables decreased by -68%.
 - o Other Current Assets decreased by -97%.
 - Net Assets attributable to shareholders increased by 7% from 2022 to 2023.
 - Net Asset Value per share increased from 3.97 in 2022 to 4.27 in 2023.
- b. FFI's Income Statement and EPS



- Total Investment Income increased by 8340% from 2022 to 2023.
 - o Dividend income increased by 35%. This is driven by dividends received from DMCI, Semirara Corporation, DMCI, PLDT, Globe, and PHINMA.
 - o Net trading gains increased by 210%. Realized gains are generated from the sales of shares in Apex Mining, GT Capital, BDO, Robinson's Retail which was partially offset by losses from sale of shares in DMCI and Meralco.
 - o Interest income decreased by -50%.
- Operating Expenses increased by 2% from 2022 to 2023.
 - o Management and administration fee increased by 7% which is commensurate to the increase in market value of assets.
 - o Commission and other transaction fees were slightly lower by 13% due to less portfolio turnover during the year.
- Net income before tax is +345% from 2022 to 2023.
- Earnings per share in 2023 is 0.30 compared to -0.12 in 2022.
- c. Net Asset Value Growth
 - The composition of the Fund as of 31 December 2023 is as follows: (i) 94% Equities; (ii) 5% UITF; (iii) 1% Short-term investments.
 - The growth of the FFI Fund has been consistently outperforming the market.
 - PhP 4.27 Net Asset Value ("NAV") per share compared to a PhP 4.20 Market Price.
 - Premium of Market Price to NAV as of end of 2023 is -1.67%

After completing his presentation, Mr. Francisco thanked the audience and then relinquished the floor back to the Chairman.

The Chairman then asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed that out of the total issued and outstanding common shares entitled to vote, 35,686,627 shares or 71.14% have voted in favor of the proposal as validated by its Stock and Transfer Agent. In view thereof, the Chairman then confirmed the shareholders' approval on the matter as follows:

"RESOLVED, That the Annual Report on the operations and activities of FFI for the calendar year 2023, and the Audited Financial Statements of FFI for the calendar year ending December 31, 2023 which was incorporated in the said Annual Report, be, and are hereby, approved."

6. MARKET ANALYSIS PRESENTATION

The Chairman then announced to the assembly that the next item on the agenda is the presentation by Mr. Francisco, Fund Manager, on the Philippine economic and stock market situation. The highlights of Mr. Francisco's report include the following:

- a. A review of the Fund's performance in 2023.
- b. FFI's 2023 performance is +9.35% versus PSEi. FFI's 2019 to 2024 performance is +29.22% versus PSEi benchmark.
- c. In 2024, the Philippines is expected to benefit from cooling inflation. The cooling inflation gives central banks the opportunity to unwind the restrictive interest rate regimes put in place to combat inflation.
- d. Lower interest rates can be beneficial for risk assets such as emerging market equities like the Philippines as investors reposition portfolios from safe haven assets in developed markets to high growth assets in emerging markets.
- e. The Philippines is poised to be one of the fastest growing economies in Asia and the world in 2024. GDP is expected to grow by 5.5% to 6.0% in 2024.
- f. Philippine equities are providing a rare case of cheap valuation and high growth for investors. However, the Fund must remain to be defensively positioned despite the positive outlook due to the following reasons:

- A resurgence on crude prices, constrained global supply of rice, and El Nino may pose upside risks to inflation in 2024 and pose a threat to the downward trajectory of interest rates.
 - Impact of inflation on household consumption which continues to linger and stifle domestic growth in 2024
 - Geopolitical risks as real conflicts remain in Europe and the Middle East in addition to strained US-China relations.
- g. The fund remains highly selective in terms of stock picking. Its preferred sectors are Consumer, Ports, Utilities, select banks and property.

After completing his presentation, Mr. Francisco thanked the audience and then relinquished the floor back to the Chairman.

7. **APPROVAL AND CONFIRMATION OF ALL ACTS OF THE BOARD OF DIRECTORS, OFFICERS, COMMITTEES, AND FUND MANAGER OF FFI FOR THE PRECEDING YEAR**

The Chairman announced that the next item on the agenda is the approval of all acts, proceedings, and resolutions of FFI's Board of Directors, Officers, Committees, and its Fund Manager during the intervening year, subsequent to last year's Annual Stockholders' Meeting.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed that out of the total issued and outstanding common shares entitled to vote, 35,686,627 shares or 71.14% have voted in favor of the proposal as validated by its Stock and Transfer Agent. In view thereof, the Chairman then confirmed the shareholders' approval on the matter as follows:

"RESOLVED, That all acts, resolutions, and proceedings of the Board of Directors, Committees, and the Fund Manager of FFI, heretofore adopted and taken at their various meetings held during the past year and as recorded in the minutes of their respective meetings, and all acts of the Officers of FFI during the past year in carrying out and promoting the interests and business of FFI be, as the same are hereby, approved, ratified and confirmed."

8. **APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman announced that the next item on the agenda is the approval of the appointment of SyCip, Gorres, Velayo & Co. ("SGV & Co.") as the external auditor of FFI for the year ending December 31, 2024.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed that out of the total issued and outstanding common shares entitled to vote, 35,686,627 shares or 71.14% have voted in favor of the proposal as validated by its Stock and Transfer Agent. In view thereof, the Chairman then confirmed the shareholders' approval on the matter as follows:

"RESOLVED, to approve the appointment of SGV & Co. as the external auditor of FFI for the calendar year ending December 31, 2024".

9. **ELECTION OF BOARD OF DIRECTORS**

The Chairman then announced that the next business is the election of seven (7) members of the Board of Directors to fill up the seven (7) seats of the Board of Directors as currently provided in the Articles of Incorporation of FFI, who shall occupy their respective positions for one (1) year and until their successors are duly elected and qualified.

The Chairman requested the Corporate Secretary to read out the qualified nominees for this year's Board of Directors in accordance with the Proxy Statement sent. The Corporate

Secretary announced the following qualified nominees for election as Directors of FFI for the ensuing year and until their successors are duly elected and qualified:

1. Dr. Bernardo M. Villegas - as Independent Director
2. Ms. Margaret Gaisano - Ang
3. Mr. Andrew Jason G. Gaisano
4. Mr. Harvey Maxwell G. Gaisano
5. Mr. Gregorio T. Yu – as Independent Director
6. Ms. Mary Jennifer V. Musni
7. Atty. Vincent E. Tomaneng

The Chairman asked the Corporate Secretary about the voting results of the election of the Directors. The Corporate Secretary disclosed that out of the total issued and outstanding common shares entitled to vote,

35,686,727 shares or 71.14% have voted to elect Dr. Bernardo M. Villegas as Independent Director, as validated by its Stock and Transfer Agent.

35,686,727 shares or 71.14% have voted to elect Margaret Gaisano-Ang, as validated by its Stock and Transfer Agent.

35,686,727 shares or 71.14% have voted to elect Andrew Jason G. Gaisano, as validated by its Stock and Transfer Agent.

35,686,727 shares or 71.14% have voted to elect Harvey Maxwell G. Gaisano, as validated by its Stock and Transfer Agent.

35,686,727 shares or 71.14% have voted to elect Gregorio T. Yu as Independent Director, as validated by its Stock and Transfer Agent.

35,686,727 shares or 71.14% have voted to elect Mary Jennifer V. Musni, as validated by its Stock and Transfer Agent.

35,686,727 shares or 71.14% have voted to elect Atty. Vincent E. Tomaneng, as validated by its Stock and Transfer Agent.

Based on the above voting results and there being no other nominees to the Board, Chairman formally announced that all of the above seven (7) individuals are duly elected as Directors of FFI for the ensuing year and until their successors are duly elected and qualified.

10. **APPROVAL OF THE 1-YEAR TERM EXTENSION OF INDEPENDENT DIRECTOR BERNARDO M. VILLEGAS**

The Chairman then announced that the next order of business is the approval of the 1-year term extension of Independent Director Bernardo M. Villegas.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed that out of the total issued and outstanding common shares entitled to vote, 35,686,627 shares or 71.14% have voted in favor of the proposal as validated by its Stock and Transfer Agent. In view thereof, the Chairman then confirmed the shareholders' approval on the matter as follows:

"RESOLVED, to approve the 1-year term extension of Independent Director Bernardo M. Villegas."



11. **OTHER MATTERS**

The Chairman then informed the assembly if there are any matters that the stockholders would like to discuss. The Corporate Secretary stated that there was nothing of particular importance that the Board has conveyed to discuss. Further, the Corporate Secretary informed the body that there will be no open forum during the ASM as indicated in the ASM Notice. The stockholders, may however, send their questions about the ASM and about the Corporation to its Compliance Officer at jcllaguno@abcapital.com.ph and/or corporatesecretary@filipinofund.com.ph. She will reply accordingly. The deadline for the stockholders to email their questions shall be five (5) calendar days from today or until May 19, 2024.

12. **ADJOURNMENT**

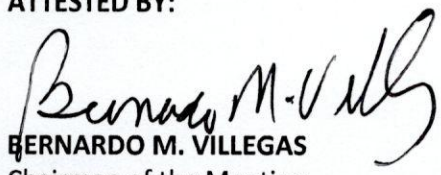
There being no other business to transact, the meeting was, on motion duly made and seconded, adjourned at around 9:40 am. The Chairman then thanked everyone from joining the virtual ASM.

PREPARED BY:



VINCENT E. TOMANENG
Corporate Secretary

ATTESTED BY:



BERNARDO M. VILLEGAS
Chairman of the Meeting