

# 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 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 , M E T R O M A N I L A , P H I L S .

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

**JONNA C. LLAGUNO**

(Contact Person)

**(632) 8898 7522/ 8898 7578**

(Company Telephone Number)

1 2      3 1

*Month      Day*  
(Fiscal Year)

**SEC FORM 20-IS**

(Form Type)

*Month      Day*  
(Annual Meeting)

(Secondary License Type, If Applicable)

**CFD**

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

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

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

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

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

Company/Organization	Position/Relationship	Period of Service
Philippine General Minerals Project Inc.	Chairman	2021
Institute of Corporate	Fellow	2009 to present

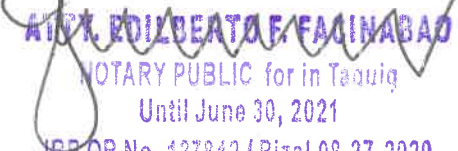
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Filipino Fund, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial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

Done, this \_\_\_ day of April 2021, at Bonifacio Global City, Taguig.

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

**SUBSCRIBED AND SWORN** to before me this 13 APR 2021 day of \_\_\_\_\_ at **TAGUIG CITY**, affiant personally appeared before me and exhibited to me his Passport No. \_\_\_\_\_ issued at Department of Foreign Affairs, Manila on.

Doc. No. 300 ;  
Page No. 01 ;  
Book No. LXXX ;  
Series of 2021;

  
**ATTY. EDILBERTO F. FACINABAO**  
NOTARY PUBLIC for in Taguig  
Until June 30, 2021  
IBP OR No. 127842 / Rizal 08-27-2020  
PTR No. A-5064305 / 01-04-2021 Taguig City

## CERTIFICATION OF INDEPENDENT DIRECTOR

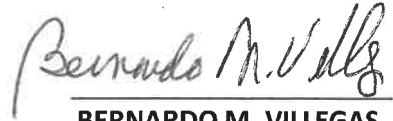
I, **BERNARDO M. VILLEGAS**, Filipino, of legal age and a resident of 119 Aguirre Street, Legaspi Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

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	Position/Relationship
Insular Life	Board of Director	2000 to present
Alaska Milk Corporation	Board of Director	1998 to present
Phinma Properties	Board of Director	2000 to present
Transnational Diversified, Inc.	Board of Director	1996 to present
University of Asia and the Pacific	University Professor	2001 to 2014
IESE Business School in Barcelona	Visiting Professor	2007 to 2009
Center for Research and Communication	Research Director	2010 to present
Manila Bulletin	Columnist	1985 to present
Preparatory Commission for Constitutional Reforms	Member	1999
Constitutional Commission in 1986	Member	1986

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

Done, this        day of        2021, at Bonifacio Global City.




**BERNARDO M. VILLEGAS**

Affiant

**MAR 26 2021**

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

Doc. No. 231;  
Page No. 48;  
Book No. 99;  
Series of 2021;

  
**ATTY. JOSHUA P. LAPUZ**  
Notary Public for Makati City  
Appointment # 14-06 until 12/31-2021  
PTR No. 8531012 - Jan. 4, 2021, Makati City  
Roll No. 45790, IBP Lifetime #0489717-3-03  
MCLE No. VI-0016565/Jan. 14, 2019  
G/F Fedman Suites, 199 Salcedo Street  
Legaspi Village, Makati City

### CERTIFICATION OF INDEPENDENT DIRECTOR

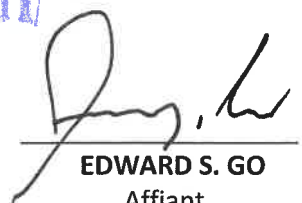
I, **EDWARD S. GO**, Filipino, of legal age, after having been duly sworn to in accordance with law do hereby declare that:

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	Position/Relationship
Hyundai Asia Resources, Inc.	Chairman/Director	16 years
ASA Philippines Foundation	Chairman/Director	15 years
Metro Pacific Investment Corp.	Independent Director	14 years
Beneficial Trust Fund Created of the Philippine Long Distance Telephone Company	Chairman/Independent Director	10 years
TV 5 Network Inc.	Independent Director	10 years
Mediaquest Holdings, Inc.	Independent Director	11 years
Signal TV Inc.	Independent Director	11 years
PLDT Communications and Energy Ventures, Inc. (PCEV)	Independent Director	21 years
Vicsal Investment, Inc.	Independent Director	14 years
AB Capital and Investment Corp.	Director	14 years
Union Galvasteel Corp.	Independent Director	12 years
BTF Holdings, Inc.	Director	8 years

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


Done, this \_\_\_\_\_ day of MAR 26 2021 at Bonifacio Global City.

  
EDWARD S. GO  
Affiant

MAR 26 2021

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_, affiant personally appeared before me and exhibited to me his/her \_\_\_\_\_  
\_\_\_\_\_

Doc. No. 232 ;  
Page No. 98 ;  
Book No. 94 ;  
Series of 2021

  
ATTY. JOSEFA P. LAPUZ  
Notary Public for Makati City  
Appointment # 11-66 until 12/31/2021  
PTR No. 8531012 - Jan. 4, 2021, Makati City  
Roll No. 45796, IBP Lifetime #04397/7-3-03  
MCLE No. VI-0016565/Jan. 14, 2019  
G/F Fedman Suites, 199 Salcedo Street  
Legaspi Village, Makati City



FILIPINO FUND, INC.

**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

**OF**

**FILIPINO FUND, INC.**

Please take notice that the 2021 Annual Stockholders' Meeting ("ASM") of Filipino Fund, Inc. (the "Company"), will be held on May 11, 2021 (Tuesday) at 9:00 in the morning via remote communication under the platform of Zoom Video Communications. The virtual ASM is necessitated by the COVID-19 pandemic situation where physical gatherings are highly discouraged.

The Agenda for the ASM shall be as follows:

1. Calling of meeting to order
2. Certification of notice
3. Determination and declaration of quorum
4. Approval of the minutes of the Annual Stockholders' Meeting held on September 30, 2020
5. Presentation and approval of the Annual Report and Audited Financial Statements for the year ended December 31, 2020
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 2021
8. Election of the Board of Directors
9. Other Business
10. Adjournment

The Minutes of the 2020 ASM is available for examination at the website of the Company at <https://www.filipinofund.com.ph>.

The record date shall be on April 8, 2021 for the purpose of determining the list of stockholders of the Company who are entitled to vote at the 2021 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 6, 2021. Successful registrants will receive an email invitation with a complete guide on how to join the ASM and how to cast votes *in absentia*. For any registration concerns, please contact [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph). Please refer to the Definitive Information Statement on the guidelines on attendance by remote communication and voting *in absentia* which is posted on the website of the Company at <https://www.filipinofund.com.ph>. Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum.

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph) not later than April 30, 2021. The proxies shall be validated on May 6, 2021. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.


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

Pursuant to SEC Notice dated April 20, 2020, the Stockholders may examine the Definitive Information Statement, Management Report, and SEC Form 17A at the Company's website and through the PSE Edge Portal.

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

Mandaue City, Philippines, March 26, 2021.

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 2021 Annual Stockholders' Meeting ("ASM") of the Company, to be held via remote communication on May 11, 2021 (Tuesday) at 9:00 in the morning, for the purpose of acting on the following matters:

	<b>Proposal</b>	<b>Approve</b>	<b>Disapprove</b>	<b>Abstain</b>
I	Approval of the Minutes of the ASM held on September 30, 2020			
II	Approval of the Annual Report and the Audited Financial Statements for CY 2020			
III	Ratification of all acts, proceedings, and resolutions of the Board of Directors, committees, officers and the Fund Manager since the last ASM up to the date of this meeting			
IV	Appointment of SGV & Co. as the External Auditor for CY 2021			

V	<b>Election of Directors</b>	<b>Number of Votes<sup>1</sup></b>
	1. Frank S. Gaisano	
	2. Margaret G. Ang	
	3. Edward S. Go	
	4. Bernardo M. Villegas	
	5. John G. Tan	
	6. Aljim C. Jamandre	
	7. Vincent E. Tomaneng	

\_\_\_\_\_  
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.

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

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

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

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter  
**FILIPINO FUND, INC.**
3. Country of Incorporation  
**Manila, Philippines**
4. SEC Identification Number  
**ASO91-190385**
5. BIR Tax Identification Code  
**002-284-545-000**
6. Address of principal office  
**Units 1911-1912, 19<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street, Bonifacio Global City, Taguig City**
7. Registrant's telephone number  
**(632) 8898-7522**
8. Date, Time and place of the meeting  
**May 11, 2021 (Tuesday), 09:00 am via video conferencing** through the Zoom Video Communications platform; Units 1911-1912, 19<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street, Bonifacio Global City, Taguig City
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
**April 16, 2021**
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	Number of Shares of Common Stock
<b>Common Shares 'A'</b>	<b>50,167,397</b>
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 11, 2021**(Tuesday)  
**Time** : 09:00 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 16, 2021.

### **REVOCABILITY OF PROXY**

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

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

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

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

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

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

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

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

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

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

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

## **PART II. SOLICITATION INFORMATION**

### **PERSONS MAKING THE SOLICITATION**

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

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph) not later than 30 April 2021. The proxies shall be validated on 6 May 2021. The Corporate Secretary's decision shall be final and binding on the shareholders, and those not settled during the proxy validation shall be deemed waived and may no longer be raised.

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

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

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

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

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

All stockholders of record as of April 8, 2021 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 2021.

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	44,074,170	87.8542%

As of 31 March 2021, 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 2021:

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. Edward S. Go	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. 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 and 2020. 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 2021

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

#### CHANGES IN CONTROL

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

#### CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

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

As discussed in the notes to the Company's audited financial statements, a summary of significant related party transactions and outstanding balances as at and for the year ended December 31, 2020 is shown below:

<u>Category</u>	<u>December 31, 2020</u>		<u>Terms and Conditions/Nature</u>
	<u>Amount/ Volume</u>	<u>Outstanding Balances</u>	
<b>Entities under common control</b>			
<b>Vicsal Investment, Inc.</b>			
Various Expenses	9,773	29,258	Various expenses advanced by VII for the Fund
<b>AB Capital &amp; Investment Corporation</b>			
Management and administration fees	1,791,202	768,492	Management fee incurred for management services rendered by ABCIC computed at 1.00% of the average market value of the Fund at the beginning and end of quarter period. The outstanding balance is net of withholding tax.
<b>AB Capital Securities, Inc.</b>			
Commission expense	300,560		–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
Due from broker	–	1,441,653	Receivable from trade of FVPL securities transactions due on trade date
Purchases	94,772,716		–FVTPL trade transactions due on Trade date
Sales	<b>27,723,477</b>		FVTPL trade transactions due on Trade date
<b>AB Capital &amp; Investment Corporation– TID</b>			
Accounts Receivable	–	4,000,001	Receivable from TID for the redemption of UITF investment expected to be settled on January 4, 2021
Investments in UITF	–	6,820,650	Investments managed by ABCIC – TID

<b>Wealthbank</b>		
Short-term placements	6,144,711	Short-term placements with Wealthbank with term ranging from 14 days to 32 days
Interest Income	226,556	Interest income earned from short-term placements ranging from 1.90% to 4.00%
<b>Vicsal Foundation, Inc.</b>		
Donation	200,000	- Donation to Vicsal Foundation, Inc.

## ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Seven (7) directors are to be elected at the meeting for a full one (1)-year term expiring in 2022. The nominees to the Board of Directors are as follows: 1. Dr. Bernardo M. Villegas, 2. Mr. Frank S. Gaisano, 3. Ms. Margaret G. Ang, 4. Mr. Edward S. Go, 5. Mr. John G. Tan, 6. Mr. Aljim C. Jamandre, and 7. Atty. Vincent E. Tomaneng. The nominees are also the incumbent directors. The independent directors were nominated by Ms. Heidi R. Cabales, Mr. Rodolfo C. Fajardo and Mr. Amado Go, who are not related to the nominees. The following are information on the incumbent directors:

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

Dr. Villegas, PhD, 82 years old, Filipino, has served as a director of the Fund since 2009 up to the present, but served as Chairman/Director from 1995-2007. He holds a Bachelor of Arts Degree and a Bachelor of Science Degree from De LaSalle University (summa cum laude), and an M.A. and Ph.D. in Economics from Harvard University. He is also a Certified Public Accountant. He worked as a Professor for Economics in the University of Asia and the Pacific and as a Visiting Professor for IESE Business School in Barcelona, Spain. He was also the Research Director of the Center for Research and Communication. Currently, he is a columnist for the Manila Bulletin and a member on the Boards of Alaska Milk Corporation, PHINMA Properties and Transnational Diversified, Inc. He also served as the Dean of the School of Economics from 1989 to 2004 and in 2001, he was the Acting Vice President for Academic Affairs of the University of Asia and the Pacific. Up to the present, he remains to be a professor in said University. He serves in boards of non-profit foundations such as the UA&P Foundation, the Dual Tech Foundation and the Philippine Foundation for Cultural and Educational Development, Inc. In 1999, he served as a member of the Preparatory Commission for Constitutional Reforms. He also became a member of the Constitutional Commission in 1986. He is the author of numerous books in the fields of economic theory, economic development, business economics, strategic management, social ethics and values education.

### ***MARGARET G. ANG – PRESIDENT***

Ms. Ang, 69 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, 63 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; Chairman 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.

**EDWARD S.GO – INDEPENDENT DIRECTOR**

Mr. Go, 82 yrs. old, Filipino, has served as a director of the Fund since 2004 up to the present. He holds a Bachelor of Arts degree from Ateneo de Manila University (magna cum laude). He is also Chairman of the Board of Directors of Hyundai Asia Resources, Inc. and Chairman of the Board of Trustees of ASA Philippines Foundation; Independent Director of various corporations including among others: Metro Pacific Investment Corp., PLDT Communications & Energy Ventures, Inc. (PCEV), Union Galvasteel Corporation,, Vicsal Investment, Inc., AB Capital & Investment Corporation, Mediaquest Holdings, Inc.,TV5 Network, Inc., Cignal TV, Inc., BusinessWorld Publishing Corp., and PhilStar Daily Inc. and is Chairman and Trustee of the PLDT Beneficial Trust Fund (BTF). He also served as a trustee of the board of trustees of the Ateneo de Manila University for sixteen years until 2014, and as Chair of said board during the last four years of his tenure.

**JOHN G.TAN – INDEPENDENTDIRECTOR**

Mr. Tan, 52 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. Currently, he serves as Chairman of Philippine General Minerals Project Inc. and a fellow in the Institute of Corporate Directors. He was a member of the Board of Philippine National Bank from 2009 to February of 2013, Tanduary Distillers, Inc. from 2015 to 2018, PAL Holdings, Director of 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, 62 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 AB Capital & Investment Corporation from 2014, and Director of Pacific Mall Corporation from 2010; Director of Hyundai Alabang, Inc. from 2012 and Hyundai Southern Mindanao, Inc. from 2014; and a Trustee of Vicsal Foundation, Incorporated from 2006.

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

Atty. Tomaneng, 53 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.

**MARY JENNIFER V. MUSNI – TREASURER**

Ms. Musni, 53 yrs. old, Filipino, was elected as the Treasurer of Fund on May 9, 2017. She holds a B.S. Accountancy Degree (Magna Cum Laude) from the University of San Carlos, Masters of Management from University of the Philippines, and is a Certified Public Accountant. Currently, Group Treasurer of Vicsal Development Corporation since 2011 and a Trustee of Vicsal Foundation, Incorporated since 2016. Prior to joining Vicsal Development Corporation, she worked with Sycip Gorres Velayo & Co., CPAs (1988 to 1992) and in the Business Development Group of Far East Banking and Trust Corporation in 1988.

The three (3) Independent Directors (i.e., Messrs. Villegas, Go, and Tan) were nominated by two (2) shareholders of the Company, namely: Ms. Heidi R. Cabales, Mr. Rodolfo C. Fajardo 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. Only after this process does the Committee formalizes the nomination to the Board of Directors, particularly for the Independent Directors.

The following Directors comprise the Nomination Committee for the fiscal year 2020-2021:

Frank S. Gaisano – Chairman  
 Margaret G. Ang – Member  
 Edward S. Go (Independent Director) – Member

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

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

- The incorporators of the FFI are Mr. Fernando Zobel de Ayala, Mr. Luciano E. Salazar, Mr. Felipe A. Eñage, Mr. Mauro B. Blardony, Jr. and Mr. Eduardo U. Miranda.
- Messrs. Bernardo M. Villegas, 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 of commodities law, for the past five (5) years up to the latest date.
- FFI has no material pending legal proceedings to which it is a party or of which any of its property is the subject. FFI has no subsidiaries. FFI is not aware of any such proceedings known to be contemplated by government authorities and any other entity.

**SIGNIFICANT EMPLOYEES**

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

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

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

Annual Compensation

Name and Principal Position	Year	Compensation (Php) (per diem)	Bonus (Php)	Other Annual Compensation
All Directors and Officers of FFI	2020	833,333	None	None
	2019	777,778	None	None
	2018	722,222	None	None

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

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

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

**ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS**

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

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

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

The following Directors comprise the Audit Committee for the fiscal year 2020-2021:

Edward S. Go (Independent Director)	-	Chairman
Aljim C. Jamandre	-	Member
Bernardo M. Villegas (Independent Director)	-	Member

**EXTERNAL AUDIT FEES**

Audit fees for fiscal years 2020 amounted to P302,696, showing a decrease of P31,858 from P334,554 paid in audit fees in 2019, exclusive of VAT and out-of-pocket expenses. The Company did not avail of other services from the external auditor for 2020 and 2019.

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, 2020;
2. Minutes of the 2020 Annual Stockholders' Meeting with the following items:
  - a. Approval of the Minutes of the Annual Stockholders' Meeting held on May 14, 2019;
  - b. Approval of annual report and audited financial statements for 2019
  - c. Ratification of the acts of the Board of Directors, Fund Manager and Officers 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.

##### **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 2021 Annual Stockholders' Meeting ("ASM") of Filipino Fund, Inc. (the "Company"), will be held on May 11, 2021 (Tuesday) at 9:00 in the morning via remote communication using the Zoom Video Communications platform. The virtual ASM is necessitated by the COVID-19 pandemic situation where physical gatherings are highly discouraged.

The record date shall be on April 8, 2021 for the purpose of determining the list of stockholders of the Company who are entitled to vote at the 2021 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 6, 2021. Successful registrants will receive an e-mail invitation with a complete guide on how to join the ASM by remote and cast votes *in absentia*. For any registration concerns, please send an e-mail to [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph). Only stockholders who have successfully registered within the prescribed period, together with the stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum.

Proxies, in the form provided by the Company, must be scanned and emailed to the Company's Corporate Secretary at [corporatesecretary@filipinofund.com.ph](mailto:corporatesecretary@filipinofund.com.ph) not later than April 30, 2021. The proxies shall be validated on May 6, 2021. 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 2021 ASM must pre-register at <https://www.filipinofund.com.ph/news/registration> on or before May 6, 2021 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 6, 2021.

### **Method by which Votes will be Counted**

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

**ASM Livestream**

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

**Others**

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

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

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

**SEC FORM 17-A**

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

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

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Mandaue on April 13, 2021

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



## **MANAGEMENT REPORT**

for the  
2021 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 2020**

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

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

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

###### **Year 2019**

Total assets of the Fund increased to Php213.80 million as of December 31, 2019 from Php213.70 million of the previous year, an increase of 0.05% or P0.10 million. Cash amounted to P21.39 million, a significant increase from December 31, 2018 by P12.69 million or 146.01% due mainly to the Fund's partial redemption of its investment in a Unit Investment Trust Fund (UITF). On the other hand, financial assets at fair value through profit and loss were valued at P174.56 million, a decrease of P30.40 million or 14.83% from P204.96 million as of December 31, 2018, primarily due to UITF fund withdrawals and the decline in market prices of various listed equities. Moreover, total receivables amounted to P17.85 million, an increase of P17.81 million or 391.20% from P0.04 million of the previous year, primarily attributed to the liquidation of certain equity positions. Deducting liabilities of Php1.53 million, net assets were valued at Php212.27 million, an increase of Php0.39 million compared to the P211.88 million posted over the same period last year. This translated to a net asset value per share (NAVPS) of Php4.2313 and Php4.2235 in 2019 and 2018, respectively.

The Fund incurred gross investment income amounting to P6.69 million, a significant turn-around from the gross investment loss of Php17.75 million as of end 2018. Total net trading gain of Php4.30 million were derived from the financial assets of the Fund. Dividend income earned from equity investments amounted to Php2.14 million

while interest income from time deposits was at Php0.25 million. Deducting the total operating expenses incurred during the year amounting to Php6.30 million, the Fund was able to record a net investment income of Php0.39 million for the year ended 2019.

As of December 31, 2019, investment in Unit Investment Trust Fund accounts represented 26.97% of total assets, with the balance accounted for by investment in equity at 54.68% and liquid assets at 18.35% of total company resources.

### **Year 2018**

Total assets declined by 11.38% or P27.45 million to P213.70 million from the previous year's P241.15 million largely due to the decline in market value of financial assets totaling P23.39 million. Cash and receivables by the end of the year was reduced to P4.06 million essentially due to the cash dividend payment to shareholders on May 4, 2018 amounting to P4.01 million. Total liabilities dropped to P1.82 million from P2.22 million in 2017 or a total decrease of P0.40 million or 18.11%. Total net assets amounted to P211.88 million as of December 31, 2018 from P238.94 million of the same period of last year, down by P27.05 million or 11.32%. This resulted to net asset value per share of P4.2235 as compared to P4.7628 in 2017.

The Fund reported gross investment loss of P17.75 million, down by 164.10% or P45.45 million, as compared to a gross income of P27.69 million in 2017. The decline in income is attributed to net unrealized trading loss amounting to P22.65 million while net realized gain contributed P1.97 million; whereas, the Fund recognized unrealized gain of P25.06 million and a realized loss of P0.62 million in 2017. Dividend income earned during the period amounted to P2.91 million from P3.23 million in 2017, a slight decline of P0.31 million or 9.73%. Also, interest income from deposit declined to P0.02 million from P0.03 million in 2017. Operating expenses increased by 3.00% or P0.15 million to P5.28 million during the year, from previous year's P5.13 million. The Fund recorded total net investment loss of P23.04 million or a loss per share of P0.4593.

As of December 31, 2018, Investment in listed equities, Unit Investment and Trust Fund and liquid assets accounts represents 58.47%, 37.44% and 4.09% of the total assets, respectively.

## **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 P11.21 million in 2020, reversing the P0.39 million net income recorded in 2019. This was primarily due to the significant net trading loss recorded last year arising from the mark to market loss of equity securities. For 2021, we are taking a more cautious stance as the COVID-19 cases continue to increase. Nevertheless, we are expecting a better outlook in the second half of the year. Our optimism lies on the recent approval of the Corporate Recovery and Tax Incentives for Enterprise (CREATE) law which will immediately cut corporate income tax from 30% to 25%, boosting corporate earnings and consequently enhance company valuations. Moreover, the massive roll-out of COVID-19 vaccines by the third quarter is also expected to have a positive impact on the capital markets as this will speed up the economic reopening. Tactically, we intend to maintain a healthy level of liquidity and cash which will allow the fund to:

- mitigate risk from increasing volatility (growth slowdown and regulatory) and
- allow us the flexibility to take advantage of favorable trading opportunities when exaggerated sell-offs happen.

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

Key Performance Indicators:

- a. NAV Growth – Total Net Asset Value (“NAV”) of FFI in 2020 dropped by 5.28%, a decrease of P11.21 million from 2019. In 2019, NAV grew by 0.18%%, equivalent to an increase of P0.39 million from 2018.

- b. Earnings or (Loss) per Share – Earnings or (Loss) per share is computed as Net Investment Income or (Loss) divided by the weighted average number of shares outstanding. As of the end of 2020, the Company registered a net loss of P11.21 million compared to the P0.39 million net income earned in 2019. This translates to a negative earnings per share of P0.22 in 2020 as against earnings per share of Php0.01 the prior year.
- c. Portfolio Quality – The Funds' portfolio should, at all times, adhere to the investment parameters as indicated in the Funds' prospectus. The Fund invests in a mix of fixed income investments, unit investments trust funds and local equities.
- d. Expense Ratio – expense ratio is computed as Operating Expense divided by Net Asset Value (NAV). As of the end of 2020, the Fund's expense ratio went down to 2.57% from 2.95% for the same period in 2019.
- e. Performance versus competition – In 2020, FFI ranked 3<sup>rd</sup> among other equity mutual funds with a full year return of negative 5.28%. In 2019, FFI ranked 14<sup>th</sup> with a full year return of positive 0.23%.
- f. Market Price (MP) to Net Asset Value (NAV) - Premium of MP to NAV as of end of 2020 is at 74.66%, higher than the 65.00% recorded in 2019.

**If Material:**

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

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

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

Not Applicable

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

Not Applicable

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

None

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

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

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

None

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

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



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

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

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

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

FFI has no subsidiaries.

**MARKET INFORMATION****(a) Identification of the Principal Market or Markets where the Registrant's Common Equity is Traded****(1) State the name of the Exchange**

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

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

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

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

<b>Year 2021</b>	<b>High</b>	<b>Low</b>	<b>Quarter-end-Close</b>
First Quarter	7.51	7.50	7.50
<b>Year 2020</b>	<b>High</b>	<b>Low</b>	<b>Quarter-end-Close</b>
First Quarter	<b>6.11</b>	<b>6.11</b>	<b>6.11</b>
Second Quarter	<b>6.09</b>	<b>6.09</b>	<b>6.09</b>
Third Quarter	<b>7.35</b>	<b>7.33</b>	<b>7.33</b>
Fourth Quarter	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>
<b>Year 2019</b>	<b>High</b>	<b>Low</b>	<b>Quarter-end-Close</b>
First Quarter	8.95	7.84	7.84
Second Quarter	7.71	7.71	7.71
Third Quarter	7.72	7.71	7.71
Fourth Quarter	7.02	7.00	7.00
<b>Year 2018</b>			
First Quarter	9.32	9.32	9.32

Second Quarter	8.68	8.65	8.68
Third Quarter	8.60	8.59	8.59
Fourth Quarter	7.32	7.32	7.32

## 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 5,387 stockholders owning at least one (1) share as of March 31, 2021.

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

The list provided below is as of March 31, 2021:

Title of Class	Shareholder's Name	Amount of Ownership and Nature of Ownership		Percent of Class
Common A	PCD NOMINEE CORPORATION(FILIPINO)	44,074,170	(b)	87.8542%
Common A	PCD NOMINEE CORPORATION(NON-FILIPINO)	217,734	(b)	0.4340%
Common A	ALLEN C. ROXAS	94,667	(b)	0.1887%
Common A	ALBERT G. ONG	90,250	(b)	0.1799%
Common A	REYMONT INC.	34,711	(b)	0.0692%
Common A	SEGUNDO SEANGIO AND/OR VIRGINIA SEANGIO	32,818	(b)	0.0654%
Common A	KA SIONG TIU	31,555	(b)	0.0629%
Common A	VICTOR, HERNANDEZ BOCALING	31,555	(b)	0.0629%
Common A	EMMANUEL HERNANDEZ BOCALING	25,244	(b)	0.0503%
Common A	ROMEO TAN PE	25,244	(b)	0.0503%
Common A	INTERNATIONAL POLYMER CORP.	22,089	(b)	0.0440%
Common A	ANTONIO SUNTAY TANJANGCO	20,826	(b)	0.0415%
Common A	WILLINGTON W. CHUA	20,524	(b)	0.0409%
Common A	NORBERTO VALDIVIA SAUCO	20,195	(b)	0.0402%
Common A	ALEXANDER JO TANCHAN	19,879	(b)	0.0396%
Common A	PATRICK YAP TONG	18,933	(b)	0.0377%
Common A	MA. GEORGINA VERA PEREZ	18,933	(b)	0.0377%
Common A	MELY NGO LIM	18,933	(b)	0.0377%
Common A	JAN CED	18,933	(b)	0.0377%
Common A	MARCIANO S. BACALLA JR	16,409	(b)	0.0327%

## 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 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 2020 are attached herewith.

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

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

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

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

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

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

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

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

FFI has also adopted the following policies:

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

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

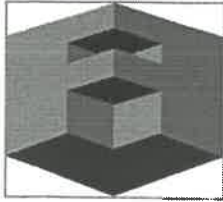
Since FFI has no employees, its Fund Manager, ABCIC, through its Compliance Officer, continually monitors the actions of, and ensures the compliance by, ABCIC employees responsible for the management of FFI.

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

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

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

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



*Filipino Fund, Inc*

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

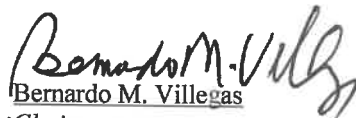
The management of Filipino Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

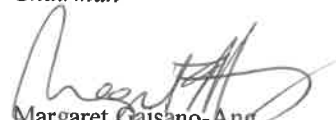
In preparing the financial statements, management is responsible for the assessing the Fund's ability to continue as a going concern, disclosing, as applicable manners related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to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

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

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

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

  
Bernardo M. Villegas  
Chairman

  
Margaret Gaisano-Ang  
President

  
Mary Jennifer V. Musni  
Treasurer

Signed this day of 02 March 2021

71

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of MAR 29 2021 affiants exhibiting to me their identifications as follows:

Name	ID NO.	Date of Issue	Place of Issue
Bernardo M. Villegas	Passport No. EC 7789082	May 22, 2016	DFA Manila
Margaret Gaisano-Ang	Senior Citizen No.65493	March 30, 2012	Cebu City
Mary Jennifer V. Musni	DL OR#1133515504	Valid until March 1, 2022	Cebu City

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. 2021

~~ATTY. GERVACIO B. ORTIZ JR.  
Notary Public, City of Makati  
Extended Until June 30, 2021  
Per B.M. No. 3795  
IBP No. 05725-Lifetime Member  
MCLE Compliance No. VI-0024312  
Appointment No. M 183-(2019-2020)  
PTR No. 8531011 Jan. 4, 2021  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio del Pilar, Makati City~~

# COVER SHEET

for

## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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

### COMPANY NAME

F	I	L	I	P	I	N	O	F	U	N	D	,	I	N	C	.	(	A	C	I	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	Department requiring the report	Secondary License Type, If Applicable
A A F S	C F D	N / A

### 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)
5,394	Every 2 <sup>nd</sup> 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
Mr. Gerard Martin F. Abad	gfabad@abcapital.com.ph	8898-7528	N/A

### CONTACT PERSON'S ADDRESS

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

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

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



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Filipino Fund, Inc. (the Fund), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020 and 2019, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

#### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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





## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

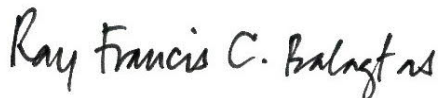


### **Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 21 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Fund. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

SEC Accreditation No. 1510-AR-1 (Group A),

September 18, 2018, valid until September 17, 2021

Tax Identification No. 216-950-288

BIR Accreditation No. 08-001998-107-2020,

November 27, 2020, valid until November 26, 2023

PTR No. 8534218, January 4, 2021, Makati City

March 2, 2021



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

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and cash equivalents (Note 6)	<b>₱16,252,060</b>	₱21,385,709
Financial assets at fair value through profit or loss (Note 7)	<b>181,237,745</b>	174,561,064
Receivables (Note 8)	<b>5,613,960</b>	17,854,105
	<b>₱203,103,765</b>	₱213,800,878
<b>LIABILITIES</b>		
Accounts payable and accrued expenses (Note 9)	<b>₱2,048,392</b>	₱1,530,497
<b>EQUITY (Note 10)</b>		
Capital stock	<b>105,272,397</b>	105,272,397
Additional paid-in capital	<b>94,361,124</b>	94,361,124
Retained earnings	<b>50,620,177</b>	61,835,185
Treasury stock	<b>(49,198,325)</b>	(49,198,325)
	<b>201,055,373</b>	212,270,381
	<b>₱203,103,765</b>	₱213,800,878
<b>Net Asset Value Per Share (Note 10)</b>	<b>₱4.0077</b>	₱4.2312

*See accompanying Notes to Financial Statements.*



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

	Years Ended December 31		
	2020	2019	2018
<b>INVESTMENT INCOME (LOSS)</b>			
Trading gains (losses) - net (Note 7)	<b>(₱9,322,549)</b>	₱4,300,952	(₱20,680,367)
Dividend income (Note 7)	<b>2,975,514</b>	2,140,368	2,911,645
Interest income (Note 6)	<b>378,630</b>	250,655	16,479
	<b>(5,968,405)</b>	6,691,975	(17,752,243)
<b>OPERATING EXPENSES</b>			
Management and administration fees (Notes 17 and 18)	<b>1,791,202</b>	1,686,814	1,834,539
Professional and legal fees (Note 13)	<b>1,005,807</b>	1,162,646	1,070,488
Directors' fees (Note 18)	<b>833,333</b>	777,778	722,222
Transaction fees (Note 12)	<b>490,952</b>	851,303	212,813
Advertising and publicity	<b>325,749</b>	257,214	252,820
Membership fee	<b>261,000</b>	251,000	256,000
Donation (Note 18)	<b>200,000</b>	200,000	200,000
Taxes and licenses	<b>35,709</b>	16,330	103,897
Postage and courier	<b>1,338</b>	307,536	77,679
Meetings	<b>–</b>	96,250	93,254
Miscellaneous (Notes 14 and 18)	<b>225,787</b>	646,964	460,424
	<b>5,170,877</b>	6,253,835	5,284,136
<b>INVESTMENT INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(11,139,282)</b>	438,140	(23,036,379)
<b>PROVISION FOR INCOME TAX</b> (Note 16)	<b>75,726</b>	50,131	3,296
<b>NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)*</b>	<b>(₱11,215,008)</b>	₱388,009	(₱23,039,675)
<b>Basic and Diluted Earnings (Losses)</b>	<b>(₱0.2236)</b>	₱0.0077	(₱0.4593)
<b>Per Share</b> (Note 11)			

\*There were no other comprehensive income (loss) items in 2020, 2019 and 2018.  
See accompanying Notes to Financial Statements.



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

	<b>Capital Stock</b> (Note 10)	<b>Additional Paid-in Capital</b> (Note 10)	<b>Retained Earnings</b> (Note 10)	<b>Treasury Stock</b> (Note 10)	<b>Total</b>
<b>Balances as at</b>					
<b>January 1, 2020</b>	<b>₱105,272,397</b>	<b>₱94,361,124</b>	<b>₱61,835,185</b>	<b>(₱49,198,325)</b>	<b>₱212,270,381</b>
Net loss/total comprehensive loss for the year	–	–	<b>(11,215,008)</b>	–	<b>(11,215,008)</b>
<b>Balances as at</b>					
<b>December 31, 2020</b>	<b>₱105,272,397</b>	<b>₱94,361,124</b>	<b>₱50,620,177</b>	<b>(₱49,198,325)</b>	<b>₱201,055,373</b>
<b>Balances as at</b>					
January 1, 2019	₱105,272,397	₱94,361,124	₱61,447,176	(₱49,198,325)	₱211,882,372
Net income/total comprehensive income for the year	–	–	388,009	–	388,009
<b>Balances as at</b>					
<b>December 31, 2019</b>	<b>₱105,272,397</b>	<b>₱94,361,124</b>	<b>₱61,835,185</b>	<b>(₱49,198,325)</b>	<b>₱212,270,381</b>
<b>Balances as at</b>					
January 1, 2018	₱105,272,397	₱94,361,124	₱88,500,243	(₱49,198,325)	₱238,935,439
Net loss/total comprehensive loss for the year	–	–	(23,039,675)	–	(23,039,675)
Cash dividends paid (Note 10)	–	–	(4,013,392)	–	(4,013,392)
<b>Balances as at</b>					
<b>December 31, 2018</b>	<b>₱105,272,397</b>	<b>₱94,361,124</b>	<b>₱61,447,176</b>	<b>(₱49,198,325)</b>	<b>₱211,882,372</b>

*See accompanying Notes to Financial Statements.*



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

	<b>Years Ended December 31</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Investment income (loss) before income tax	<b>(₱11,139,282)</b>	₱438,140	(₱23,036,379)
Adjustments for:			
Unrealized trading loss (Note 7)	<b>11,184,164</b>	6,440,293	22,645,941
Interest income (Note 6)	<b>(378,630)</b>	(250,655)	(16,479)
Dividend income (Note 7)	<b>(2,975,514)</b>	(2,140,368)	(2,911,645)
Decrease (increase) in:			
Financial assets at fair value through profit or loss	<b>(17,860,845)</b>	23,959,099	741,769
Receivables	<b>12,284,241</b>	(17,725,895)	576,063
Increase (decrease) in accounts payable and accrued expenses	<b>517,895</b>	(285,992)	(401,798)
Net cash generated from (used in) operations	<b>(8,367,971)</b>	10,434,622	(2,402,528)
Interest received	<b>378,550</b>	244,509	16,479
Dividend received	<b>2,931,498</b>	2,063,827	2,898,360
Income tax paid (Note 16)	<b>(75,726)</b>	(50,131)	(3,296)
Net cash provided by (used in) operating activities	<b>(5,133,649)</b>	12,692,827	509,015
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Cash dividends paid (Note 10)	-	-	(4,013,392)
<b>NET INCREASE (DECREASE) IN CASH IN BANK</b>	<b>(5,133,649)</b>	12,692,827	(3,504,377)
<b>CASH IN BANK AT BEGINNING OF YEAR</b>	<b>21,385,709</b>	8,692,882	12,197,259
<b>CASH IN BANK AT END OF YEAR (Note 6)</b>	<b>₱16,252,060</b>	₱21,385,709	₱8,692,882

*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, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street, Bonifacio Global City, Taguig City.

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

#### *Coronavirus outbreak*

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, unless earlier lifted or extended. As of February 19, 2021, different parts of the country remain to be under varying degree of community quarantine.

At this stage, known impact of COVID-19 to the Fund includes the decrease in net asset value due to fair valuation losses on investments incurred in 2020.

---

### **2. Summary of Significant Accounting Policies**

#### Basis of Preparation

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

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

#### Statement of Compliance

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





### Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Fund has adopted the following new accounting pronouncements beginning January 1, 2020. Adoption of these pronouncements did not have any significant impact on the Fund's financial position or performance.

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*
- Amendments to Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
- Conceptual Framework for Financial Reporting issued on March 29, 2018
- Amendments to PFRS 16, *COVID-19-related Rent Concessions*

### **Significant Accounting Policies**

#### Cash and Cash Equivalents

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

#### Fair Value Measurement

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

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

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

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities



- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

#### Financial Instruments - Initial Recognition and Subsequent Measurement

##### *Date of recognition*

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

##### *Initial recognition of financial instruments*

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

##### *'Day 1' difference*

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

##### *Classification and Subsequent Measurement of financial instruments*

###### Classification of financial assets

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

###### *Contractual cash flows characteristics test*

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



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

*Business model assessment*

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

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

As at December 31, 2020 and 2019, based on the results of the contractual cash flows characteristics test and business model assessment, the Fund classifies its cash and cash equivalents, dividends receivable, interest receivable, and due from broker as financial assets at amortized cost and its financial assets held for trading as financial assets at FVTPL.

As of December 31, 2020 and 2019, the Fund has no financial assets at FVOCI.

*Financial assets at amortized cost*

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

*Financial assets at FVTPL*

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

*Reclassifications of financial instruments*

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



#### *Financial liabilities at amortized cost*

Issued financial instruments or their components, which are not designated as at FVTPL, are classified as financial liabilities at amortized cost. After initial measurement, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. This policy applies to accounts payable and other accrued expenses of the Fund. As of December 31, 2020 and 2019, the Fund has no financial liabilities at FVTPL.

#### Derecognition of Financial Assets and Liabilities

##### *Financial asset*

A financial asset is derecognized when:

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

##### *Financial liability*

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

#### Impairment of Financial Assets

##### *Expected credit loss*

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

##### *Staging assessment*

For non-credit-impaired financial instruments:

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

For credit-impaired financial instruments:

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



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

*Write off*

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

*Trading gains (losses)*

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

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

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

*Interest income*

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

*Dividend income*

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

Expense Recognition

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

Management and Administration Fees

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

Income Taxes

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

*Current taxes*

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



#### *Deferred tax*

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

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

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

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

#### Equity

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

#### Retained Earnings

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

#### Treasury Shares

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

#### Net Asset Value (NAV) Per Share

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

#### Earnings Per Share (EPS)

Basic EPS is calculated by dividing net investment income by the weighted average number of shares outstanding during the period after giving retroactive effect to stock dividends declared and stock rights exercised during the period, if any. The Fund does not have dilutive potential common shares as of December 31, 2020, 2019 and 2018.

#### Dividend Distribution

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



### Segment Reporting

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

### Provisions

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

### Contingencies

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

### Events after the Reporting Date

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

### **Standards Issued but not yet Effective**

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

#### *Effective beginning on or after January 1, 2021*

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

#### *Effective beginning on or after January 1, 2022*

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

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- PFRS 17, *Insurance Contracts*

#### *Deferred effectivity*

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



---

### 3. Significant Accounting Estimates and Judgments

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

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Judgments

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

#### Estimates

##### *Recognition of deferred tax assets*

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

Historically, the Fund has been in a tax loss position. Management believes that the Fund will continue to be in a tax loss position as the items comprising the Fund's investment income are either tax-exempt or subject to final tax. As of December 31, 2020 and 2019, the Fund did not recognize deferred tax asset amounting to ₱4.61 million and ₱4.64 million, respectively, on NOLCO as management believes that the benefit from such asset will not be realized prior to its expiration (see Note 16).

---

### 4. Financial Risk Management Objectives and Policies

#### Governance Framework

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

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

#### Risk Management Framework

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

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





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

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

#### Regulatory Framework

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

#### Financial Risk

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

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

#### Credit Risk

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

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

The carrying values of the Fund's financial assets, as reflected in the statements of financial position and related notes, represent the financial assets' maximum exposure to credit risk. As of December 31 2020 and 2019, 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, 2020 and 2019, the Fund does not hold collateral on its financial assets.

#### *Concentration of credit risk*

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

	<b>2020</b>		
	<b>Cash and cash equivalents</b>	<b>Receivables</b>	<b>Total</b>
Corporate:			
Financial institutions	<b>₱16,252,060</b>	<b>₱4,027,228</b>	<b>₱20,279,288</b>
Services	–	<b>1,445,153</b>	<b>1,445,153</b>
Holding firms	–	<b>76,196</b>	<b>76,196</b>
Property	–	<b>42,983</b>	<b>42,983</b>
Industrial	–	<b>22,400</b>	<b>22,400</b>
<b>Total</b>	<b>₱16,252,060</b>	<b>₱5,613,960</b>	<b>₱21,866,020</b>



	2019		
	Cash and cash equivalents	Receivables	Total
Corporate:			
Financial institutions	₱21,385,709	₱45,440	₱21,431,149
Services		17,755,095	17,755,095
Holding firms	–	53,570	53,570
<b>Total</b>	<b>₱21,385,709</b>	<b>₱17,854,105</b>	<b>₱39,239,814</b>

As of December 31, 2020 and 2019, the Fund has no impaired receivables.

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

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

#### Liquidity Risk

Liquidity or funding risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result either from the inability to sell financial assets quickly at their fair values; the counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

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

#### Market Risk

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

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

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

#### Equity price risk

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



The following tables set forth the impact of changes in the PSEi on the Fund's trading gains or losses on its quoted equity securities as of December 31, 2020 and 2019.

	2020	
<b>Changes in PSEi</b>	<b>6.45%</b>	<b>(6.45%)</b>
Change in equity under:		
Holding firms	₱3,868,148	(₱3,868,148)
Property	2,484,443	(2,484,443)
Financials	1,876,491	(1,876,491)
Services	1,425,308	(1,425,308)
Industrial	1,063,060	(1,063,060)
Mining and oil	479,649	(479,649)
<b>Total</b>	<b>₱11,197,099</b>	<b>(₱11,197,099)</b>
<b>As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL</b>	<b>(101.47%)</b>	<b>101.47%</b>
	2019	
<b>Changes in PSEi</b>	<b>8.12%</b>	<b>(8.12%)</b>
Change in equity under:		
Holding firms	₱3,257,750	(₱3,257,750)
Financials	1,913,191	(1,913,191)
Property	932,689	(932,689)
Industrial	719,924	(719,924)
Mining and oil	838,853	(838,853)
Services	853,078	(853,078)
<b>Total</b>	<b>₱8,515,485</b>	<b>(₱8,515,485)</b>
<b>As a percentage of the Fund's unrealized trading gains (losses) in equity securities at FVTPL</b>	<b>(101.79%)</b>	<b>101.79%</b>

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

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

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

	Changes in price quotation (in basis points)			
	+ 100	-100	+ 50	- 50
Change in equity				
<b>2020</b>	<b>₱68,206</b>	<b>(₱68,206)</b>	<b>₱34,103</b>	<b>(₱34,103)</b>
2019	576,516	(576,516)	288,258	(288,258)



## 5. Fair Value of Financial Assets and Liabilities

As of December 31, 2020 and 2019, all of the financial assets and liabilities of the Fund have carrying amounts which approximate their fair values.

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

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

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

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

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

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

2020					
	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>					
Financial assets at FVTPL					
Quoted equity securities	P174,417,095	P174,417,095	P-	P-	P174,417,095
Investments in UITF	6,820,650	-	6,820,650	-	6,820,650
	<b>P181,237,745</b>	<b>P174,417,095</b>	<b>P6,820,650</b>	<b>P-</b>	<b>P181,237,745</b>
2019					
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	P116,909,441	P116,909,441	P-	P-	P116,909,441
Investments in UITF	57,651,623	-	57,651,623	-	57,651,623
	<b>P174,561,064</b>	<b>P116,909,441</b>	<b>P57,651,623</b>	<b>P-</b>	<b>P174,561,064</b>

There were no transfers between fair value hierarchy levels in 2020 and 2019.



## 6. Cash and Cash Equivalents

This account consists of:

	2020	2019
Cash in Bank	<b>₱10,107,349</b>	₱11,328,160
Short Term Placements	<b>6,144,711</b>	10,057,549
	<b>₱16,252,060</b>	₱21,385,709

Cash in bank earns interest at the prevailing bank deposit rates. Short term placements are made for varying periods of up to less than two months depending on the immediate cash requirements of the Fund and earn interest ranging from 0.625% to 4.00% in 2020 and 2.00% to 5.80% in 2019.

Interest income earned on cash and cash equivalents amounted to ₱0.38 million, ₱0.25 million and ₱0.02 million in 2020, 2019 and 2018, respectively.

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

This account consists of:

	2020	2019
Quoted equity securities	<b>₱174,417,095</b>	₱116,909,441
Investments in UITF (Note 19)	<b>6,820,650</b>	57,651,623
	<b>₱181,237,745</b>	₱174,561,064

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:

	2020		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	<b>₱3,791,218</b>	<b>₱1,698,645</b>	<b>₱1,330,787</b>
Outstanding units	<b>3,352,547</b>	<b>583,159</b>	<b>1,250,000</b>
NAV per share	<b>₱1.130847</b>	<b>₱2.912833</b>	<b>₱1.064630</b>
	2019		
	Short-term fund	Equity fund	Balanced fund
NAV attributable to the Fund's investment	₱54,426,323	₱1,878,653	₱1,346,647
Outstanding units	48,721,913	583,159	1,250,000
NAV per share	₱1.1171	₱3.2215	₱1.0773



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

Breakdown of trading gains (losses) - net follows:

	2020	2019	2018
Realized	<b>₱1,861,615</b>	₱10,741,245	₱1,965,574
Unrealized	<b>(11,184,164)</b>	(6,440,293)	(22,645,941)
	<b>(₱9,322,549)</b>	₱4,300,952	(₱20,680,367)

Dividend income earned from quoted equity securities under financial assets at FVTPL amounted to ₱2.98 million, ₱2.14 million and ₱2.91 million in 2020, 2019 and 2018, respectively.

## 8. Receivables

This account consists of:

	2020	2019
Accounts receivable	<b>₱4,000,001</b>	₱-
Due from broker (Note 18)	<b>1,441,653</b>	17,725,895
Dividends receivable	<b>166,079</b>	122,064
Interest receivable	<b>6,227</b>	6,146
	<b>₱5,613,960</b>	₱17,854,105

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

Due from broker pertains to receivable from trade of FVTPL securities transactions on December 29, 2020 which is expected to be settled on Trade Date +3 while interest receivable include the interest earned from short term placements.

## 9. Accounts Payable and Accrued Expenses

This account consists of:

	2020	2019
<b>Financial Liabilities</b>		
Accrued expenses (Notes 17 and 18)	<b>₱1,190,296</b>	₱704,701
Other liabilities	<b>797,325</b>	772,325
	<b>1,987,621</b>	1,477,026
<b>Non-financial Liabilities</b>		
Withholding tax payable	<b>27,288</b>	19,989
Other liabilities	<b>33,483</b>	33,482
	<b>60,771</b>	53,471
	<b>₱2,048,392</b>	₱1,530,497



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

---

## 10. Equity

The Fund's capital stock consists of:

	2020	2019
Capital stock - ₱1 par value		
Authorized - 184,234,038 common shares in 2020 and 2019		
Issued and fully paid-105,272,397 shares, at par	₱105,272,397	₱105,272,397
Additional paid-in capital	94,361,124	94,361,124
Treasury stock - 55,105,000 shares, at cost	(49,198,325)	(49,198,325)
	<b>₱ 150,435,196</b>	<b>₱ 150,435,196</b>

NAV per share is computed as follows:

	2020	2019
Net asset value	₱201,055,373	₱212,270,381
Number of shares outstanding	50,167,397	50,167,397
NAV per share	₱4.0077	₱4.2312

The total number of stockholders of the Fund is 5,394 and 5,403 as of December 31, 2020 and 2019, respectively.

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

Retained earnings of the Fund amounted to ₱50.62 million and ₱61.84 million as of December 31, 2020 and 2019, 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, 2020, and 2019, 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 2020 and 2019.



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, 2020 and 2019, the Fund is compliant with the above externally-imposed capital requirement.

---

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

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

	2020	2019	2018
Net income (loss)	(₱11,215,007)	₱388,009	(₱23,039,675)
Weighted average number of common shares outstanding	50,167,397	50,167,397	50,167,397
Basic and diluted earnings (loss) per share	(₱0.2236)	₱0.0077	(₱0.4593)

As of December 31, 2020, 2019 and 2018, 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:

	2020	2019	2018
Commissions (Note 18)	₱306,116	₱352,160	₱90,773
Stock transaction tax (Note 21)	166,341	478,013	116,539
SCCP* fees	12,245	14,087	3,631
Transaction fees	6,250	7,043	1,870
	₱490,952	₱851,303	₱212,813

\*Securities Clearing Corporation of the Philippines

---

### 13. Professional and Legal Fees

This account consists of expenses incurred for legal, accounting and stock transfer services provided to the Fund amounting to ₱1.01 million, ₱1.16 million and ₱1.07 million in 2020, 2019 and 2018, respectively.





---

#### 14. Miscellaneous Expenses

This account consists of:

	2020	2019	2018
Unrecoverable input VAT	<b>₱160,929</b>	<b>₱248,504</b>	₱145,789
Printing and photocopy	–	<b>282,417</b>	230,831
Transportation and travel	–	–	15,460
Training and seminar	–	–	11,745
Miscellaneous expense	<b>64,858</b>	<b>116,043</b>	56,599
	<b>₱225,787</b>	<b>₱646,964</b>	<b>₱460,424</b>

---

#### 15. Maturity Analysis of Assets and Liabilities

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

---

#### 16. Provision for Income Tax

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

The provision for income tax consists of final tax amounting to ₱75,726, ₱50,131 and ₱3,296 in 2020, 2019 and 2018, respectively.

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

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

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

Inception Year	Amount	Expired	Balance	Expiry Year
2017	₱4,925,675	(₱4,925,675)	₱–	2020
2018	5,021,809	–	5,021,809	2021
2019	5,527,318	–	5,527,318	2022
2020	4,842,320	–	4,842,320	2023
	<b>₱20,317,122</b>	<b>(₱4,925,675)</b>	<b>₱15,391,447</b>	



As of December 31, 2020 and 2019, the Fund did not recognize deferred tax asset amounting to ₱4.61 million and ₱4.64 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:

	2020	2019	2018
Statutory income tax (tax loss)	(₱3,341,784)	₱131,442	(₱6,910,914)
Tax effect of:			
Tax-exempt loss (income)	1,904,110	(1,932,396)	5,330,617
Change in unrecognized deferred tax asset	1,452,696	1,658,196	1,506,543
Non-deductible expenses	98,567	217,955	78,698
Tax-paid income	(37,863)	(25,066)	(1,648)
	₱75,726	₱50,131	₱3,296

---

## 17. Investment Management Agreement

The Fund's investment manager is ABCIC. In 2020, the Fund and ABCIC mutually agreed to increase the management fee to 1.00% per annum of the average net asset value of the Fund from 0.50% in 2019. Further, the agreement provides that the Fund shall reimburse the operating expenses actually paid or incurred by ABCIC in the performance of service as an investment manager. In 2019 and 2018, the Fund and ABCIC mutually agreed to pay management fee at a rate of 0.50% per annum of the average net asset value of the Fund and administration fee at a fixed rate of ₱0.05 million per month.

In 2020, 2019 and 2018, the Fund recognized management and administration fees amounting to ₱1.79 million, ₱1.69 million and ₱1.83 million, respectively (see Note 18).

Management fees and administration fees payable amounted to ₱0.77 million and ₱0.23 million as of December 31, 2020 and 2019, 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, 2020			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<u>Entities under common control</u>			
VII			
Miscellaneous expense	₱1,251	₱20,736	Various expenses advanced by VII for the Fund.
Taxes and licenses	8,522	8,522	
ABCIC			
Management and administration fees	1,791,202	768,492	Management fees incurred for management services rendered by ABCIC computed as 1% of the NAV (Note 17). The outstanding balance is net of withholding tax.
Miscellaneous expense	7,593	-	Various miscellaneous and advertising expenses advanced by ABCIC for the Fund.
Advertising and Publicity	300,560	-	
AB Capital Securities, Inc.			
Due from broker	-	1,441,653	Receivable from trade of FVTPL securities transactions due on Trade date +3.
Commission expense	306,116	-	Commission paid to AB Capital Securities, Inc. for buy and sell of equity securities transactions at the rate of 0.25% of gross purchase price/selling price.
Purchases	94,722,716	-	FVTPL trade transactions due on Trade date +3.
Sales	27,723,477	-	FVTPL trade transactions due on Trade date +3.
ABCIC- TID			
Accounts Receivable	-	4,000,001	Receivable from TID for the redemption of UITF investment expected to be settled on January 4, 2021
Investments in UITF	-	6,820,650	Investments managed by ABCIC - TID.
Wealthbank			
Short-term placements	-	6,144,711	Short-term placements with Wealthbank with term ranging from 14 days to 32 days.
Interest Income	226,556	-	Interest income earned from short-term placements ranging from 1.90% to 4.00%.
Vicsal Foundation, Inc.			
Donation	200,000	-	Donation to Vicsal Foundation, Inc.
<u>Key management personnel</u>			
Directors			
Directors' fees	833,333	-	Fees paid to the members of the Fund's BOD at a fixed amount of ₱27,778 per director for every attendance in BOD meetings.
December 31, 2019			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
<u>Parent Company</u>			
VDC			
Miscellaneous expense	₱1,078	₱-	Various expenses advanced by VDC on behalf of the Fund.
<u>Entities under common control</u>			
VII			
Miscellaneous expense	27,196	19,485	Various expenses advanced by VII for the Fund.

(Forward)



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

*Terms and conditions of transactions with related parties*

Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As of December 31, 2020 and 2019, the Fund has not recorded any provision for impairment of receivables from related parties. This assessment is undertaken each year by examining the financial position of the related party.

## 19. Segment Information

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

	2020	2019	2018
Cash in bank (Note 6)	<b>₱378,630</b>	₱250,655	₱16,479
Quoted equity securities*	<b>(6,516,071)</b>	3,798,288	(19,429,042)
Investments in UITF	<b>169,036</b>	2,643,032	1,660,320
	<b>(₱5,968,405)</b>	₱6,691,975	(₱17,752,243)

\*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 2, 2021.

---

**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 ₱35,709 pertain to business permits paid by the Fund in 2020.

Withholding Taxes

Total remittances of the Fund in 2020 on expanded withholding taxes amounted to ₱407,200, with an outstanding balance of ₱33,829 as of December 31, 2020.

Stock Transaction Taxes

Total stock transaction tax of the Fund for the sale of equity shares amounted to ₱166,341 in 2020.

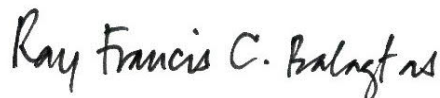


## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

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

We have audited in accordance with Philippine Standards on Auditing, financial statements of Filipino Fund, Inc. (the Fund) as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020 and have issued our report thereon dated March 2, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial statements and Supplementary Schedules are the responsibility of the Fund's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas  
Partner  
CPA Certificate No. 108795  
SEC Accreditation No. 1510-AR-1 (Group A),  
September 18, 2018, valid until September 17, 2021  
Tax Identification No. 216-950-288  
BIR Accreditation No. 08-001998-107-2020,  
November 27, 2020, valid until November 26, 2023  
PTR No. 8534218, January 4, 2021, Makati City

March 2, 2021



**FILIPINO FUND INC.  
INDEX TO THE FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
DECEMBER 31, 2020**

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

Schedule	Content	Page No.
<b>Part 1</b>		
I	Reconciliation of Retained Earnings Available for Dividend Declaration <i>(Part 1 5B, Annex 68-D)</i>	1
II	Schedule showing Financial Soundness Indicators <i>(Part 1 5C, Annex 68-E)</i>	2
III	Conglomerate Map <i>(Part 1 5G)</i>	3
IV	Total Investment of the Fund to the Outstanding Securities on an Investee Company <i>(Part 1 5E, Annex 68-G)</i>	4-5
V	Percentage of Investment in a Single Enterprise to Net Asset Value <i>(Part 1 5E, Annex 68-G)</i>	6-7
<b>Part 2</b>		
A	Financial Assets <i>(Part II 7D, Annex 68-J, A)</i>	8-9
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>	10
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements <i>(Part II 7D, Annex 68-J, C)</i>	11
D	Long-Term Debt <i>(Part II 7D, Annex 68-J, D)</i>	12
E	Indebtedness to Related Parties (included in the consolidated statement of financial position) <i>(Part II 7D, Annex 68-J, E)</i>	13
F	Guarantees of Securities of Other Issuers <i>(Part II 7D, Annex 68-J, F)</i>	14
G	Capital Stock <i>(Part II 7D, Annex 68-J, G)</i>	15

**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>	₱48,675,398
Add: Net income during the period closed to Retained Earnings	(11,215,007)
Less: Unrealized fair value gain	—
Net investment income actually earned during the year	(11,215,007)
Less: Treasury shares	(49,198,325)
Dividend Declaration	0
<b>TOTAL AVAILABLE UNAPPROPRIATED RETAINED EARNINGS FOR DIVIDEND</b>	<b>₱0</b>



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

	<b>2020</b>	<b>2019</b>
Current/liquidity ratio	<b>99.15:1.0</b>	139.69:1.0
Solvency ratio	<b>0.01:1.0</b>	0.01:1.0
Debt-to-equity ratio	<b>0.01:1.0</b>	0.01:1.0
Asset-to-equity ratio	<b>1.01:1.0</b>	1.01:1.0
Profit margin	<b>-187.91%</b>	5.80%
Return on assets	<b>-5.38%</b>	0.18%
Return on equity	<b>-5.43%</b>	0.18%

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

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

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

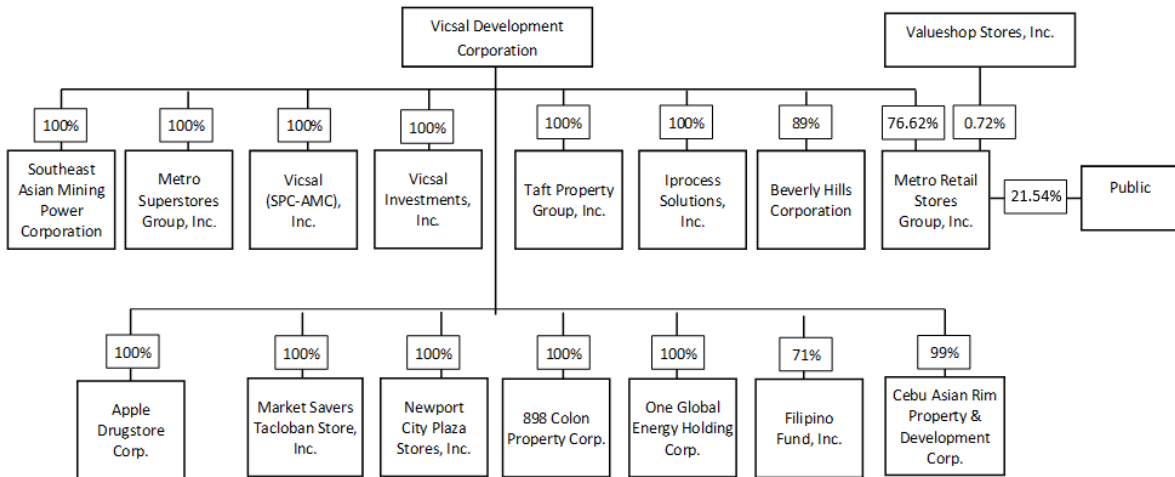
<sup>(d)</sup> Asset to equity ratio is measured as total assets divided by total equity.

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

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

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

**FILIPINO FUND, INC.**  
**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, 2020**



**FILIPINO FUND, INC.**  
**TOTAL INVESTMENT OF THE FUND TO THE OUTSTANDING SECURITIES**  
**ON AN INVESTEE COMPANY**  
**DECEMBER 31, 2020**

INVESTEE COMPANY	2020	2019
Ayala Corporation	0.001705%	0.001803%
Aboitiz Equity Ventures, Inc.	0.000877%	0.000877%
Aboitiz Power Corporation	0.000679%	-
Alliance Global Group, Inc.	0.006696%	0.002596%
AllHome Corp.	0.006667%	0.006667%
Ayala Land, Inc.	0.002037%	0.000951%
Banco de Oro Unibank, Inc.	0.001597%	0.000616%
Bank of the Philippine Islands	0.001684%	0.000447%
Bloomberry Resorts Corporation	0.003194%	-
China Banking Corporation	-	0.001888%
Converge Information and Communications Tech.	0.001993%	-
DMCI Holdings, Inc.	0.008285%	0.004279%
First Gen Corporation	0.002501%	0.002770%
First Philippine Holdings	0.007970%	-
Fruitas Holdings, Inc.	-	0.074988%
Globe Telecom, Inc.	0.000150%	-
GT Capital Holdings, Inc.	0.004445%	0.003980%
Integrated Micro-Electronics, Inc.	0.003157%	0.006375%
International Container Terminal Services, Inc.	0.001039%	0.000261%
Jollibee Foods Corporation	0.000767%	0.000775%
JG Summit Holdings, Inc.	0.000308%	0.000188%
LT Group, Inc.	0.004158%	0.000433%
Metropolitan Bank & Trust Company	0.005757%	0.005757%
Megaworld Corporation	0.003605%	0.001334%
Manila Electric Company	0.001207%	0.001207%
Metro Pacific Investment Corporation	0.004565%	0.001752%
Metro Retail Stores Group, Inc.	0.076574%	0.076574%
Megawide Construction Corp	0.004813%	0.004691%
Nickel Asia Corporation	0.002201%	0.005860%
PLDT, Inc.	0.001458%	-
Puregold Price Club, Inc.	0.003467%	0.002531%
Pilipinas Shell Petroleum Corporation	-	0.003719%
Robinsons Land Corporation	0.006739%	-
Robinsons Retail Holdings Inc	0.004157%	0.001459%

<b>INVESTEE COMPANY</b>	<b>2020</b>	<b>2019</b>
<b>Semirara Mining Corporation</b>	<b>0.009137%</b>	0.009137%
<b>Security Bank Corporation</b>	<b>0.004645%</b>	0.000531%
<b>SM Investment Corporation</b>	<b>0.000946%</b>	0.000428%
<b>San Miguel Food and Beverage, Inc.</b>	<b>0.000255%</b>	0.000170%
<b>San Miguel Corporation "A"</b>	<b>0.000802%</b>	0.000802%
<b>SM Prime Holdings, Inc.</b>	<b>0.000675%</b>	0.000346%
<b>Universal Robina Corporation</b>	<b>0.001406%</b>	0.000227%

**FILIPINO FUND, INC.**  
**PERCENTAGE OF INVESTMENT IN A SINGLE ENTERPRISE TO NET ASSET VALUE**  
**DECEMBER 31, 2020**

COMPANY	2020	2019
<b>Ayala Corporation</b>	<b>4.401225%</b>	4.181530%
<b>Aboitiz Equity Ventures, Inc.</b>	<b>1.160949%</b>	1.198519%
<b>Aboitiz Power Corporation</b>	<b>0.660266%</b>	–
<b>Alliance Global Group, Inc.</b>	<b>3.426917%</b>	1.400714%
<b>AllHome Corp.</b>	<b>1.137746%</b>	1.370893%
<b>Ayala Land, Inc.</b>	<b>6.102796%</b>	3.000890%
<b>Banco de Oro Unibank, Inc.</b>	<b>3.718379%</b>	2.009701%
<b>Bank of the Philippine Islands</b>	<b>3.075073%</b>	0.834815%
<b>Bloomberry Resorts Corporation</b>	<b>1.411800%</b>	–
<b>China Banking Corporation</b>	–	0.598310%
<b>Converge Information and Communications Tech.</b>	<b>1.111634%</b>	–
<b>DMCI Holdings, Inc.</b>	<b>3.096659%</b>	1.769037%
<b>First Gen Corporation</b>	<b>1.260101%</b>	1.137700%
<b>First Philippine Holdings</b>	<b>1.539959%</b>	–
<b>Fruitas Holdings, Inc.</b>	–	0.912044%
<b>Globe Telecom, Inc.</b>	<b>0.201934%</b>	–
<b>GT Capital Holdings, Inc.</b>	<b>2.784240%</b>	3.419197%
<b>Integrated Micro-Electronics, Inc.</b>	<b>0.316828%</b>	0.525414%
<b>International Container Terminal Services, Inc.</b>	<b>1.303457%</b>	0.316244%
<b>Jollibee Foods Corporation</b>	<b>0.825245%</b>	0.864935%
<b>JG Summit Holdings, Inc.</b>	<b>0.825310%</b>	0.513873%
<b>LT Group, Inc.</b>	<b>2.932028%</b>	0.264692%
<b>Metropolitan Bank &amp; Trust Company</b>	<b>6.316437%</b>	8.086730%
<b>Megaworld Corporation</b>	<b>2.333685%</b>	0.812313%
<b>Manila Electric Company</b>	<b>1.975177%</b>	2.030995%
<b>Metro Pacific Investment Corporation</b>	<b>2.980273%</b>	0.906598%
<b>Metro Retail Stores Group, Inc.</b>	<b>1.959162%</b>	2.610284%
<b>Megawide Construction Corp</b>	<b>0.382674%</b>	0.747736%
<b>Nickel Asia Corporation</b>	<b>0.835591%</b>	1.277616%
<b>PLDT, Inc</b>	<b>2.099422%</b>	–
<b>Puregold Price Club, Inc.</b>	<b>2.039239%</b>	1.367007%
<b>Pilipinas Shell Petroleum Corporation</b>	–	0.927119%
<b>Robinsons Land Corporation</b>	<b>3.690526%</b>	–
<b>Robinsons Retail Holdings Inc</b>	<b>2.101411%</b>	0.866819%

<b>COMPANY</b>	<b>2020</b>	<b>2019</b>
<b>Semirara Mining Corporation</b>	<b>2.661755%</b>	4.025018%
<b>Security Bank Corporation</b>	<b>2.332691%</b>	0.367456%
<b>SM Investment Corporation</b>	<b>5.947914%</b>	2.530476%
<b>San Miguel Food and Beverage, Inc.</b>	<b>0.501862%</b>	0.402835%
<b>San Miguel Corporation "A"</b>	<b>1.215022%</b>	1.473347%
<b>SM Prime Holdings, Inc.</b>	<b>3.734046%</b>	1.983320%
<b>Universal Robina Corporation</b>	<b>2.351342%</b>	0.341546%

**FILIPINO FUND, INC.**  
**SCHEDULE A – FINANCIAL ASSETS**  
**As of December 31, 2020**

**Financial Assets at Fair Value through Profit or Loss**

<i>Name of issuing entity</i>	<i>Number of shares or units</i>	<i>Amount shown in the balance sheet</i>	<i>Income received and accrued*</i>
<b><i>Quoted Equity Securities</i></b>			
<i>Ayala Corporation</i>	10,700	8,848,900	73,352
<i>Aboitiz Equity Ventures, Inc.</i>	49,400	2,334,150	64,220
<i>Alliance Global Group, Inc.</i>	650,000	6,890,000	32,500
<i>Ayala Land, Inc.</i>	300,000	12,270,000	75,040
<i>Aboitiz Power Corporation</i>	50,000	1,327,500	35,400
<i>AREIT, Inc.</i>	–	–	23,600
<i>Banco de Oro Unibank, Inc.</i>	70,000	7,476,000	53,400
<i>Bank of the Philippine Islands</i>	76,000	6,182,600	63,288
<i>Bloomberry Resorts Corporation</i>	350,000	2,838,500	–
<i>China Banking Corporation</i>	–	–	50,700
<i>Converge Information and Communications Tech.</i>	150,000	2,235,000	
<i>DMCI Holdings, Inc.</i>	1,100,000	6,226,000	336,000
<i>San Miguel Food and Beverage, Inc.</i>	15,060	1,009,020	24,096
<i>First Gen Corporation</i>	90,000	2,533,500	76,944
<i>First Philippine Holdings</i>	40,210	3,096,170	30,210
<i>Fruitas Holdings, Inc.</i>	–	–	4,000
<i>GT Capital Holdings, Inc.</i>	9,569	5,597,865	51,414
<i>Globe Telecom, Inc.</i>	200	406,000	79,157
<i>AllHome Corp.</i>	250,000	2,287,500	3,500
<i>International Container Terminal Services, Inc.</i>	21,220	2,620,670	17,278
<i>Integrated Micro-Electronics, Inc.</i>	70,000	637,000	
<i>Jollibee Foods Corporation</i>	8,500	1,659,200	11,050
<i>JG Summit Holdings, Inc.</i>	23,175	1,659,330	5,130
<i>LT Group, Inc</i>	450,000	5,895,000	130,552
<i>Metropolitan Bank &amp; Trust Company</i>	258,910	12,699,536	258,910
<i>Megaworld Corporation</i>	1,150,000	4,692,000	42,983
<i>Manila Electric Company</i>	13,600	3,971,200	205,251
<i>Metro Pacific Investments Corp.</i>	1,400,000	5,992,000	59,278
<i>Metro Retail Stores Group, Inc.</i>	2,626,000	3,939,000	157,560
<i>Megawide Construction Corp</i>	96,900	769,386	11,628
<i>Nickel Asia</i>	300,000	1,680,000	262,000
<i>PLDT Inc.</i>	3,150	4,221,000	68,400
<i>Puregold Price Club, Inc.</i>	100,000	4,100,000	–
<i>Robinsons Retail Holdings, Inc.</i>	65,000	4,225,000	44,700
<i>Robinsons Land Corporation</i>	350,000	7,420,000	–
<i>San Miguel Corp.</i>	19,070	2,442,867	26,698

<i>Name of issuing entity</i>	<i>Number of shares or units</i>	<i>Amount shown in the balance sheet</i>	<i>Income received and accrued*</i>
<i>Security Bank Corporation</i>	<i>35,000</i>	<i>4,690,000</i>	<i>21,000</i>
<i>Semirara Mining Corporation</i>	<i>388,360</i>	<i>5,351,601</i>	<i>485,450</i>
<i>SM Investments Corporation</i>	<i>11,400</i>	<i>11,958,600</i>	<i>45,475</i>
<i>SM Prime Holdings, Inc</i>	<i>195,000</i>	<i>7,507,500</i>	<i>29,600</i>
<i>Universal Robina Corporation</i>	<i>31,000</i>	<i>4,727,500</i>	<i>15,750</i>
<b><i>Subtotal</i></b>	<b><i>10,827,424</i></b>	<b><i>174,417,095</i></b>	<b><i>2,975,514</i></b>
<b><i>Investments in UITF</i></b>			
<i>Short-term fund</i>	<i>3,352,547</i>	<i>3,791,218</i>	<i>–</i>
<i>Equity Fund</i>	<i>583,159</i>	<i>1,698,645</i>	<i>–</i>
<i>Balanced Fund</i>	<i>1,250,000</i>	<i>1,330,788</i>	<i>–</i>
<b><i>Subtotal</i></b>	<b><i>5,185,706</i></b>	<b><i>6,820,651</i></b>	<b><i>–</i></b>
<b><i>Total</i></b>	<b><i>16,013,130</i></b>	<b><i>181,237,746</i></b>	<b><i>2,975,514</i></b>

*\*Represents dividend income for quoted equity securities*



**FILIPINO FUND, INC.**  
**SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS,**  
**EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS**  
**(OTHER THAN RELATED PARTIES)**  
**As of December 31, 2020**

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

**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, 2020**

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

**NOT APPLICABLE**

**FILIPINO FUND, INC.**  
**SCHEDULE D – LONG TERM DEBT**  
**As of December 31, 2020**

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

**NONE TO REPORT**

**FILIPINO FUND, INC.**  
**SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES**  
**(LONG TERM LOANS FROM RELATED PARTIES)**  
**As of December 31, 2020**

<b>Name of Related Party (i)</b>	<b>Balance at the Beginning of the Period</b>	<b>Balance at the End of the Period (ii)</b>
--------------------------------------	---	--

**NONE TO REPORT**

**FILIPINO FUND, INC.**  
**SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUES**  
**As of December 31, 2020**

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

**NONE TO REPORT**

**FILIPINO FUND, INC.**  
**SCHEDULE G – CAPITAL STOCK**  
**As of December 31, 2020**

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

*\*Net of treasury shares*