

A S 9 4 - 0 0 1 6 5 6

S.E.C. Registration Number

P H I L E Q U I T Y F U N D , I N C .

(Company's Full Name)

1 5 T H F L O O R , P H I L I P P I N E S T O C K

E X C H A N G E T O W E R , 5 T H A V E . C O R N E R

2 8 T H S 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

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

MA. ANGELICA D. CABANIT

Contact Person

8250-8713

Company Telephone Number

1 2 3 1

Month Day Fiscal Year

1 2 - 1

FORMTYPE

Month Day Year Period Ended

MUTUAL FUND

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 12-1, AS AMENDED**

**REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE**

1. SEC Identification Number: **AS94-001656**
2. **PHILEQUITY FUND, INC.**  
Exact name of registrant as specified in its charter
3. **METRO MANILA, PHILIPPINES**  
Province, Country or other jurisdiction of  
incorporation or organization
4. **003-868-545**  
BIR Tax Identification Number
5. **OPEN-END MUTUAL FUND**  
General character of business of registrant
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. **15TH FLOOR PSE TOWER, 5TH AVENUE CORNER 28TH STREET BGC TAGUIG CITY, 1634;  
TELEPHONE NUMBER TELEPHONE NUMBER: (632) 8250-8700**  
Address, including postal code, telephone number, FAX number including area code, of  
registrant's principal offices
8. **NOT APPLICABLE**  
If registrant is not resident in the Philippines, or its principal business is  
outside the Philippines, state name and address including postal code, and email address of  
resident agent in the Philippines
9. Fiscal Year Ending Date (Month and Day): **DECEMBER 31**

**Computation of Registration Fee**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of Registration fee
Amended Registration Fee				12,000.00
Add: Legal Research Fee				120.00
Documentary Stamp Tax				30.00
<b>Total Registration Fees</b>				<b>₱12,150.00</b>

**DRAFT PROSPECTUS**  
**OF**  
**PHILEQUITY FUND, INC.**  
**AN OPEN-END INVESTMENT COMPANY**  
**1,000,000,000 Shares**  
**COMMON STOCK**

The number of shares to be offered is One Billion (1,000,000,000) shares previously registered with the Securities and Exchange Commission, with par value One Peso (₱ 1.00) per share. All shares shall be offered and subscribed within the cut-off time shall be based on the Net Asset Value Per Share as of closing day. The shares to be offered are not listed in the Philippine Stock Exchange, and shall be issued and redeemed through its principal distributor, Philequity Management, Inc. (PEMI).

**PHILEQUITY MANAGEMENT, INC.**

Principal Distributor  
15<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street,  
Bonifacio Global City, Taguig City 1634  
Tel. No. (632) 8250-8700

Sub-distributors  
BDO Securities Corporation  
COL Financial Group, Inc.  
First Metro Securities Brokerage Corporation  
Investa Financial Inc.  
Novel Securities, Inc.  
Rampver Financials, Inc.  
Unicapital Securities Inc.  
Wealth Securities, Inc.

This Prospectus is dated July 31, 2025

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.**

**SUMMARY OF FEES, COMMISSIONS, AND OTHER CHARGES TO BE DEDUCTED FROM**

<b>FEES CHARGEABLE TO THE FUND</b>	
<b>Management Fee</b>	0.75% per annum of the average NAV of the Fund
<b>Distribution Fee</b>	0.75% per annum of the average NAV of the Fund
<b>Transfer Agent Retainer</b>	Fixed monthly fee of P30,000.00 (excluding transaction charges)
<b>Transfer Agent Onboarding Fee</b>	Fixed fee of P30,000.00
<b>Custodian Fee</b>	0.015% per annum based on the Market Value of the Fund, payable quarterly upon billing
<b>External Audit Fee</b>	150,000 exclusive of 10% out-of-pocket expenses and 12% value-added taxes (estimate only)
<b>Directors Fee</b>	10,000.00 per diem per meeting

<b>FEES CHARGEABLE TO THE INVESTOR</b>	
<b>Sales Load Fee</b>	Maximum of three and a half percent (3.5%) of the subscription amount
<b>Early Redemption Fee</b>	Maximum of two percent (2%) of the amount redeemed if less than or equal to 90 days
	0% if more than 90 days

**PHILEQUITY FUND, INC.**

15th Floor PSE Tower, 5th Avenue corner 28th Street, BGC, Taguig City 1634

Telephone Number: (632) 8250-8700

This Offering Prospectus relates to the offer and sale of One Billion (1,000,000,000) Common Shares (the “Offer”), and such shares, the “Other Shares”) of which were previously registered with Securities and Exchange Commission, with par value of ₱1.00 per share, of Philequity Fund, Inc. (hereinafter, the “Fund” or the “Company”), a corporation organized under Philippine law.

The Offer Shares are offered at the net asset value (“NAV”) per share for the banking day, if payment is made within the daily cut-off, plus a sales load fee.

All of the Common Shares of the Company in issue or to be issued pursuant to the Offer (collectively the “Shares”) are unclassified and have, or upon issue will have, identical rights and privileges. The Shares may be owned by any person or entity regardless of citizenship or nationality subject to the limits prescribed by Philippine laws on foreign ownership for certain types of domestic companies.

Each holder of Shares will be entitled to such dividends as may be declared by the Company’s Board of Directors (the “Board”). See “Dividend Policy” on page 8 and “Distribution of Dividends” on page 21 of this Prospectus for a more detailed discussion.

Unless the context indicates, otherwise, any references to the “Company” refer to Philequity Fund, Inc. The information contained in this Prospectus relating to the Company and its operations has been supplied by the Company, unless otherwise stated herein. To the best of its knowledge and belief, the Company (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in this Prospectus relating to the Company and its operations is correct, and that there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect. The Company and its Fund Manager hereby accepts full responsibility for the accuracy of the information contained in this Prospectus as of the date hereof but shall not, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date.

At present, there is no formal or organized secondary market for the purchase and sale of shares similar to the Offer Shares in the Philippines. The sale of the Offer Shares will not be underwritten. The Offer Shares will be primarily sold through the Fund’s investment manager, Philequity Management, Inc. (PEMI). PEMI, as distributor and investment manager of the Fund, shall be paid a management fee equivalent to 0.75% and a distribution fee equivalent to 0.75% per annum of the average net asset value of the Fund’s assets computed on a daily basis.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offer, including the material risks involved. The Offer is being made on the basis of this Prospectus only.

As the Fund will be investing primarily in PSE-listed companies, various factors, such as market conditions, general political and economic situations, and the performance of, and development of, the PSE listed companies may affect the prices of the stocks wherein the Fund is invested. Further, other risks such as market, credit, liquidity and operational risk should also be taken into consideration. Consequently, there may be instances when the redemption prices of redeemed shares may be less than the prices at which the shares were originally purchased.

Application has been made to and approval has been issued by the Philippine SEC to the registration of the Offer Shares under the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799).

Any inquiries regarding this Prospectus should be forwarded to the Company.

No dealer, selling agent or any other person has been authorized to give information or make any representation not contained in this Prospectus. This Prospectus does not constitute an offer of any securities other than those to which it relates, or an offer to sell or a solicitation of an offer to buy any securities other than those to which it relates in any jurisdiction or to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The delivery of this Prospectus at any time does not imply that the information herein contained is correct as of any time subsequent to this date.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OF COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICATION OF AN OFFER TO BUY.

PHILEQUITY FUND, INC.

By:



ANTONIO R. SAMSON  
Chairman and President

SUBSCRIBED AND SWORN TO BEFORE ME this DEC 22 2025 day of 2017 at CITY OF MANILA, affiant exhibited to me his Tax Identification No. 105-379-031-000.

Doc. No. 20 ;  
Page No. 5 ;  
Book No. 14 ;  
Series of 2017 .



ATTY. MARIELLE JEWEL L. LAGUERTA  
Notary Public for City of Manila- Until Dec. 31, 2025  
Notarial Commission No. 2024-179  
Tower 3, 3K, No. 181 No. Lopez St., Ermita, Manila  
I.B.P. NO. 488207- Dec. 27, 2024 for the year 2025  
PTR. NO: 2041441- Jan. 2, 2025 at Manila  
MELE No. VIII-0010660- Valid until 4-14-2028  
ROLL NO. 88314

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## **PRINCIPAL PARTIES TO THE OFFER**

### **REGISTRANT**

#### **Philequity Fund, Inc.**

15th Floor PSE Tower 5th Avenue corner 28th Street  
BGC, Taguig City 1634  
Telephone No.: 8250-8700  
Website: [www.philequity.net](http://www.philequity.net)

### **INVESTMENT MANAGER, ADVISOR AND PRINCIPAL DISTRIBUTOR**

#### **Philequity Management, Inc.**

15th Floor PSE Tower 5th Avenue corner 28th Street  
BGC, Taguig City 1634  
Telephone No: (632) 8250-8700  
Website: [www.philequity.net](http://www.philequity.net)

### **CUSTODIAN**

#### **BPI Asset Management and Trust Corporation**

7th Floor, BPI Buendia Center,  
Sen. Gil J. Puyat Ave, Makati, 1209  
Telephone No.: 8580-2682  
Website: [www.bpiassetmanagement.com](http://www.bpiassetmanagement.com)

### **TRANSFER AGENT**

#### **Philequity Management, Inc.**

15th Floor PSE Tower, 5th Avenue corner 28th Street,  
BGC, Taguig City 1634  
Telephone No.: +632 8250-8700  
Website: [www.philequity.net](http://www.philequity.net)

### **LEGAL COUNSEL**

#### **Valerio & Associates Law Office**

Units 101 and 102, G/F The Mondrian Residences  
5321 East Asia Drive, Filinvest Corporate City Alabang, Muntinlupa  
Telephone No.: 632 8535-2445  
Email: [attyjonathanpong@gmail.com](mailto:attyjonathanpong@gmail.com)

### **EXTERNAL AUDITOR**

#### **SyCip GorresVelayo & Co.**

6760 Ayala Avenue  
Makati City  
Telephone No.: 891-0307  
Website: [www.sgv.ph](http://www.sgv.ph)

## PROSPECTUS SUMMARY

*The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus.*

### **Issuer**

Philequity Fund, Inc. with office address at 15th Floor PSE Tower, 5th Avenue corner 28th Street, BGC, Taguig City 1634. The Fund's telephone number is (+632 8250-8700).

The general character of the business of the Fund is an Open-End Mutual Fund established under the Investment Company Act, R.A. 2629. The Fund is an equity fund operated as an investment company with a focus on long-term capital appreciation by investing in companies listed on the PSE.

### **Shares Offered/Par Value**

Common stock with par value of One Peso (₱1.00) per share. Stockholders who have subscribed and paid for the original capital of the Fund, are not allowed to sell, transfer, convey, encumber or otherwise dispose of their shares/securities within twelve (12) months from the registration of the Fund.

### **Offering Price**

At the NAV per share for the banking day, if payment is made within the daily cut-off time, plus a sales load fee.

### **Total Outstanding Shares after the Offer**

The total number of outstanding shares of the Fund is One Billion (1,000,000,000).

### **Proceeds from the Offering**

The total proceeds expected to be raised by the Fund is P 35,097,500,000 at the Net Asset Value per share of ₱35.0975 as of July 31, 2025. The net proceeds from the sale of securities will be used in investing primarily in companies listed with the Philippine Stock Exchange. All proceeds, including the original subscription payments at the time of incorporation constituting the paid in capital of the investment company shall be held by the settlement bank, specifically Eastwest Bank. On the other hand, the custodian for the securities shall be the BPI Asset Management and Trust Corporation. For a more detailed discussion, please refer to the section entitled "Use of Proceeds."

### **Sales Load**

The sales load fee shall be a maximum of three and a half percent (3.5%) of the value of the investment.

### **Daily Cut-Off Time**

12:00 noon

### **Minimum Investment**

One Thousand Pesos (₱1,000.00) for initial investments and Five Hundred Pesos (₱500.00) for additional investments. Installment payments are prohibited.

### **Redemption Price**

The redemption price of the securities surrendered within the daily cut-off time shall be the next computed NAV per share after the request for redemption is received. Securities surrendered after the daily cut-off time shall be deemed to have been received on the following banking day.

### **Redemption Fee and Charge**

A redemption fee of maximum of two (2.0%) of the redemption proceeds will be deducted there from if redeemed within the first ninety (90) days of investment. No redemption fee shall be deducted if redeemed beyond ninety (90) days from the time of investment. Redemptions for deposit to bank accounts are subject to check clearing, redemptions made through RTGS / PDDTS are subject to bank charges and any stale checks will be subject to a penalty of Php 25.00.

### **Management and Distribution Fee and Expenses**

A management fee equivalent to 0.75% and a distribution fee equivalent to 0.75% per annum of the average net asset value of the Fund's assets computed on a daily basis shall be payable by the Fund to its investment manager, Philequity Management, Inc. Certain operating expenses of the Fund are deemed covered by the management fee and shall be for the account of Philequity Management, Inc.

**Investment Policies and Objective**

The investment objective of Philequity Fund, Inc. is to achieve long-term capital appreciation by investing primarily in companies listed on the PSE. It is categorized as long term and income oriented.

**Risk Factors**

As the Fund will be investing in PSE Index stocks, various factors, such as market conditions, general political and economic situations, and the performance of corporations whose stocks comprise the Phisix may affect the prices of the stocks wherein the Fund is invested. Further, other risks such as market, credit, liquidity and operational risk should also be taken into consideration. Consequently, there may be instances when the redemption prices of redeemed shares may be less than the prices at which the shares were originally purchased.

**Dividend Policy**

Subject to compliance with the requirements of applicable laws and regulations, and the absence of circumstances which may restrict the payment of dividends, only surplus profits in excess of one hundred (100%) percent of the Corporation's paid-in capital stock shall be declared as cash dividends. The existence of surplus profits available for distribution as cash dividends shall be reviewed in the month of April of every year, or when the annual audited financial statements become available, whichever is later. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof.

**SUMMARY OF FINANCIAL INFORMATION**

The selected financial information set forth in the following table has been derived from the Company's audited Financial Statements for the year ending December 31, 2024 and interim unaudited Financial Statements for the period ending September 30, 2025. This consolidated financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included elsewhere in this Prospectus.

The Company's audited financial statements for the said period were prepared by the Company's management and audited by SyCip Gorres Velayo & Co. in accordance with Philippine Financial Reporting Standards (PFRS). The summary of financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date. The complete audited financial statements of the Company are attached to this Prospectus.

**PHILEQUITY FUND, INC.**  
**(An Open-End Mutual Fund Company)**  
**STATEMENTS OF FINANCIAL POSITION**

<b>ASSETS</b>	<b>Unaudited</b> <b>September 30, 2025</b>	<b>Audited</b> <b>December 31, 2024</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	532,602,040	718,193,868
Financial assets at fair value through profit or loss	7,570,917,699	8,287,009,564
Receivables	16,594,619	22,532,464
Other Asset	-	-
Total Current Assets	<b>8,120,114,358</b>	<b>9,027,735,896</b>
<hr/>		
<b>TOTAL ASSETS</b>	<b>8,120,114,358</b>	<b>9,027,735,896</b>
<hr/>		
<b>CURRENT LIABILITIES</b>		
Accrued expenses and other liabilities	23,472,952	23,788,225
<hr/>		
<b>EQUITY</b>		
Capital stock	241,647,705	256,955,095
Additional paid-in capital	7,380,229,490	7,906,113,683
Retained earnings	474,764,210	840,878,893
Total Equity	<b>8,096,641,405</b>	<b>9,003,947,671</b>
<hr/>		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,120,114,358</b>	<b>9,027,735,896</b>
<hr/>		
<b>NET ASSET VALUE PER SHARE</b>	<b>33.5060</b>	<b>35.0409</b>
<hr/>		

**PHILEQUITY FUND, INC.**  
**(An Open-End Mutual Fund Company)**  
**STATEMENT OF COMPREHENSIVE INCOME**

	<b>For the Periods Ended (Unaudited)</b>	
	<b>September 30, 2025</b>	<b>September 30, 2024</b>
<b>INVESTMENT INCOME (LOSS)</b>		
Net gain (loss) on financial assets at fair value through profit or loss	<b>(484,659,200)</b>	1,157,520,765
Dividends	<b>236,790,492</b>	216,453,541
Interest	<b>14,891,587</b>	27,970,371
Other Income	<b>0</b>	4,812,744
	<b>344,915,760</b>	1,406,757,421
<b>EXPENSES</b>		
Management fee	<b>112,266,140</b>	122,727,769
Taxes and licenses	<b>5,245,381</b>	9,421,894
Commission	<b>8,330,409</b>	6,346,949
Transaction costs	<b>1,497,836</b>	1,134,129
Professional fee	<b>1,598,250</b>	782,750
Others	<b>157,501</b>	3,309,662
	<b>129,095,516</b>	143,723,153
<b>INVESTMENT INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(362,072,638)</b>	1,263,034,268
<b>PROVISION FOR INCOME TAX</b>		
Current – RCIT	-	-
Final	<b>2,978,317</b>	5,594,074
	<b>2,978,317</b>	5,594,074
<b>INVESTMENT INCOME (LOSS) AFTER INCOME TAX</b>	<b>(365,050,955)</b>	1,257,440,194
<b>EARNINGS (LOSS) PER SHARE</b>	<b>(1.4571)</b>	4.6278

## GLOSSARY

For the purpose of this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below:

BSP	Bangko Sentral ng Pilipinas
Custodian	BPI Asset Management and Trust Corporation
Investment Manager	Philequity Management, Inc.
Investor	Any individual, association or corporation who desires to invest in the shares of the Fund
NAV	Net Asset Value
NIRC or R.A. 8424, As Amended	National Internal Revenue Code of 1997, as amended
PDDTS	Philippine Domestic Dollar Transfer System
Pesos or ₱	Philippine Peso, lawful currency of the Philippines
PhisixPSEi	Philippine Stock Exchange Index is a fixed basket of thirty (30) common stocks of listed companies, carefully selected to represent the general movement of the stock market.
Principal Distributor	Philequity Management, Inc.
PSE or the "Exchange"	Philippine Stock Exchange, Inc.
R.A. 2629	Republic Act No. 2629 or the Investment Company Act
RTGS	Real Time Gross Settlement
SEC or the "Commission"	Securities and Exchange Commission
Shareholder or Stockholder	Any natural or juridical person who has subscribed to the shares of the Fund.
The "Fund" or the "Company"	Philequity Fund, Inc.
Transfer Agent	Philequity Management, Inc.

## RISK FACTORS

*Before investing in the Fund, an Investor should ensure that he fully understands the nature and terms of the investment, the relevant risk factors, as well as the nature and extent of his risk of loss. He should also carefully evaluate whether a mutual fund investment is appropriate for him in light of his experience, objectives, financial resources and other relevant circumstances, and whether he has the willingness and ability to accept the risks inherent in this kind of investment vehicle.*

*Prior to making an investment decision, the prospective investors should carefully consider the risks described below in addition to the other information set forth in this Prospectus. However, this section does not purport to disclose all risks and other significant aspects of investing in the Offered Securities. The investment considerations and risks enumerated hereunder are considered to be each of equal importance.*

*Investors deal in a range of investments, each of which may carry a different level of risk. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition and prospects and may cause the market price of the securities offered to fall significantly and investors may lose all or part of their investment.*

## RISK OF INVESTING

### General Risk Warning

The price of securities can and does fluctuate, and the price of an individual security may experience upward or downward movements, and may even lose all of their value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. Past performance is not a guide to future performance. There is an extra risk of losses when securities are bought from smaller companies. There may be a significant difference between the buying price and the selling price of these securities. An investor deals in a range of investments each of which may carry a different level of risk.

### Prudence Required

This risk disclosure does not purport to disclose all of the risks and other significant aspects of investing in these securities. An Investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He or she may request information on the securities and issuer thereof from the Commission which are available to the public.

### **Professional Advice**

An Investor should seek professional advice if he is uncertain of, or has not understood any aspect of the securities to invest in or the nature of the risks involved in the trading of the securities, especially those high risk securities

The Fund intends to invest in a portfolio of primarily PSE-listed companies. As with any investment, a fund's past performance is no guarantee of its future success. Over the long-term, however, the success or failure to profit in the Fund will depend on the following: (i) the Fund's sales charges, fees and expenses; and (ii) the Fund's risks and volatility

Various risk factors can affect the market value of the assets of the Fund and can cause a fluctuation of the Fund's net asset value. The Fund, however, adopts steps to minimize, if not eliminate, the effect of these risks. The major risks facing the Fund are as follows:

1. **Market Risk** is the risk that the value of an Investor's mutual fund investment will be adversely affected by the fluctuations in the price level or volatility of one or more of the underlying instruments of the mutual fund. This consists of two main components:
  - a. **Systematic Risk** – is the variability in price caused by factors that affect all securities across all markets (e.g. significant economic or political events). This may be seen in connection with the above-discussed Country Risks. To lessen the impact of systematic risk, the Fund from time to time will increase its allocation to cash or equivalents during extreme market volatility. The increase allocation to cash should mitigate somewhat the volatility of the securities in the portfolio and lower the systematic risk to the Fund.
  - b. **Unsystematic Risk** – is the variability in price caused by factors which are specific to the particular issuer (PSE-listed companies) of the shares of stocks. Through proper portfolio diversification, this risk can be minimized as losses on one particular stock may be off-set by gains in another.

There are two types of market risk namely:

- a. **Interest Rate Risk** – This refers to the change in the bond price due to factors affecting the market such as interest rates. A change in interest rate is the period when rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund.
  - b. **Equity Price Risk** – This refers to the changes in prices of equity investments held by the Fund. This is affected by the volatility due to different market factors, changes in prices of equity refer to the equity investments held by the Fund either for strategic or trading purposes. These equity investments, if any, are subject to the daily price fluctuations, as determined by market forces. Hence, prices may vary as a result of the general economic and political conditions, as well as developments in the company's operations and overall profitability. To manage this risk, the equity investments included in the Fund's portfolio are carefully selected based on their fundamental soundness.
2. **Credit Risk** is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

#### ***Maximum exposure to credit risk***

The Fund's maximum exposure to credit risk is limited to the carrying value of its financial assets as of reporting date. The Fund does not hold any collateral or other credit enhancements that will mitigate credit risk exposure.

#### ***Credit quality per class of financial assets***

The Fund rates its financial assets based on internal credit rating system. The Fund only invests in high grade financial assets. High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in local banks belonging to the top twenty banks in terms of resources and profitability. High grade accounts are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

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

The Fund is exposed to daily cash redemptions of redeemable participating shares. The Fund is exposed to the risk of being unable to meet its payment obligations to redeeming shareholders. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

To mitigate liquidity risk, the Fund shall maintain an adequate liquidity reserve. The Fund's Liquidity Contingency Plan ("LCP") in accordance with applicable laws, rules, and regulations shall likewise be monitored on a daily basis during times of volatility. The LCP mitigates liquidity risk by establishing clear policies, roles, and procedures to ensure the Fund can meet redemption obligations even under stressed market conditions. The Plan also provides escalation, communication, and corrective action mechanisms, including prudent asset sales and limited short-term borrowing, to minimize losses, protect shareholders, and maintain regulatory compliance during liquidity events. Finally, the Fund Manager shall ensure that the Fund is invested in securities considered as "liquid" based on the internal guidelines of the Fund Manager.

- Operational Risk** (also called 'Operations risk') is the risk to earnings or capital arising from problems with service or product delivery. This risk is a function of internal controls, information systems, employee integrity and operating processes. Different institutions have different definitions of operations risk. Some institutions focus only on procedural risks, while others categorize all risks other than credit, market and liquidity under operations risk.

Operations risks refer to possible breakdowns in internal controls and corporate governance, error and fraud, technology failure, business disruptions and unpredictable external events. These circumstances can be very costly for a company. Thus, companies must proactively manage operations risk in order to minimize losses, remain competitive and protect shareholder value.

To mitigate the risk, the Company implements sound system of internal control which includes but not limited to segregation of functions among the different personnel, tight security administration and back-up plan, daily reconciliation of nostro accounts, confirmation or call back procedure, monitoring of exceptions and errors. Likewise, personnel are updated with current regulations affecting the funds.

- Country Risk**

The success of the Fund's investments may be influenced by the general political situation in, and the state of the economy of, the Philippines.

The general political and economic situations of the country also influence the net asset value of the Fund. As an illustration, when the country's general political and economic situations are perceived to be in turmoil, investors view this situation as the time to pull out their placements and move these funds to better quality, safer, lower risk investments such as the US dollar or at the least place these funds with bigger financial institutions/banks, until such situations normalize. As a consequence, these instances can result to the redemption prices of redeemed shares being less than the prices at which the shares were originally purchased. Investors who redeem their shares may not be able to recover the full cost of their investment. However, historical experience has shown that a portfolio consisting of debt instruments which are guaranteed by their respective issuers are relatively low risk as compared to a portfolio which includes of equity and quasi-equity securities. Ordinary investors are given the opportunity to avail of higher interest yield that require high minimum investments at low risk.

During the last decade and up to the present time, the Philippine economy has from time to time experienced periods of slow or negative growth, high inflation, and devaluations of the Peso. In addition, the Philippines has a large foreign debt. The foregoing risks are beyond the control of the Fund.

To somewhat lessen the impact of risk originating from economic and political factors in the Philippines, the Fund will continuously monitor and assess various economic indicators as well as political factors of the country to gauge if certain risk exists that might have a significant effect on the net asset value of the Fund. Economic factors such as GDP, growth in remittances from overseas workers, business process outsourcing revenues, inflation rate, lending and borrowing rates; and country's debt-to-GDP. Political factors the Fund might monitor are political

decisions made by the administration, status of reforms being administered by the government and foreign investor's perception of doing business in the Philippines.

The following are additional risks present in the Fund which are not quantifiable:

1. **Regulatory Risk**

The Fund's investment and operations are subject to government regulation, which are subject to change from time to time. Regulations such as taxation and accounting rules may have a significant impact in the performance of the Fund which may either be positive or negative for the shareholders of the Fund. To address this risk the Fund will keep itself abreast with all regulatory changes that may have an impact on the Fund's operation and assets and seek to communicate and dialogue with departments concerned. In addition, the Fund will be an active member of the Philippine Investment Fund Association through which it may recommend changes in regulatory policies that affect the mutual fund industry.

2. **Non – Guarantee**

Investments made in Mutual Funds which the Fund is classified as, is not guaranteed by the Philippine Depository Insurance Corporation (PDIC). Therefore investors of the Fund are subject to higher risk of losing their capital without any form of guarantee. Moreover, like any similar risk type of investment, past performance of the Fund is not an indicator of the future performance of the Fund. In order to lessen the risk of loss of capital for the investors of the Fund certain risk-mitigating measures like diversification, investing only in high-quality and highly liquid companies listed in the Philippine Stock Exchange will be strictly observed by the Fund.

3. **Dilution Risk**

Being an open-ended mutual fund, shares are continuously subscribed and redeemed which may dilute its current shareholders as more shares are being subscribed. In addition the control and influence investors have over the management of Fund decreases as shares are continually subscribed. Given this inherent risk, the Fund Manager will impose an early redemption fee for investors who redeem from the Fund during the stipulated minimum holding period.

4. **Fund Manager Risk**

In general, the performance of a mutual fund is dependent on the expertise and experience of the Fund Manager. Although a fund's performance is affected by, but not limited to economic, market, political and regulatory factors, decisions made by the Fund Manager has a direct impact on the performance of the Fund. In order to mitigate this risk the Fund Manager will adhere to a thorough investment process, considering macroeconomic as well as company-specific factors before making an investment decision.

5. **Large Transaction Risk**

If an investor in a Fund makes a substantial subscription/redemption in the Fund, the Fund's cash flow may be adversely affected. For a significant subscription amount, the Fund may be forced to buy securities at unfavorable prices to maintain its intended portfolio positions and weightings. For a significant redemption amount, the Fund may be forced to sell securities at unfavorable prices or even cut losses to ensure there is a sufficient fund to pay the redemption proceeds

6. **Taxation Risk**

The original issue of shares of stock or units of participation in a mutual fund company are exempt from the documentary stamp tax in accordance with Section 199(o) and (p) of the Tax Code.

Furthermore, gains realized by the investor upon redemption of its shares of stock or units of participation in a mutual fund company registered under Republic Act No. 2629 or the Investment Company Act are excluded from the computation of a taxpayer's gross income and are thus exempt from taxation in accordance with Section 32(B)(7)(h) of the Tax Code.

### **Risk Monitoring and Management Procedure**

The Fund Manager through its Compliance Officer continuously monitors and identify areas that may pose risks to the Fund that could impact its operations, assets, and investment portfolios. A proactive approach to risk identification ensures that emerging threats are addressed before they escalate.

The Fund also has an Audit Committee to monitor risks, the members of which are required to have accounting and finance backgrounds. The Fund Manager, through its Audit Committee quantifies its market risk exposures through various models and metrics.

Said Committee, among others, shall also ensure compliance with the risk management policies set forth in the Fund's Risk Management Framework such as VaR, limit monitoring and stress testing to name a few. It shall provide oversight over the Fund's activities in managing credit, market, liquidity, operational, legal, and other risks. On an annual basis, the Committee shall review its business continuity plan and implement any changes that are necessary to ensure risks are identified, mitigated and/or eliminated.

Exceptions and revisions to the Risk Management Framework will also be subject to Board approval. The framework also includes the requirements of the SEC with regards to breach of investment restrictions, and respective curing periods.

## **FUND FEATURES**

### **THE FUND**

Philequity Fund, Inc. was incorporated on 21 February 1994. The general character of the business of the Fund is an Open-End Mutual Fund established under the Investment Company Act, R.A. 2629. The Fund operates as an investment company with a focus on long-term capital appreciation by investing primarily in companies listed on the PSE. The Fund issues mutual fund shares for sale to the public. Said mutual fund shares are sold through its Principal Distributor, Philequity Management, Inc. ("PEMI") in accordance with the Management and Distribution Agreement. The Fund is ready to redeem or buy back the shareholding of any investor at the applicable NAV per share.

The Fund aims to provide small investors access to a diversified portfolio of shares of listed companies. The Fund provides them an opportunity to reap returns provided by listed companies with good potential for future growth through professional management and supervision of said investors' funds.

The Fund shall maintain a portfolio of equity securities consisting primarily of stocks of PSE-listed companies. The investment objectives, policies and initial investment plans are discussed in detail under the topics Investment Objective and Investment Policies and Investment Restrictions.

The Fund appointed PEMI as its investment manager and principal distributor. A detailed description of the duties of PEMI as investment manager and distributor, the investment procedure and the plan of distribution are discussed under the topic Parties Involved in the Fund and in the Management and Distribution Agreement.

The Fund's securities and investments will be held by BPI Asset Management and Trust Corporation, the Fund's Custodian.

### **INVESTMENT OBJECTIVE AND POLICIES**

Philequity Fund, Inc. ("Fund") is an open-end mutual fund. The Fund's investment objective is to seek long-term capital appreciation through investment primarily in equity securities of listed Philippine companies. Due to the nature of the Funds' primary investments, the Fund is classified as an aggressive or high risk fund. However, the fund will take into consideration the liquidity and safety of its investments to protect the interest of its investors.

The Fund intends to invest its assets in a variety of Philippine industries to achieve diversification, but will act as such within the provision of applicable laws and regulations.

### **INVESTMENT RESTRICTIONS**

Unless otherwise prescribed by the Commission, the investments and operation of the Fund shall be subject to the following limitations and restrictions:

1. The maximum investment of the Fund in any single enterprise or issuer shall not exceed an amount equivalent to fifteen percent (15%) of its net assets, nor shall the total investment of the fund exceed ten percent (10%) of the outstanding securities of the investee company.

2. The Fund shall not invest, in aggregate, more than twenty percent (20%) of its net assets in transferrable securities, money market instruments, deposits and OTC financial derivatives issued by any single business group, provided the investments in OTC financial derivatives with non-investment grade or unrated counterparty shall not exceed five percent (5%) of the net asset of the Fund. In investing in financial derivative instruments for the Fund, PEMI shall subject itself to the limitations provided in Section 6.8.h of the Implementing Rules and Regulations of the Investment Company Act, Section 2 of SEC Memorandum Circular No. 15 s.2020 and any other rules as prescribed by the Commission.
3. Deposits of the Fund shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license excluding monies for liquidation of a revoked Investment Company.
4. Investments in:
  - a. Deposits placed with unrated or non-investment grade deposit-taking institution;
  - b. Debt securities or money market instruments not dealt in on organized market or issued by an unrated or non-investment grade issuing body;
  - c. Unlisted shares issued by a related party; and
  - d. Subject to SEC MC No, 15, s. 2020 and any other rules prescribed by the Commission, over-the-counter financial derivatives with non-investment grade or unrated counterparty

must not, in aggregate, exceed fifteen (15%) of the net assets of the investment company provided the investments enumerated herein shall not exceed five percent (5%) of the net assets of the investment company.

5. Investment in foreign government debt securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating of investment grade may be increased to a maximum of thirty five percent (35%) of the net assets of the Fund;
6. In investing in financial derivative instruments, the Fund Manager, subject to SEC MC No, 15, s. 2020 and any other rules prescribed by the Commission, shall employ a risk-management process which captures the risks associated with the use of financial derivatives and satisfies all the following requirements on an ongoing basis:
  - a. The total exposure to financial derivatives or embedded financial derivatives, including counterparty transactions, shall not exceed twenty percent (20%) of the net assets of the investment company;
  - b. The investment company must, at all times, be capable of meeting all its payment and delivery obligations incurred by transactions involving financial derivative instruments;
  - c. The Fund Manager shall not act as a counterparty to an OTC derivative invested into by the Investment Company.
7. The Fund shall be prohibited from investing in the securities it is issuing.
8. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its investment advisor/s, manager or distributor/s or firm/s of which any of them are members, any securities other than the capital stock or registered units of the Fund.
9. Unless the Commission shall provide otherwise, Fund shall not engage in short selling;
10. Unless the Commission shall provide otherwise, the Investment Company shall not invest in any of the following:
  - a. margin purchase of securities (investment in partly paid shares are excluded);
  - b. commodity futures contracts;
  - c. precious metals; and
  - d. unlimited liability investments.
11. For liquidity purposes, unless otherwise prescribed by the Commission, at least ten percent (10%) of the assets of the Fund shall be invested in liquid/semi-liquid assets.

Such liquid/semi-liquid assets shall refer to, but not limited to the following:

- a. Treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines;
- b. Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCTD)
- c. Government debt securities where the issuer or the guarantor is a foreign government, sovereign or central bank with an international long-term issuer rating of investment grade;
- d. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposit accounts be accepted or allowed under a “bearer”, “numbered” account or other similar arrangement.
- e. Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;
- f. Other collective schemes wholly invested in liquid/semi-liquid assets.

The Fund has submitted a notarized liquidity contingency plan to implement a decreased investment of less than ten percent (10%) of its assets in liquid/semi-liquid assets.

12. Unless otherwise prescribed by the Commission, the total operational expenses of the Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in the previous year's audited financial statements. The formula shall be as follows:

$$\text{Expense Ratio (\%)} = \frac{\text{Total Operating Expenses} * 100}{\text{Average Net Asset Value}}$$

13. The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is a net asset coverage of at least three hundred percent (300%) for all its borrowing, or such net asset coverage as the applicable Philippine laws and regulations may prescribe. In the event that such asset coverage shall at any time fall below 300% or the coverage required by law, the Fund shall within three (3) days after, or such period as the applicable Philippine laws and regulations may require, reduce the amount of borrowings to an extent that the net asset coverage shall be at least 300% or the coverage required by law.

## **TERMS AND PRICING OF SECURITIES**

### **1. Eligible Investors**

The shares of the Fund may be purchased and held by any person of legal age or duly organized and existing corporations, partnerships or corporate entities regardless of nationality. The Articles of Incorporation of the Fund provides, however, that no transfer of shares of stock of the Fund which reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the corporate books of the Fund. The Investor shall declare and warrant that there are no legal restrictions prohibiting the purchase of the shares applied for and that the Investor is otherwise eligible throughout the duration of the period that the Investor remains a shareholder of the Fund.

### **2. Offering Price**

The price at which the securities are to be sold is at the Net Asset Value ("NAV") per share on the day of the purchase. A sales load fee shall also be charged on the day of the purchase if any.

The daily cut-off time for the reckoning of the date of submission of the subscription application shall be 12:00 noon. If the application is received on or before the said cut-off time, the shares shall be valued based on the NAV per share for the same banking day. For applications received after the cut-off time, it shall be deemed to have been received the next banking day, and the NAV per share for the next banking day will be used as basis for payments. In both instances, a sales load fee shall be charged based on the total price of the application.

NAV per share shall be the computed difference between total assets of the Fund and its total liabilities divided by the number of shares outstanding.

### **3. Sales Load**

The sales load fee shall be a maximum of three and a half percent (3.5%) of the value of investment made.

#### 4. **Minimum Investment**

Minimum initial investment of One Thousand Pesos (₱1,000.00) and a minimum of Five Hundred Pesos (₱ 500.00) worth of shares for additional investments. No installment payment is allowed.

#### 5. **Minimum Redemption Amount**

Redemption amount shall be a minimum of one (1) share

#### 6. **Minimum Balance**

Minimum balance shall be a minimum of one (1) share

#### 7. **Income Distribution Policy**

All investment income generated by the Fund will be distributed indirectly to all the shareholders through the daily adjustment of the Fund's Net Asset Value Per Share. Subject to compliance with the requirements of applicable laws and regulations, and the absence of circumstances which may restrict the payment of dividends, only surplus profits in excess of one hundred (100%) percent of the Corporation's paid-in capital stock shall be declared as cash dividends. The existence of surplus profits available for distribution as cash dividends shall be reviewed in the month of April of every year, or when the annual audited financial statements become available, whichever is later. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof.

#### 8. **Subscription and Redemption Procedure**

##### A. **Subscription**

##### 1. **Opening an Account**

A prospective investor must submit one (1) valid government-issued ID and duly accomplished PEMI account opening documents. Upon submission, the Certified Solicitor and MF Distributor shall conduct a Client Suitability Assessment to measure the prospective investor's investment goals and risk tolerance. Once accomplished, the investor must make the appropriate payment to the Fund via the designated bills payment facility, subject to the cut-off time of 12:00 nn. The booking of such payments shall follow a trade date plus one (T+1) or trade date plus two (T+2) basis, depending on the processing time of the servicing financial institution.

For direct investors, payment made through the above-mentioned bills payment facility shall constitute conclusive evidence of the investor's intention to subscribe to the Fund. Such payment shall be deemed valid and binding, even in the absence of additional supporting documentation, such as an investment application form or subscription form, as the required transaction details—including the date, amount, client account number, and investor's name—are captured through the bills payment facility. Access to this facility is secured by authentication credentials, including a password known only to the account holder, thereby further confirming the legitimacy and ownership of the transaction in lieu of a signed document.

For investors subscribing through Distributors, a Transaction Order Form (TOR) shall be submitted by the Distributor. Once accepted by the Investment Manager, the TOR shall constitute a binding agreement for the purchase of the Fund shares in accordance with the terms set forth in this Prospectus and the Account Opening Form. Upon booking of the transaction, the investor shall be issued a Confirmation Notice of subscription and an Acknowledgement Receipt.

##### 2. **Acceptance of Investment Applications**

Applications for the number of shares and the applicable NAV are subject to acceptance and approval by the Principal Distributor. Upon acceptance, the payment shall be booked using the NAVps on that day, and the investor shall receive a Confirmation Notice.

The Principal Distributor reserves the right to reject and scale down any subscription payment for any reason. The Principal Distributor shall inform the Investor of such reduction or rejection within seven (7) days after submission of the TOR or the payment date, as applicable.

**3. Payment Terms**

Subscriptions shall be paid in full through the designated bills payment facility. Installment payments are prohibited. Any applicable bank charges shall be borne solely by the investor.

**4. Refunds**

Refunds of payments for any rejected or scaled-down applications shall be made without interest by the Principal Distributor not later than seven (7) days after submission. The respective Investor shall receive a check, crossed "Payee's Account Only," or fund transfer to the investor's account.

**5. Delivery of Stock Certificates**

Stock certificates are issued to investors in scripless format. In the interest of economy and convenience, certificates for shares purchased will only be issued if so requested in writing by the shareholders. Shares are recorded on a stock register by the Corporation's duly appointed Transfer Agent and shareholders who do not elect to receive stock certificates have the same rights of ownership as if certificates had been issued to them.

**6. Periodic Fund Statement**

The Investor shall receive a monthly Fund Statement indicating the status of the investment in the Fund through email.

**B. Redemption**

**1. NAV Per Share Computation**

The NAV per share shall be the computed difference between the total assets of the Fund and its total liabilities divided by the number of shares outstanding. The NAV shall be posted in the conspicuous place of the principal office of the Fund as well as in all its branches and designated redemption centers. It shall also be published in at least two (2) newspapers of general circulation in the Philippines on a daily basis and/or be uploaded in its website, through digital portals such as its website or social media accounts.

**2. Manner and Method of Redemption**

Upon the presentation to the Principal Distributor of the securities for redemption, the holder of the shares of the Fund is entitled to receive by way of redemption approximately his proportionate share of the Fund's current net assets or the cash equivalent thereof, i.e. the net current asset value per share, subject to existing laws and the By-Laws of the Fund. Any request for redemption should always be accompanied by duly endorsed stock certificates and custodian receipt/s, if they have been issued. The redemption proceeds shall be paid within seven (7) banking days from receipt of the duly accomplished redemption application. Upon booking of the transaction, the investor shall be issued a Confirmation Notice of redemption.

**3. Redemption Price**

The redemption price of the securities surrendered within the daily cut-off time shall be the next computed NAV per share after the request for redemption is received. Securities surrendered after the daily cut-off time shall be deemed to have been received on the next banking day. The daily cut-off time shall be 12:00 o'clock noon.

#### 4. Minimum Holding Period and Redemption Charges

The following fees shall be deducted from the redemption proceeds depending on the retention period of the investor:

RETENTION PERIOD	REDEMPTION FEE
90 days	A redemption fee of two percent (2.0%) of the redemption proceeds will be deducted there from if redeemed within the first ninety (90) days of investment.
More than 90 days	Nil

Redemptions for deposit to bank accounts are subject to check clearing, redemptions made through RTGS / PDDTS are subject to bank charges and any stale checks (for check pick-up) will be subject to a penalty of Php 25.00.

#### 5. Special Considerations

The Commission motu proprio or, upon the request of the Fund Manager, may suspend the redemption of shares of the Fund if:

- The exchange, where eighty percent (80%) of the securities in the Investment Company's portfolio, is suspended;
- Eighty percent (80%) of the securities in the Investment Company's portfolio, could not be traded or liquidated;
- Whenever necessary or appropriate in the public interest or for the protection of investors.
- Such other circumstance as the applicable Philippine laws or regulations may allow.

If the request for suspension of redemption of shares is made by PEMI, for any of the grounds mentioned above, the approval of the IOE must be secured.

The Commission shall provide the period of suspension of redemption which shall not be more than twenty-one (21) business days, unless an extension is approved by the Commission En Banc. PEMI must report to the Commission when dealing of the Fund is resumed.

#### 6. Applicable Taxes

Gains realized by the investor upon redemption of its shares of stock in a mutual fund company registered under Republic Act No. 2629 or the Investment Company Act are excluded from the computation of a taxpayer's gross income and are thus exempt from taxation in accordance with Section 32(B)(7)(h) of the Tax Code.

### COMPUTATION OF NET ASSET VALUE

The net asset value shall be calculated by adding:

- The aggregate market value of the portfolio securities and other assets;
- The cash on hand;
- Any dividends on stock trading ex-dividend; and
- Any accrued interest on portfolio securities,

And subtracting:

- Taxes and other charges against the fund not previously deducted;
- Liabilities
- Accrued expenses and fees; and
- Cash held for distribution to investors of the fund on a prior date.

In compliance with SEC Memorandum Circular No. 21, series of 2019, the Fund's Audit Committee was appointed to act as the Fund's Independent Oversight Entity and Independent Net Asset Value Calculator. The Audit Committee shall cross-check the Net Asset Value every dealing day.

The NAV shall be posted in the conspicuous place of the principal office of the Fund as well as in all its branches and designated redemption centers. It shall also be published in at least two (2) newspapers of general circulation

in the Philippines on a daily basis and/or be uploaded in its website, through digital portals such as its website or social media accounts.

## **BENEFITS TO THE INVESTOR**

### **1. Professional Management and Supervision**

Investing in the Fund affords numerous small investors services which would normally be accessible only to institutional investors and individuals with substantial resources. The Investor is given an opportunity to become part of a professionally managed portfolio of securities.

### **2. Diversification**

The Fund enables an investor to diversify his investible funds among various PSE-listed companies that are not included in the Philippine Composite Index by investing in the Fund. Diversification reduces the risks associated with investing in individual securities.

### **3. Liquidity**

A shareholder of the Fund may at any time, convert his proportionate share of the Fund's current net assets into its cash equivalent (i.e. the NAV per share less redemption charges, if any). There is no need for the shareholder to find a buyer as the Fund is always ready to redeem or buy back its shares, provided that the shareholder submits all pertinent requirements as set forth in the section Redemption of Shares.

## **USE OF PROCEEDS**

The total proceeds from the sale of the securities shall be invested primarily in the equity (0-100%) of companies listed on the PSE. The Fund may likewise invest in money market or government debt securities (0-20%) provided it complies with limitations and restrictions of the ICA which is also under Investment Restriction of page 19

All cash proceeds, including the original subscription payments at the time of incorporation constituting the paid in capital of the investment company shall be deposited with the Fund's deposit account with Eastwest Bank, which is the settlement account for payments relating to trades and transfers of securities. Aside from the Sales Load, no other fees shall be taken directly from the gross proceeds.

The Fund shall be guided by the investment policies and restrictions on its investments under the topics Investment Objective and Investment Policies and Investment Restrictions.

The Company shall not engage in lending operations and shall not make loans to other interested persons such as the members of the Board of Directors, officers of the Company and any affiliates or affiliated corporations to the Fund.

No material amount of other funds shall be necessary to accomplish the specified purpose for which the offering is made.

The fund likewise has no intention to use any material amount of the proceeds for the acquisition of assets or to finance the acquisition of other businesses.

The proceeds will not be used to discharge debt or reimburse any officer, director, employee or shareholder of the Fund for any services rendered, assets previously transferred, and money loaned or advance or otherwise.

## **DETERMINATION OF OFFERING PRICE**

The price at which the securities are to be sold is at the Net Asset Value per share ("NAVPS") on the day of the purchase. A sales load fee shall also be charged on the day of the purchase. The daily cut-off time for the reckoning of the date of submission of the subscription application shall be 12:00 noon. If the application is received on or before the said cut-off time, the shares shall be valued based on the NAVPS for the same banking day. For applications received after the cut-off time, it shall be deemed to have been received the next banking day, and the NAVPS for the next banking day will be used as basis for payments. In both instances, a sales load fee shall be charged based on the total price of the application.

NAVPS shall be the computed difference between total assets of the Fund and its total liabilities divided by the number of shares outstanding. The sales load fees for the amount of investment in an Investment Application shall be a maximum of three and a half percent (3.5%).

The value of the assets of the Fund shall be determined based on the following:

- a. If quoted in an organized market, based on official closing price or last known transacted price;
- b. If unquoted or quoted investments where the transacted prices are not represented or not available to the market, based on fair value; Provided further that in determining the fair value of the investments, the Fund Manager shall, with due care and good faith:
  - Have reference to the price that the Investment Company would reasonably expect to receive upon the sale of the investment at the time the fair value is determined;
  - Document the basis and approach for determining the fair value

## **SELLING SECURITY HOLDERS**

There are no securities to be registered which will be offered for the account of security holders.

## **PLAN OF DISTRIBUTION**

The sale of the Offer Shares will not be underwritten. There are no shares designated to be sold to specified persons and none of the shares are to be allocated to an Exchange and/or to its members. No securities are to be offered pursuant to a dividend or interest reinvestment plan the terms of which provide for the purchase of some securities on the market. Nor are there any securities being registered or to be offered other than for cash.

The Fund has appointed Philequity Management, Inc. (“PEMI”) as Principal Distributor of capital stock of the Fund and agreed that it will not sell any shares of its capital stock except to or through PEMI. The Fund also authorized PEMI to set up a marketing network and accredited sub dealers or agents who are directly liable to PEMI. As such, PEMI will sell the Fund’s shares through its Registered Certified Investment Solicitors and dealers with whom it has entered into distribution agreements.

PEMI is licensed by the Commission as an Investment Company Adviser with Certificate of Registration No. 01-2004-00156 issued on 30 March 2004 and License Number ICA-00007. The said certification is being renewed annually.

PEMI shall be paid a management fee equivalent to 0.75% and a distribution fee equivalent to 0.75% per annum of the average net asset value of the Fund’s assets computed on a daily basis as its management and distribution fee. A sales load not exceeding three and a half percent (3.5%) shall also be charged.

There is no arrangement whereby PEMI has the right to designate or nominate a member or members of the Board of Directors of the Fund. Thus, there is no director so designated or nominated pursuant to an agreement between the Fund and PEMI.

The Fund’s shares will be made available through Philequity’s web portal. As of 30 November 2025, the portal is still under development and not available to customers. The Fund’s shares shall also be made available through its sub-distributors namely BDO Securities Corporation, COL Financial Group, Inc., First Metro Securities Brokerage Corporation, Investa Financial Inc., Novel Securities, Inc., Rampver Financials, Inc., Unicapital Securities Inc., Wealth Securities, Inc. PEMI may also enter into sub-distribution agreements with trained and qualified bank employees to market and sell the shares of the Fund subject to the requirement that the bank and/or employees shall be required to secure the necessary licenses from the SEC to distribute mutual fund shares to the public. For their services, a distribution fee shall be paid to the sub-distributor based on the outstanding daily balance of the Fund’s shares distributed and shall be deducted from the distribution fee.

## **DESCRIPTION OF SECURITIES TO BE REGISTERED**

The Fund has an authorized capital stock of One Billion Pesos (₱1,000,000,000.00) composed of One Billion (1,000,000,000) common shares with par value of One Peso (₱1.00) per share.

The Fund registered its entire authorized capital stock with the Securities and Exchange Commission under SEC Form 12-1 Registration Statement under the Securities Regulation Code.

Unless applicable Philippine laws and regulations shall allow otherwise, the original promoters of the investment company who have subscribed and paid for the original capital of the Fund, shall not be allowed to sell, transfer, convey, encumber or otherwise dispose of their shares/securities within twelve (12) months from the registration of the Fund.

Each share of stock of the Fund shall have full voting rights equal to every other outstanding share of stock in accordance with the Revised Corporation Code of the Philippines, and subject to the following:

**1. Right of Redemption**

Upon the presentation to PEMI or any of the Fund's duly authorized representatives of the Custodian Receipt(s) and the stock certificate(s) for redemption, the holder of a share of stock is entitled to receive by way of redemption approximately his proportionate share of the Fund's current net assets in cash, i.e. the net current asset value per share, subject to existing laws and the By-Laws of the Fund.

**2. Denial of Pre-emptive rights**

The Articles of Incorporation of the Fund provide that no stockholder shall, because of his ownership of stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the Fund. The Fund's Articles of Incorporation further provide that any part of such stock or other securities may be disposed of by the Fund pursuant to the resolution of its Board of Directors, to such persons and upon such terms as the Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders.

**3. Distribution of Dividends**

Subject to compliance with the requirements of applicable laws and regulations, and the absence of circumstances which may restrict the payment of dividends, only surplus profits in excess of one hundred (100%) percent of the Corporation's paid-in capital stock shall be declared as cash dividends. The existence of surplus profits available for distribution as cash dividends shall be reviewed in the month of April of every year, or when the annual audited financial statements become available, whichever is later. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof.

**4. Restriction on Transfers**

No transfer of stock of the Fund which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the books of the Fund.

### **Profile of Prospective Investors**

The Fund aims to reach prospective investors who would like to invest in the stock market but do not have the time and expertise to do so. PEFI gives investors access to a diversified stock portfolio managed by some of the best equity fund managers in the country. The Fund is most suitable for investors with an aggressive risk appetite and a long-term investment horizon. These prospective investors should be made aware that the proceeds from the sale of securities shall be primarily invested in PSE-listed companies and should consider the risks involved before investing in the Fund.

### **Rights of a Shareholder in case of Dissolution**

The Funds' custodians safe keeps the securities and in case of company dissolution and upon liquidation of the assets, the Fund shall payout the applicable redemption price to its Shareholders under a distribution process to be determined by the Board of Directors of the Fund. The Fund shall submit a Redemption Plan to the Commission prior to its dissolution.

## **Procedure for Handling Customer Complaints**

In case of complaints, investors may contact:

Philequity Management Inc,  
15<sup>th</sup> Floor PSE Tower, 5th Avenue corner 28th Street, BGC, Taguig City 1634  
E-mail: [ask@philequity.net](mailto:ask@philequity.net)  
Website: [www.philequity.net](http://www.philequity.net)  
Telephone No.: +63 2 8250 8700  
Office Hours: Monday to  
Friday 8:30 a.m. to 5:30 p.m.

Complaints are logged for monitoring purposes. Philequity Management Inc. endeavors to resolve your complaint at the soonest possible time. A company representative will reply to your complaint sent through e-mail within 24 hours upon receipt. The Investment Manager shall resolve complaints or issues within thirty (30) days from initial submission of the complaint or inquiry.

A Code of Business Conduct in dealing with sensitive information covers Philequity Management employees. Rest assured that all Investor information and details about any complaint would remain private and confidential.

Alternatively, you may contact the Securities and Exchange Commission thru [cgfd\\_ld@sec.gov.ph](mailto:cgfd_ld@sec.gov.ph). Philequity Fund, Inc. is regulated by the Securities and Exchange Commission (SEC).

## **Change in Control of the Registrant**

There are no provisions in the company charter or by-laws that would delay, defer or prevent a change in control of the registrant

## **Statement of liability of the shareholders to the Investment Company**

The liability of or loss to the unitholders of the Fund shall be limited to their investments in the Fund.

## **Procedure for Monitoring Fund Distribution**

As principal distributor of the Fund, PEMI shall monitor all sales and redemptions of the Fund and provide a monthly report on fund distribution to the Commission. PEMI shall maintain records of said reports which may be subject to inspection or audit by the Fund at any time.

## **Policies on the Conflict of Interest, Management and Procedures in Monitoring and Resolving Conflicts of Interest**

The Directors and Officers of the Fund shall always act in the best interest of the Fund, in a manner characterized by transparency, accountability and fairness. Fair business transactions should occur with the Funds' counterparties such as the Fund Manager, Distributor, Transfer Agent, and Custodian. Directors and officers shall ensure that personal interest is not in conflict with the interest of the Fund, and they shall not use their position to profit, gain or take advantage of any situation that may compromise impartiality.

If an actual or potential conflict of interest arises on the part of a director or officer, the Fund requires Directors, Officers, and employees to promptly disclose any actual or potential conflict of interest (including related-party transactions), and any person with a material interest is expected to refrain from influencing the process and abstain from deliberations and voting, with such disclosures monitored through the Fund's governance and compliance oversight. Any identified or alleged conflict is escalated for review and appropriate action/approval, documented in accordance with internal controls, and where a breach is involved, addressed through investigation, corrective measures and disciplinary sanctions, with applicable disclosures made in line with the Fund's disclosure policies

## **Delegation of Fund Management or Custody of Assets**

Fund Management services has been appointed to PEMI. Please see the Management Agreement in Exhibit 6A. Custody of Assets has been appointed to BPI Asset Management and Trust Corporation. Please see the Custody Agreement in Exhibit 6D. The delegation of fund management or custody of assets shall be subject to compliance with the requirements of the ICA-IRR as amended.

## **INTERESTS OF NAMED EXPERTS AND INDEPENDENT COUNSEL**

There are no experts or independent counsels hired on a contingent basis and who received a direct or indirect interest in the Fund.

## **INFORMATION WITH RESPECT TO THE REGISTRANT**

### **DESCRIPTION OF BUSINESS**

#### ***The Fund***

Philequity Fund, Inc. is a domestic corporate duly authorized to operate as an open-ended investment company. Its investment objective is to achieve long-term capital appreciation for its shareholders by investing primarily in companies listed on the PSE that the Fund Manager believes will generate consistent and long-term return.. The Fund was incorporated on February 21, 1994 with an authorized capitalization of One Billion Pesos (₱ 1,000,000,000) consisting of 1,000,000,000 common shares at a par value of ₱1.00 per share. The Fund only invests in securities listed on the PSE. There are no sales or revenues and net income contributed by foreign sales. Apart from investing securities listed on the PSE, there are no other services or products to be offered.

The Fund has entered into a Management and Distribution Agreement with Philequity Management, Inc. authorizing PEMI to purchase and sell securities for the account of the Fund. The Fund does not have employees of its own since the management and administration functions are already being handled by PEMI. The Fund will not incur any income but instead PEMI will charge a management fee equivalent to seventy-five hundredths percent (0.75%) and a distribution fee equivalent to seventy-five hundredths percent (0.75%) for performing its function.

The custodians safe keeps the securities of the Fund and in case of company bankruptcy and upon liquidation of the assets, the Fund shall payout the applicable redemption price to its shareholders under a distribution process to be determined by the Board of Directors of the Fund. The Fund shall submit a redemption plan to the Commission prior to its dissolution.

The Fund has been conducting the same business since its inception. The Fund has no intention, nor has it undergone any merger, consolidation, any material reclassification or purchase or sale of significant amount of asset not in the ordinary course of the business. The Fund has never filed for bankruptcy, receivership nor has it undergone similar proceedings. The Fund does not intend to acquire properties in the next twelve (12) months.

#### ***Competition***

Mutual funds mainly compete on fund returns, if a fund produces superior returns against its competitors, then the fund will likely have an increase in new subscriptions. However, higher fee structures may act as a deterrent to investing in a fund. The fund considers 23 equity mutual funds that invest primarily in stocks as its primary competitors. As of December 31, 2024, Sun Life Prosperity Phil. Stock Index Fund, Inc., Philequity Fund, Inc. and Philippine Stock Index Fund Corp. are considered to have the highest net assets and number of clients among the 23 equity mutual funds. Philequity has maintained its reputation as a leader in relative performance amongst its peers. Fees like sales load, management and early redemption fee are also factors that affect the decision-making process of potential investors. To date, the Fund charges the lowest fees and shortest holding periods.\*

\* PIFA Statistical Report, December 31, 2024

#### ***Dependence on a Single or a Few Customers***

The Fund does not have dependence on a single or few customer.

### ***Patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements held***

The Fund does not hold any patents, trademarks, copyrights, licenses, franchises, concessions or royalty agreements. So the Fund's operation will not be affected by the foregoing.

### ***Need for any Government Approval of Principal Products or Services***

There are no other applications in progress that require government approval

### ***Compliance with the Investment Company Act***

As an investment company registered with the SEC, the Fund must comply with the requirements of the Revised Corporation Code of the Philippines as well as the minimum subscribed and paid-up capital of ₱50.0 million as required under Section 12 Structure and Capitalization of Investment Companies of the ICA.

The Investment Company Act requires that any securities proposed to be issued and distributed or sold by the investment company must likewise be registered with the SEC.

### ***Other Laws and Government Policies Applicable to the company and Procedures to Ensure Compliance with Relevant Laws and Regulation***

The Compliance Officer is tasked to ensure compliance with relevant laws and regulations. The Compliance Officer shall have the following functions:

- a. To have a system designed to achieve compliance with the SRC, ICA and their IRR, SEC Memorandum Circulars, Corporate Governance Rules and such other applicable laws, such as, but not limited to, the Anti-Money Laundering Act, Data Privacy Act;
- b. Comply with the orders or resolutions of the Commission, or any of its Department;
- c. Oversee the compliance with the requirements of the Commission relative to the closure of the business of an Investment Company and Fund Manager;
- d. Ensure that all CISols are registered and notify the Commission of any resignation; and
- e. Exercise due diligence in the conduct of his/her compliance function.

The Compliance Officer shall take adequate steps to ensure that the Fund is compliant with new laws and regulations that are enacted or issued and shall formulate new control procedures in response to any regulatory amendments. The Compliance Officer is expected to keep management, the Board of Directors and Officers abreast with relevant laws and regulations at all times.

### ***Annual Shareholders' Meeting***

The annual shareholders' meeting of the Fund shall be held at the Fund's principal office every last Friday of September of each year, or such date and time as may be fixed by the Board of Directors.

### ***Effect of existing governmental regulations***

Government regulations may have both positive and negative effects on mutual fund investors.

Recent measures such as the proposed Passive Income and Financial Intermediary Taxation Act (PIFITA) bill, the Capital Markets Efficiency Promotion Act (CMEPA) law, and the U.S. Foreign Corrupt Practices Act (FCPA) may affect the mutual fund industry. Under CMEPA, the removal of documentary stamp tax (DST) lowers investment costs and may make mutual funds more attractive to investors. The PIFITA bill, if enacted, may negatively affect investor returns due to increased taxation on reinvested gains, dividends, and fund income, which could reduce interest in mutual funds, encourage a shift to alternative investments, and hinder financial inclusion efforts. The FCPA may strengthen governance through tighter oversight and stronger books-and-records and internal control requirements, reducing corruption-related operational and reputational risks; however, it may also increase compliance burdens and enforcement exposure, particularly involving

intermediaries and recordkeeping, resulting in higher costs, potential investigations or penalties, and possible operational disruption even for firms investing primarily in local markets.

### ***Prevention of Money Laundering and Terrorist Financing***

As part of the Fund's responsibility for the prevention of money-laundering under the AMLA, as amended, the Terrorism Financing Prevention and Suppression Act of 2012 (R. A. 10168) and other relevant rules and regulations, the Fund or any entity acting on its behalf may require evidence verifying the identity of a prospective purchaser of units and the source of the relevant funds. Whether or not such evidence will be required and, if so, the nature and extent of such evidence will depend on attendant circumstances. The Fund, including any entity acting on its behalf, reserves the right to request such information it considers necessary to verify the identity of a proposed purchase of units in each case. The Fund also reserves the right to refuse to accept a subscription for units in the event of delay or failure in the provision of any such required information.

In case of issuance of any freeze order, the Fund shall immediately preserve the subject property or funds upon receipt of the notice of a freeze order, in accordance with the order of the court of competent jurisdiction or the AMLC. The owner or holder of the property or funds shall be given a copy of the notice of the freeze order.

### ***Compliance with Data Privacy Act of 2012 (Republic Act No. 10173)***

To enable the Fund to comply with the requirements of the Data Privacy Act of 2012 (Republic Act No. 10173) and its implementing rules and regulations, the Fund requires all investors to expressly authorize the Fund to collect and process his/her personal and sensitive personal information and any information related to him/her and his/her account as well as its sharing, transfer and/or disclosure to any of the Fund's affiliates, agents and representatives, industry associations and third parties such as but not limited to outsourced service providers, external auditors, and local and foreign regulatory authorities in relation to any matter including but not limited to those involving anti-money laundering and tax monitoring, review and reporting, statistical and risk analysis, provision of any products, service, or offers made through mail/email/fax/telephone, customer satisfaction surveys, compliance with court and other lawful orders and requirements. The Fund further requires the investors to hold the Fund and PEMI free and harmless from any liability that may arise from any transfer, disclosure, processing, collection, use, storage or destruction of said information.

### ***Compliance with Foreign Account Tax Compliance Act***

To avoid tax evasion by U.S. persons, the U.S. Foreign Account Tax Compliance Act ("FATCA") was enacted to ensure Foreign Financial Institutions ("FFIs") such as mutual funds place compliance measures and report foreign (non-U.S.) assets to the U.S. Internal Revenue Services ("IRS"). If the Fund is found to be non-compliant, the Fund may be subject to a 30% withholding tax on U.S. sources of income or proceeds. To comply with FATCA requirements, FFIs are required to identify and report U.S. customers to the IRS or the BIR along with investors who are unable or unwilling to confirm their corresponding U.S. status.

Given the complex requirements of FATCA, PEMI will not accept investors who are U.S. citizens or found to have any indicia of U.S. status. U.S. indicia refers to any of the following: a) U.S. citizenship or lawful permanent resident (green card) status; b) a U.S. birthplace; c) a U.S. residence address or a U.S. correspondence address (including a U.S. P.O. box); d) a U.S. telephone number (regardless of whether such number is the only telephone number associated with the account holder); e) Standing instructions to pay any amounts from the account to an account maintained in the U.S.; f) an "in care of" address or a "hold mail" address that is the sole address with respect to the client; or g) a power of attorney or signatory authority granted to a person with a U.S. address. PEMI reserves the right to reject an application to purchase shares of the Fund for investors who are U.S. citizens or found to have any indicia of U.S. status. PEMI also reserves the right to redeem and terminate accounts of investors who are found to be U.S. citizens, have any indicia of U.S. status, unwilling to confirm their corresponding U.S. status or have been found provide false or inaccurate information of their U.S. status.

### **PROPERTIES**

Operations will be conducted within the premises of the fund manager. All facilities are either owned or provided by the fund manager. The Fund has neither properties under its fixed assets accounts nor hires employees for its operation.

## LIABILITIES OF THE INVESTMENT COMPANY AND THE FUND MANAGER TO THE SHAREHOLDERS

Nothing in this Prospectus shall be construed as a guaranty of return or income, nor does it entitle any investor to a fixed rate of return; investment in the Fund involves risk, including possible loss of principal, and Fund shares/units are not bank deposit products, not guaranteed by PEMI, and not covered by the Philippine Deposit Insurance Corporation.

PEMI, as Fund Manager, manages the Fund's investment assets and performs its functions in accordance with the Fund's Registration Statement/Prospectus and applicable laws and regulations, including maintaining the required books and records, providing investors with accounts/reports/statements (in hard copy or electronically), ensuring accurate valuation/pricing, and ensuring that Fund assets are deposited with an independent custodian.

The Fund shall continue to perform oversight responsibility over the appointment of a delegate and shall undertake the necessary measures if, upon proper finding, the appointment of a delegatee is not in the interest of the Fund shareholders/unitholders. In case the Fund shall perform full oversight over the Fund Manager, it shall be required that fifty percent (50%) of its directors are independent directors.

PEMI shall not be liable for any loss or depreciation in the value of the Fund or an investor's shareholdings except to the extent such loss is attributable to PEMI's fraud, willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of its office (and nothing herein shall be interpreted to waive any liability that cannot be waived under applicable law)

## LEGAL PROCEEDINGS

The Fund is not involved in any litigation or disputes. As of date, the Fund does not foresee any legal dispute to be instituted either by any government agency or entity or by third persons.

The Fund is not involved in, nor is any of its properties subject to, any material legal proceedings that could potentially affect their operations and financial capabilities.

There is no material pending legal proceeding to which the Fund, its Fund Manager, or any of its subsidiaries or affiliates is a party or in which any of its properties are the subject of the proceeding.

## MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDERS' MATTER

### *Market Information*

There is no established public trading facility or market for the shares of stock of the Fund. The Fund's shares shall be sold through its appointed Principal Distributor.

Stated below are the Net Asset Value per Share for the last five years:

	1stQtr	2ndQtr	3rdQtr	4thQtr
2021	31.7836	34.0304	34.9001	35.6594
2022	36.5216	31.0213	29.4921	33.2957
2023	33.7498	33.9292	32.9017	33.6374
2024	36.0940	33.8180	38.2801	35.0463
2025	34.5363	36.0733	33.5060	-

The Fund's shares are not traded on an exchange; subscriptions and redemptions are processed daily at NAVPS, subject to applicable cut-off times and Fund policies. Accordingly, the "high" and "low" figures represent daily NAVPS levels, not market bid-and-ask quotations.

Stated below are the High and Low Net Asset Value per share for each indicated quarter, based on the highest and lowest daily NAVPS computed for the Fund during the period:

Year	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	High	Low	High	Low	High	Low	High	Low

<b>2021</b>	35.6443	31.6044	34.3688	30.7483	35.0091	31.182	37.1278	34.6582
<b>2022</b>	37.4506	34.5195	36.3554	30.7014	34.2905	29.4921	34.3885	29.6865
<b>2023</b>	35.6404	32.7599	34.8156	33.4665	34.794	31.4711	34.0308	31.2262
<b>2024</b>	36.5231	33.8307	36.4901	32.5282	39.2187	33.5716	39.7173	34.4997
<b>2025</b>	35.6018	32.3200	36.9677	32.5218	36.5613	33.5060	-	-

### **Holders**

On 23<sup>rd</sup> of July 2015, SEC en banc approved the confidential treatment of the Top 20 shareholders of the Fund, including the 5% and 10% beneficial owners.

### **Dividends**

Subject to compliance with the requirements of applicable laws and regulations, and the absence of circumstances which may restrict the payment of dividends, only surplus profits in excess of one hundred (100%) percent of the Corporation's paid-in capital stock shall be declared as cash dividends. The existence of surplus profits available for distribution as cash dividends shall be reviewed in the month of April of every year, or when the annual audited financial statements become available, whichever is later. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof.

### **Recent Sales of Unregistered Securities**

There has been no recent sale of unregistered securities.

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

*The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the financial statements of the Company and notes thereto included elsewhere in this Prospectus. The Company cautions prospective investors that its business and financial performance are subject to substantive risks and uncertainties.*

### **Plan of Operation**

The Fund was incorporated to carry out the general business of an open-end mutual fund.

The principal sources of income shall be the returns on its investments as stated in the Investment Objective and Policies as well as, proceeds from the sale of its shares to the public.

The Fund will not undertake any product research and/or development during its operations. It also does not any expected purchase or sale of plant and significant equipment. It does not foresee any significant changes in the number of employees in the next twelve (12) months.

The fund intends to invest 100% of its proceeds. Should there be a redemption, the Fund intends to sell its assets to meet the requirement. The liquidity contingency plan is also in place to ensure available liquidity.

### **Management's Discussion and Analysis**

#### **A. Financial Condition and Liquidity**

The table below would present the movement of Fund's assets, liabilities and equity.

<b>Financial Position</b>	<b>Audited</b>		<b>Increase/ Decrease</b>	<b>Percentage</b>
	<b>December 31, 2024</b>	<b>December 31, 2023</b>		
Total Assets	9,027,735,896	9,399,639,650	(371,903,754)	-3.96%
Total Liabilities	23,788,225	51,728,862	(27,940,637)	-54.01%
Total Equity	9,003,947,671	9,347,910,788	(343,963,117)	-3.68%

Total assets decreased by 3.96% mainly because of the decrease in money market placement for the period.

Decreased of 54.01% in total liabilities is mainly due to brokers and redemptions confirmed accounts payable to shareholders for paid redemption proceeds and subscriptions.

#### B. NAV Per Share

As an open-end mutual fund company, the Fund stands ready at any time for redemptions on its outstanding capital stock at Net Asset Value (NAV) per share.

	Audited	
	December 31, 2024	December 31, 2023
NAV attributable to holders of redeemable shares (a)	9,003,947,671	9,347,910,788
Number of shares outstanding (b)	256,955,095	277,928,697
<b>NAV per share (a/b)</b>	<b>35.0409</b>	<b>33.6342</b>

#### C. Operating Revenues and Expenses

Income Statement	Audited		Increase/ Decrease	Percentage
	December 31, 2024	December 31, 2023		
Investment Income (Loss)	607,376,479	293,164,598	314,211,881	107.18%
Expenses	199,921,750	192,249,329	7,672,421	3.99%
Net Income (Loss)	407,454,729	100,915,269	306,539,460	303.76%

**Investment income** – The Fund has earned total investment income of ₱607,376,479 higher from investment income of ₱293,164,598 of same period last year. Increase in total investment income is attributable to progressive market performance of equity securities.

**Operating expense** – Comparing this year and last year’s operating expenses, there was an increase of 3.99% brought by a increase in volume nature of buying and selling activities and equity trades.

**Net Income** – Due to the positive performance of market prices of equity securities, the net income increased by ₱314,211,881 compared last year.

#### D. Earnings/(Loss) per Share

The following table reflects the net loss per share data:

	Audited	
	December 31, 2024	December 31, 2023
Net investment income/(loss) (a)	407,454,729	100,915,269
Weighted average number of outstanding shares of stock (b)	269,163,749	284,770,810
Earnings (loss) per share (a/b)	1.5138	0.3544

#### E. Key Ratios

The Fund sets certain performance measures to gauge its operating performance periodically to assess its overall state of corporate health. Listed below are the major performance measures, which the Fund has identified as reliable performance indicators:

	December 31, 2024	December 31, 2023
Current Ratio	37950.44%	18170.98%
Acid Test Ratio	37525.04%	17347.78%
Solvency Ratio	1712.84%	195.09%
Debt-to-Equity Ratio	0.26%	0.55%
Asset-to-Equity Ratio	100.26%	100.55%
Interest Rate Coverage Ratio	N/A	N/A
Return on Assets	4.42%	32.21%
Return on Equity	4.44%	32.30%
Net Profit Margin	149.07%	290.51%

## F. Top Five Key Performance Indicators

The Fund uses the following five key performance indicators to assess its performance relative to its competitors:

### 1. Performance vis-à-vis the Benchmark

The Fund will use the PSEi as its benchmark in order to compare the Fund's performance. PSEi information can be obtained thru PSE website.

Below is a comparative performance of the Fund against the PSEi.

	September 30, 2025	December 31, 2024	Return (%)
PSEi	5,953.46	6,528.79	-8.81%
PEFI	33.5060	35.0463	-4.40%

### 2. Assets under Management

One of the ways to measure the Fund's performance is the increase of its Assets under Management. The increase of the Fund's assets is a result of investor confidence in the Fund's performance.

Below is the Fund's growth since December 31, 2024.

September 30, 2025	December 31, 2024	Growth (%)
8,096,648,004	9,005,325,346	-10.09%

### 3. Market Share in the Industry

This indicator is related to another indicator, Assets under Management whereby the performance of the Fund will have a direct impact on the Assets under Management of the Fund and thus either increase or decrease its market share.

Though the Fund's Assets Under Management have substantially grown, its market share has remained marginally unchanged against its competitors.

	September 30, 2025		December 31, 2024	
	Net Assets (P'm)	%	Net Assets (P'm)	%
ALFM Growth Fund, Inc.	3,439.02	7%	3,848.65	7%
ATRAM Alpha Opportunity Fund, Inc.	1,108.16	2%	832.00	2%
ATRAM Phil. Equity Opportunity Fund, Inc.	965.62	2%	1,070.57	2%
Climbs Share Capital Equity Investment Fund Corp.	476.21	1%	408.27	1%
First Metro Consumer Fund, Inc.	283.06	1%	386.24	1%
First Metro Save and Learn Equity Fund, Inc.	2,386.50	5%	3,191.69	6%
First Metro Save and Learn Phil. Index Fund, Inc.	60.96	0%	86.81	0%
MBG Equity Investment Fund, Inc.	24.15	0%	120.05	0%
PAMI Equity Index Fund, Inc.	877.51	2%	1,057.91	2%
Philam Strategic Growth Fund, Inc.	2,735.66	6%	3,203.98	6%
Philequity Dividend Yield Fund, Inc.	2,556.75	5%	2,446.26	4%
Philequity Fund, Inc.	8,100.86	17%	9,003.95	16%
Philequity MSCI Phil. Index Fund, Inc.	303.94	1%	311.53	1%
Philequity PSE Index Fund, Inc.	3,192.16	7%	3,505.18	6%
Philippine Stock Index Fund Corp.	5,264.01	11%	6,558.62	12%
Soldivo Strategic Growth Fund, Inc.	3,438.12	7%	3,473.27	6%
Sun Life Prosperity Philippine Equity Fund, Inc.	4,419.13	9%	5,675.19	10%
Sun Life Prosperity Phil. Stock Index Fund, Inc.	7,156.72	15%	9,111.75	17%
United Fund, Inc.	506.88	1%	509.75	1%
	47,295.44	100%	54,801.67	100%

#### 4. Performance vis-à-vis Competition

The Fund's performance will most likely be compared to funds categorized as stock funds based on the Philippine Investment Fund Association's classification.

As of September 30, 2025, below are the performance of the various equity funds

<b>Fund Name</b>	<b>Return (%)</b>
ALFM Growth Fund, Inc.	-4.65%
ATRAM Alpha Opportunity Fund, Inc.	13.70%
ATRAM Phil. Equity Opportunity Fund, Inc.	-6.24%
Climbs Share Capital Equity Investment Fund Corp.	2.23%
First Metro Consumer Fund, Inc.	-11.15%
First Metro Save and Learn Equity Fund, Inc.	-6.63%
First Metro Save and Learn Phil. Index Fund, Inc.	-8.52%
MBG Equity Investment Fund, Inc.	19.72%
PAMI Equity Index Fund, Inc.	-7.04%
Philam Strategic Growth Fund, Inc.	-5.03%
Philequity Dividend Yield Fund, Inc.	4.87%
Philequity Fund, Inc.	-4.38%
Philequity MSCI Phil. Index Fund, Inc.	-3.77%
Philequity PSE Index Fund, Inc.	-5.86%
Philippine Stock Index Fund Corp.	-6.33%
Soldivo Strategic Growth Fund, Inc.	-5.08%
Sun Life Prosperity Philippine Equity Fund, Inc.	-8.31%
Sun Life Prosperity Phil. Stock Index Fund, Inc.	-7.19%
United Fund, Inc.	4.70%

#### 5. NAV Growth vis-à-vis Industry Growth

The Fund's performance is measured by the movements in its NAV. The Fund aims to measure its NAV movement over a series of time periods to assess its performance against the industry which in this case is the stock funds.

<b>Fund Name</b>	<b>NAVPS</b>	
	<b>September 30, 2025</b>	<b>September 30, 2024</b>
ALFM Growth Fund, Inc.	209.17	243.66
ATRAM Alpha Opportunity Fund, Inc.	2.0638	1.8004
ATRAM Phil. Equity Opportunity Fund, Inc.	2.7976	3.3377
Climbs Share Capital Equity Investment Fund Corp.	0.7294	0.7657
First Metro Consumer Fund, Inc.	0.5665	0.6789
First Metro Save and Learn Equity Fund, Inc.	4.3355	5.1252
First Metro Save and Learn Phil. Index Fund, Inc.	0.6344	0.7702
MBG Equity Investment Fund, Inc.	85.14	75.72
PAMI Equity Index Fund, Inc.	40.6413	48.7281
Philam Strategic Growth Fund, Inc.	439.02	515.13
Philequity Dividend Yield Fund, Inc.	1.4622	1.4246
Philequity Fund, Inc.	33.506	38.2801
Philequity MSCI Phil. Index Fund, Inc.	0.8528	1.0011
Philequity PSE Index Fund, Inc.	4.3619	5.1535
Philippine Stock Index Fund Corp.	721.32	855.14
Soldivo Strategic Growth Fund, Inc.	0.6765	0.7866
Sun Life Prosperity Philippine Equity Fund, Inc.	3.2045	3.877
Sun Life Prosperity Phil. Stock Index Fund, Inc.	0.8095	0.9698
United Fund, Inc.	3.312	3.4986

## **A. Causes for any Material Changes (+/-5% or more)**

### **Income Statement Items – September 30, 2025 versus September 30, 2024**

- 141.87% decrease in net trading and investment securities losses is due to a decrease in market value of equity investment that is mainly attributed to negative market performance during the period.
- 9.40% increase in dividend income is attributable to increase in investment in stocks with dividend declaration for the period.
- The 46.76% decrease in interest income is mainly attributed to lower short-term investments during the period.
- 31.25% increase in commission expense is mainly due to increase in buying and selling activities of equity securities.
- 32.07% increase in transaction costs are mainly due to increase in buying and selling activities of equity securities.
- 104.18% increase in professional fees is due to increase in audit fees, custody fees and transfer agent fees; and
- 95.24% decrease in other expenses is attributable to decrease in various administrative for the year.

### **Balance Sheet Items – September 30, 2025 versus December 31, 2024**

- 8.64% decrease in financial assets at fair value through profit or loss is attributable to decrease in market value of equity investment that is mainly attributed to negative market performance during the period and;
- 26.35% decrease in receivables is primarily attributable to decrease of dividends declared during the period.

## **B. Liquidity and other concerns**

The Fund does not expect any liquidity or cash flow problems given the Fund's Investment Restrictions outlined in this Registration Statement. As a defensive strategy the Fund may, at its discretion elect to invest up to 100% of the Fund's assets in cash and/or other liquid assets, subject to any existing liquidity requirements as may be required by law.

In addition, the Fund does not have any of the following:

- a. Off-balance sheet obligations, arrangements or transactions with other individuals or institutions.
  - b. Trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
  - c. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation
  - d. Any significant elements of income or loss that did not arise from the Fund's continuing operations.
  - e. Any seasonal aspects that had a material effect on the financial condition or results of operations.
- Information on Independent Accountant and Other Related Matters
- f. Any material commitments for capital expenditures
  - g. Causes for any material change from period to period

### ***Information on Independent Accountant and Other Related Matters***

#### **A. External Audit Fees and Services**

##### **1. Audit and Audit Related Fees**

The total audit fee P582,120 and P554,400 for the year 2024 and 2023, respectively. These fees pertain to the audit of the financial statements of the Fund in relation to statutory and regulatory filings.

There are no other assurance and related services rendered by the external auditor that are reasonably related to the performance of the audit of the Fund's financial statements.

## 2. Tax Fees

There were no professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of tax services.

## 3. All Other Fees

There were no products and services provided by the external auditor, other than its external audit services.

## 4. Audit Policies

The Audit Committee approves any engagements for the services of the external auditor. The final draft of the Audited Financial Statement is presented to the Audit Committee, before the Board's final approval and confirmation.

## B. Changes in and disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and disagreements with SGV & Co. on accounting and financial disclosures.

## MANAGEMENT AND CERTAIN SECURITY HOLDERS

### DIRECTORS AND EXECUTIVE OFFICERS

As of the date of filing of this Registration Statement, the names, citizenship and ages of all incumbent Directors and Executive Officers of the Company, are as follows:

Name	Position	Citizenship	Age	Periods Serve
Antonio R. Samson	Chairman & President	Filipino	79	2025-Present
Leo M. Garcia	Treasurer	Filipino	79	2024-Present
Ignacio B. Gimenez	Director	Filipino	80	2006-Present
Daniel A. Ongchoco	Independent	Filipino	57	2019-Present
Dobbin A. Tan	Independent	Filipino	51	2000-Present
Kevin A. Sy	Assistant Treasurer	Filipino	40	2015-Present
Ma. Angelica Cabanit	Compliance Officer	Filipino	56	2010-Present
Jonathan P. Ong	Corporate Secretary	Filipino	58	2020-Present

Hereunder is a discussion on the business experiences of the incumbent members of the Board of Directors and Executive Officers:

#### Antonio R. Samson

Mr. Samson is a Chairman and President of the following mutual funds: Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Alpha One Fund, Inc., Philequity Global Fund, Inc. Philequity MSCI Philippines Index Fund, Ind., Philequity PSE Index Fund, Inc., and Philequity Dynamic Allocation Fund, Inc. (Director: 2021 to Present, Treasurer: Sept 2024 to present). Mr. Samson is also the Chairman and CEO of Touch DDB He holds a Bachelor's degree in Economics from the Ateneo de Manila University (1966) and Masters of Business Administration from Asian Institute of Management (1971).

#### Ignacio B. Gimenez

Mr. Gimenez is the Director of the following mutual funds: Philequity Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Dividend Yield Fund, and Philequity MSCI Philippines Index Fund, Inc. Concurrently, he is also a Director of Vantage Equities Inc., and Vantage Financial Corporation. At the same time, he also holds positions as Vice President and Trustee of Philippine Investment Funds Association (PIFA) and as Corporate Secretary of I.B. Gimenez Securities, Inc. He holds a graduate degree in Business Administration from the Asian Institute of Management (1970) and a college degree from the University of the Philippines (1967).

**Daniel A. Ongchoco**

Mr. Ongchoco is the Independent Director of the following mutual funds: Philequity Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity Index Fund, Inc. and Philequity Dividend Yield Fund, Inc. (2021 to Present). He is currently the Chairman and CEO of Synermaxx Corporation (2006-present) and King Boone Enterprise Unlimited, Inc. (2002-present). He also serves as President of Gardner College (1995-present) and GNO Tech Resources, Inc. (2001-present), and Executive Chairman of Gates Professional Schools (2011-present) and Global Quality Education Providers, Inc. (2005-present). He is also the Vice President of Alco Business Corporation (1994-present), and sits as an Independent Director of Philippine Nutri-Foods Corporation (2009-present) and Health & Development Solutions, Inc. (formerly NCP Publishing Corporation) (2009-present). Previously, he was a Director in Alorica Philippines (2002-2007), Indio Communications Design, Inc. (2003-2012), and iBazaar, Inc. (2011-2020). Mr. Ongchoco holds a double degree in Economics (summa cum laude) and Management of Financial Institutions (also summa cum laude) from De La Salle University Manila.

**Dobbin Tan**

Mr. Tan is an Independent Director of the Fund. He is also an Independent Director of the following mutual funds from 2018 to present: Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc. and Philequity Dividend Yield Fund, Inc, Philequity PSE Index Fund, Inc and Philequity MSCI Philippines Index Fund, Inc. He also serves as Independent Director Philequity Fund, Inc. (2014-Present) and Philequity Alpha One Fund, Inc (2019 to Present). Concurrently, he is the CEO of Red Rock IT Security, Inc., Rising Tide Digital, Inc., and New Sunlife Ventures, Inc. He is also School Treasurer of Xavier School, Inc. He is also an Independent Director of Alliance Select Foods International, Inc. He holds a Masters of Business Administration at University of Chicago, Booth School of Business (2013).

**Kevin Neil A. Sy**

Mr. Sy is the Assistant Treasurer of the following funds: Philequity Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc. (2015 to Present), Philequity MSCI Philippines Index Fund, Inc. and Philequity Alpha One Fund, Inc. (2019 to Present). Concurrently, he is also a Director of Vantage Equities Inc., and Vantage Financial Corporation. Lastly, He is also the President of Wealth Securities Inc. Mr. Sy holds a Bachelor of Science in Corporate Finance and Accounting from Bentley College (2007).

**Ma. Angelica D. Cabanit**

Ms. Cabanit is the Compliance Officer of the Company (2010 to present). Presently, she manages the Treasury Operations of Vantage Equities, Inc. as well as the settlement and transaction control of E-Business Services, Inc (2010 to present). Ms. Cabanit is a graduate of Bachelor of Science in Commerce major in Accounting from St. Scholastica's College (1989).

**Atty. Jonathan P. Ong**

Atty. Ong is the Corporate Secretary of Vantage Equities, Inc., Vantage Financial Corporation, Philequity Management and the following funds: Philequity Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity MSCI Philippines Index Fund, Inc. and Philequity Alpha One Fund, Inc. (2020 to Present). He obtained his Bachelor of Science (Economics) degree from the U.P. School of Economics on April 2, 1989 and his Bachelor of Laws degree from the U.P. College of Law on April 24, 1993. He took the bar examinations in September 1993 and was admitted to the Philippine Bar on March 15, 1994. He joined the law firm of Atty. Mario E. Ongkiko sometime in 1994. In June 1996 he became in-house counsel of the erstwhile International Exchange Bank until August 31, 2006. He then joined Maybank Philippines (MPI) in November 2006 as the Head of its Legal Department, and was appointed as its Corporate Secretary in May 2007, positions which he held until July 19, 2019. He is also the Corporate Secretary of the affiliates of MPI in the Philippines – Philmay Property, Inc. and Philmay Holdings, Inc. He is currently special counsel to the DisiniButed and Disini law offices, which he advises on matters involving banking and litigation, and a senior associate at the Valerio Law Offices.

**INCORPORATORS**

The following are the incorporators of the fund:

1. Wilson L. Sy
2. Alfredo C. Ramos
3. Ignacio B. Gimenez
4. Willy N. Ocier
5. Felipe U. Yap
6. Leo McGuire Garcia
7. Roberto Z. Lorayes

8. Ronaldo S. Salonga
9. Antonio Y. Tee
10. Antonio T. Ong
11. Aurora L. Shih
12. Harry G. Liu
13. Carmelito C. Yao
14. Tony O. King
15. Eddie T. Gobing

## **SIGNIFICANT EMPLOYEES**

The Fund has no significant employees, or persons other than the above-named directors and officers who are expected to make a significant contribution to the business of the Fund.

## **FAMILY RELATIONSHIPS**

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the Registrant to become directors or executive officers.

## **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

To the best of the Company's knowledge, within the past five (5) years up to the present, none of the Fund, its Fund Manager, Directors, Executive Officer, Control Persons, nor any of their respective subsidiaries or affiliates: (a) has been involved in any bankruptcy/insolvency/receivership or similar proceeding; (b) has been convicted by final judgment or is presently subject to any criminal proceeding; (c) has been subject to any order, judgment, or decree limiting or prohibiting involvement in business, securities, commodities, or banking activities; or (d) has been found to have violated any securities or commodities law or regulation, except for:

Atty. Jonathan P. Ong (Corporate Secretary)

In May 2013, the BIR filed a P169.83M case for tax evasion against Philmay Property, Inc. (PPI) an affiliate of Maybank Philippines, Inc. Included in the case were its President and CEO – Mr. Ong SeetJoon, Treasurer – Atty. Rafael A. Morales, Corporate Secretary – Atty. Jonathan P. Ong, Sales and Marketing Head – Mr. Benjamin Q. Lira and Accounting Associate Michelle F. Reyes. The case arose from PPI's supposed tax deficiencies, as follows: tax deficiencies, including surcharge and interest: P37.81 million in income tax deficiency P73.13 million in value-added tax deficiencies P15.57 million in documentary stamp tax deficiency P43.32 million in expanded withholding tax.

The proceedings in the DOJ were suspended because PPI questioned the assessments on which the tax evasion case was based on with the Court of Tax Appeals (CTA). On May 23, 2018 the CTA second division issued a decision cancelling and withdrawing the assessments on which the tax evasion case of the BIR was based on, but ordered PPI to pay the amount of P276,381.24 as deficiency DST for fiscal year 2009, plus interest and surcharges, which it did. The BIR filed a motion for reconsideration but it was denied.

The BIR elevated the decision of the CTA 2nd division to the CTA en banc. On February 5, 2020 the CTA en banc affirmed with modification the decision of the CTA 2nd Division and declared the assessments on which the BIR's case for tax evasion was based on as null and void. The BIR appealed this to the Supreme Court in February 2020.

As of September 13, 2022, PPI had already filed its comment to the BIR's appeal. As of August 14, 2024, the BIR filed its reply to PPI's comment. The case is still pending in the Supreme Court with G.R. number 252107.

## **COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

The directors have not received any form of compensation from inception up to present other than a per diem meetings attended and annual directors' bonuses. There is no employment contract between with any of the current executive officers. In addition, except as provided below, there are no compensatory plans or arrangements that resulted in or will result from the resignation, retirement or termination of such executive director or from a change-in-control in the Company.

	<b>Year</b>	<b>Annual Compensation</b>
<b>All directors as a group</b>	2024	837,445
	2023	904,094

For the year 2025, the Fund forecasts a total per Diem of Php 40,000.00 for each director.

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

### ***Security Ownership of Certain Record and Beneficial Owner***

On 23<sup>rd</sup> of July 2015, SEC en banc approved the confidential treatment of the Top 20 shareholders of the Fund, including the 5% and 10% beneficial owners.

### ***Security Ownership of Management***

As of November 30, 2025 the following is a tabular presentation of the shares recorded under the name of the directors and executive officers of the Company:

<b>Title of class</b>	<b>Name of beneficial Owner</b>	<b>Amount and nature of beneficial ownership</b>	<b>Citizenship</b>	<b>Percent</b>
Common	Antonio R. Samson	646,233	Filipino	0.27%
Common	Leo M. Garcia	1,001,469	Filipino	0.42%
Common	Ignaci B. Gimenez	5	Filipino	0.00%
Common	Dobbin A. Tan	1	Filipino	0.00%
Common	Daniel A. Ongchoco	200,000	Filipino	0.08%

### ***Voting Trust Holders***

The Fund does not have person/s who hold more than 5% of a class under a voting trust or similar agreement.

### ***Changes in Control***

There are no arrangements which may result in the change in control of the Company.

## **CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS**

The Fund has an existing Agreement with PEMI, the Fund manager. Pursuant to the terms of the Management and Distribution Agreement, the Fund shall pay an annual management fee equivalent to 0.75% and a distribution fee equivalent to 0.75% of the average NAV of the Fund's assets. The NAV shall be determined in accordance with the procedures agreed upon by both parties. Also, the Fund shall remit to PEMI sales commission of a maximum of 3.50% of the gross investment based on tiered-front end sales schedule.

Related party transactions and balances with PEMI as of September 30, 2025 are follows:

<b>Management fee</b>	<b>Sales commission</b>	<b>Due to PEMI</b>
112,266,140	58,486	8,307,167

To the best of the company’s knowledge, there are no other related parties that fall outside the definition of “related parties” under SFAS/IAS No 24.

Apart from the MDA, certain Directors may have positions as Directors or Officers in companies which the Investment Company may be dealing with. Directors are required to disclose to the Investment Company and its Fund Manager his/her appointment and roles in said company. Dealings with related parties shall be done on an arm’s length basis and in accordance with the best execution requirements set in the established internal guidelines

### Position on Other Publicly Listed Companies

As of December 31, 2024, the Fund’s Directors have the following position on other publicly listed companies.

Fund - Position	Publicly Listed Company - Position
Ignacio Gimenez (Chairman & President)	Vantage Equities, Inc. – Director
Dobbin Tan (Independent Director)	Alliance Select Foods International, Inc. – Independent Director

As of December 31, 2024, the Fund Manager’s Directors have the following position on other publicly listed companies.

Fund Manager - Position	Publicly Listed Company - Position
Roberto Lorayes (Chairman)	Vantage Equities, Inc. – Director
Edmundo Bunyi (President)	Vantage Equities, Inc. – CEO/Director
Joseph Ong (Treasurer)	Vantage Equities, Inc. – Director
Willy Ocier (Director)	Abacore Capital Holdings, Inc. – Director APC Group, Inc. – Chairman and Director Belle Corporation – Chairman Pacific Online Systems Corporation – Chairman Vantage Equities, Inc. – Director
Wilson Sy (Founder, Director & CIO)	The Philippine Stock Exchange, Inc – Director Vantage Equities, Inc. – Director
Valentino Sy (Director)	Vantage Equities, Inc. – Director
Antonio Moncupa, Jr. (Independent Director)	Vantage Equities, Inc. – Independent Director
Bert Hontiveros (Independent Director)	Vantage Equities, Inc. – Independent Director

## PARTIES INVOLVED IN THE FUND

### INVESTMENT MANAGER AND PRINCIPAL DISTRIBUTOR

Philequity Management, Inc. (PEMI) is the investment manager, advisor and principal distributor of the Fund. It is duly licensed with the SEC as an Investment Company Adviser with Certificate of Registration No. 01-2004-00156 issued on 30 March 2004 and License Number ICA-00007. PEMI has a solid track record in fund management, being the investment manager and principal distributor of Philequity Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Alpha One Fund, Inc., Philequity PSE Index Fund, Inc. and Philequity MSCI Philippines Index Fund, Inc.

The guidelines for management of the resources and operations of the Fund are set in the Management and Distribution Agreement between the parties.

### PEMI Board of Directors and Officers

The following are the PEMI Board of Directors and Officers:

#### Roberto Z. Lorayes

Mr. Lorayes is the Chairman of the company. He is also the Director of Vantage Equities, Inc. and eBusiness Services, Inc. (1994 to present). In the past he served as Chairman of the Philippine Stock Exchange (1993 to 1994) and Investment Companies Association of the Philippines (2005-2008). He also served as President of Manila Stock Exchange (1991-1992), UBP Securities (1989-1993), Citicorp (1987-1989), CT Corp, Scringecour, Vickers (1987-1989), and a Director of

Philippine Central Depository (1995-1996). He received his Bachelor of Science in Commerce degree and Bachelor of Liberal Arts degree in De La Salle University (1966). He holds a Masters degree in Business Management from Ateneo de Manila University (1969).

**Edmundo Marco P. Bunyi, Jr.**

Mr. Bunyi is currently the President of PEMI. Concurrently, He is also the President and CEO of Vantage Equities, Inc. and Vice Chairman and CEO of Vantage Financial Corporation (formerly e-Business Services, Inc.) (All since 2006). Previously, he was formerly SVP and Treasurer of International Exchange Bank (1995-2006). He holds a degree in Management Engineering from the Ateneo de Manila University (1985).

**Joseph L. Ong**

Mr. Ong is the Treasurer of the Company. He is also the Treasurer of Yehey! Corporation and the Director of eBusiness Services, Inc (2005 to present). Currently, he is president of Chemcenter Corporation (1996 to present), a company engaged in import and distribution of industrial chemicals. Previously, he was connected with Exxon Chemical/Exxon Corp holding positions in sales, marketing, planning, and audit functions both here and abroad. He holds a degree in Chemical Engineering, Magna Cum Laude, from De La Salle University (1975).

**Bert C. Hontiveros**

Mr. Hontiveros is an Independent Director of PEMI. Concurrently, he is also an Independent Director of Vantage Equities, Inc. and Vantage Financial Corporation and the General Manager of HB Design Power Systems (2000 to present). He obtained his Bachelor of Science in Industrial Engineering from University of the Philippines in 1975.

**Antonio C. Moncupa, Jr.**

Mr. Moncupa is the Independent Director of Philequity Management, Inc (2023 to Present). Concurrently, he is also the Independent Director of Vantage Equities, Inc. and Vantage Financial Corporation. After 37 years, Mr. Moncupa retired from Banking in early 2023. Right before retirement, he served as CEO of EastWest Bank, Chairman and President of the Bankers Association of the Philippines, Chairman of East West Rural Bank and East West Insurance Brokers, and director of EastWest Ageas Life Insurance, Philippine Payments Management, Inc., the Philippine Dealing System group of Companies. He was also in the board of the Polytechnic University of the Philippines and Philippine Rural Reconstruction Movement. Mr. Moncupa completed his degrees in Accounting and Economics from De La Salle University and his MBA from the University Of Chicago Booth School Of Business.

**Willy N. Ocier**

Mr. Ocier is a Director of PEMI. He is also a Director of Vantage Financial Corporation. and Vantage Equities, Inc. At the same time, he is also the Chairman and President of Pacific Online Systems Corporation (1999 to present) and serves as Vice Chairman of Belle Corporation and Co-Vice Chairman of Highlands Prime, Inc. (1999 to present). Concurrently, he is the Chairman of the Boards of the following corporations: APC Group, Inc. (2005 to present), Sinophil Corporation (2005 to present), Premium Leisure and Amusement, Inc. (1999 to present), Tagaytay Midlands Golf Club, Inc. (1999 to present), and Aragorn Power and Energy Corporation (1999 to present). He earned his Economics degree from the Ateneo de Manila University (1977).

**Valentino C. Sy**

Mr. Sy is a Director of the Company. He is also the Chairman and Chief Executive Officer of Vantage Equities, Inc. and Chairman of eBusiness Services, Inc. and Yehey! Corporation (1996 to present). Concurrently, he is the Director of Wealth Securities (1998 to 2011) and the President of Equinox International Corp (1996 to present) and Wealth Securities (2011 to present). He holds a degree in Industrial Management Engineering from the De La Salle University (1977).

**Wilson L. Sy**

Mr. Sy is a Director of the Company. He is the Vice Chairman of Asian Alliance Holdings, Corp. and Director of Vantage Equities, Inc.; eBusiness Services, Inc., Yehey! Corporation (1993 to present), Xcell Property Ventures, Inc. (2005 to present), and Monte Oro Resources & Energy, Inc. (2005 to present) Mr. Sy is also an Independent Director of the reporting corporations: The Country Club at Tagaytay Highlands, Inc. (2011 to present), Tagaytay Highlands International Golf Club, Inc. (2011 to present), Tagaytay Midlands Golf Club, Inc. (2011 to present), and The Spa and Lodge at Tagaytay Highlands (2011 to present). He was a former Chairman of the Philippine Stock Exchange, Inc. (1994 to 1995) He holds a degree in Management Engineering from the Ateneo de Manila University (1975).

**Atty. Jonathan P. Ong**

Atty. Ong is the Corporate Secretary of Vantage Equities, Inc., Vantage Financial Corporation, Philequity Management and the following funds: Philequity Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc., Philequity MSCI Philippines Index Fund, Inc. and

Philequity Alpha One Fund, Inc. (2020 to Present). He obtained his Bachelor of Science (Economics) degree from the U.P. School of Economics on April 2, 1989 and his Bachelor of Laws degree from the U.P. College of Law on April 24, 1993. He took the bar examinations in September 1993 and was admitted to the Philippine Bar on March 15, 1994. He joined the law firm of Atty. Mario E. Ongkiko sometime in 1994. In June 1996 he became in-house counsel of the erstwhile International Exchange Bank until August 31, 2006. He then joined Maybank Philippines (MPI) in November 2006 as the Head of its Legal Department, and was appointed as its Corporate Secretary in May 2007, positions which he held until July 19, 2019. He is also the Corporate Secretary of the affiliates of MPI in the Philippines – Philmay Property, Inc. and Philmay Holdings, Inc. He is currently special counsel to the DisiniButed and Disini law offices, which he advises on matters involving banking and litigation, and a senior associate at the Valerio Law Offices.

#### **CUSTODIAN**

BPI Asset Management and Trust Corporation is the Fund's Custodian. It shall be responsible for holding all proceeds from the sale of securities, including the original subscription or payments at the time of incorporation; safekeeping the assets of the Fund; ensuring that the Fund's assets and properties are properly earmarked, and segregated physically and/or on its records; ensure that the assets and properties of the Fund are registered in the name of or for the account of the Fund; and files reports, periodic or otherwise, that relate to its operation as custodian.

#### **TRANSFER AGENT**

The transfer agent of the Fund is Philequity Management Inc with transfer agent license C.R. No. 01-2004-00156. The primary responsibility of the transfer agent is the accurate record keeping of individual shareholdings and the issuance and cancellation of stock certificates/depository receipts.

#### **LEGAL COUNSEL**

Valerio & Associates Law Office serves as legal counsel of the Fund.

#### **EXTERNAL AUDITOR**

The external auditors of the Company is the accounting firm of SyCip, Gorres, Velayo & Company ("SGV & Co.").

#### **INDEPENDENT OVERSIGHT ENTITY (IOE)/INDEPENDENT NET ASSET VALUE CALCULATOR**

The Fund's Audit Committee was appointed to act as the Fund's Independent Oversight Entity and Independent Net Asset Value Calculator. The Audit Committee is responsible for monitoring the transactions and functions carried out by PEMI, its Fund Manager to ensure compliance with the disclosures made in the Registration Statement, prospectus, ICA, SRC and their implementing rules and regulations. Its other roles and responsibilities are enumerated in Rule 5.9.2 of the Implementing Rules and Regulations of the Investment Company Act and Section 10 of SEC Memorandum Circular 33, Series of 2020 related to Amendments to the Implementing Rules and Regulations of the Investment Company Act, as amended.

#### **BROKERS/DEALERS**

The Fund Manager may deal with various brokers/dealers to buy and sell securities for the Fund. Brokers/Dealers have not given any discounts/commissions to the Fund or the Fund Manager for trading securities

#### **MATERIAL CONTRACTS AND AGREEMENTS**

Following is a summary of the material terms of the principal agreements related to the business of the Fund and should not be considered to be a full statement of the terms and provisions of such agreements. Accordingly, the following summary is qualified by reference to each agreement and is subject to the full text of each agreement.

## **FUND MANAGEMENT AGREEMENT**

Under this Agreements, Philequity Management, Inc. (PEMI) was engaged by the Fund to act as the investment manager of the Fund.

The scope of services and facilities of PEMI includes the following:

1. Manage the resources and operations of the Fund.
2. Invest and re-invest the assets of the Fund.
3. Prepare and submit such information and data relating to economic conditions, industries, business, corporation, or securities as may be required by the Fund's Board of Directors.
4. Coordinate all activities and extend all necessary assistance to the custodian, auditors, and legal counsel of the Fund.
5. Prepare and submit reports, circulars, notices, and other information required by the Fund.
6. Provide representation with government offices, instrumentalities, and agencies.
7. Provide accounting, bookkeeping, clerical and other administrative services.
8. Provide office space and other administrative facilities.
9. Transact with stockbrokers for the account of the Fund.

In purchasing and selling securities and making or disposing of investments for the account of the Fund, PEMI may act without need of prior approval or prior notification to the Fund, provided that it is within the limits of the investment policies and guidelines prescribed by the Board of Directors of the Fund and subject to the provisions of applicable Philippine laws and regulation and the registration statements of the Fund.

The securities, certificates and other evidence of title to assets within the investment portfolio of the Fund shall be under the custody of the designated Custodian. PEMI may, either directly or through the Custodian, take charge of the collection of interest, dividends or other payments on all securities owned by the Fund, and shall exercise any and all rights of the Fund pertaining to such securities.

PEMI is entitled to a management fee equivalent to 0.75% per annum of the average net asset value of the Fund's assets computed on a daily basis.

The initial term of the Agreement is five (5) years. After which the agreement shall continue in effect from year to year, provided that such continuation shall be specifically approved by the Board of Directors of the Fund or by a vote of the majority of the outstanding shareholders of the Fund. The Agreement may be terminated automatically if the investment adviser transfers or assigns it.

## **MARKETING AND DISTRIBUTION AGREEMENT**

Under this Agreements, Philequity Management, Inc. (PEMI) was engaged by the Fund to act as the principal distributor of the Fund. PEMI shall distribute and sell shares of the capital stock of the Fund on a best-efforts basis at a public offering price equal to the sum of (i) the net asset value per share in effect at the time of the sale of each share; and (ii) the sales load fee payable to the investment manager/principal distributor;

PEMI is entitled to a distribution fee equivalent to 0.75% per annum of the average net asset value of the Fund's assets computed on a daily basis. In addition, the Fund shall pay PEMI the sales load charge for every sale of the Fund's shares.

The initial term of the Agreement is five (5) years. After which the agreement shall continue in effect from year to year, provided that such continuation shall be specifically approved by the Board of Directors of the Fund or by a vote of the majority of the outstanding shareholders of the Fund. The Agreement may be terminated automatically if the investment adviser transfers or assigns it.

## **CUSTODIAN AGREEMENT**

Pursuant to the Terms and Conditions for BPI Asset Management and Trust Corporation Participants, the BPI shall:

1. Hold the certificates representing the investments made by the Investment Manager on behalf of the Fund in accordance with the rules and regulations of the SEC; and
2. Follow such duties and responsibilities as set forth in the Custodian Bank Agreement.

BPI Asset Management and Trust Corporation agreement shall receive, safe keep, record, and account for the cash proceeds of the sale of the shares of stock of the fund.

## **STOCK TRANSFER AND DIVIDEND PAYING AGENCY AGREEMENT**

Under this Agreement, PEMI was engaged by the Fund to act as the stock transfer and dividend paying agent of the Fund.

The scope of services and facilities of the transfer agent includes the following:

1. Register all the certificates of stock representing the capital stock of the Fund
2. Prepare and issue stock certificates, as well as cancel certificates of stock presented for redemption;
3. File the reports pertaining to the Fund as may be required by the SEC and other governmental entities;
4. Prepare the list of stockholders and number of shares owned by each for all regular or special meetings of the stockholders of the Fund upon prior written request of the Investment Manager
5. Prepare and mail out all notices, reports and circulars to all stockholders of the Fund upon prior written request of the Investment Manager;
6. Compute cash and stock dividends;
7. Prepare and Mail checks for the payment of cash dividends and certificates covering number of shares declared as stock dividends;
8. Replace stock certificates reported as lost, stolen or destroyed;
9. Register all liens constituted on the shares of stock of the Fund;
10. Ensure all certificates issued are within the authorized capitalization of the Fund and
11. Follow such duties and responsibilities as set forth in the Stock and Transfer Agency Agreement.

For its services as Transfer and Dividend Paying Agent, the AGENT shall be compensated in accordance with the following fee schedule:

1. An on boarding fee of Thirty Thousand Pesos (Php 30,000.00)
2. A monthly retainer's fee of Thirty Thousand Pesos (Php 30,000.00)
3. A fee of Forty Five Pesos (Php 45.00), for each scripless shares issuance or certificate issued by the AGENT and Twenty Pesos (Php 20.00) for each scripless shares cancellation/ certificate cancelled.
4. For the performance of special non-recurring functions such as proxy tabulation, stock rights and stock conversions, and other similar functions, all fees shall be subject to prior mutual agreement before the performance of each said special function if not otherwise agreed upon in Annex A of this Agreement.
5. For the preparation of cash dividend checks, the Agent shall charge the COMPANY the amount of Thirty Pesos (Php 30.00) per check.
6. All direct cost of records, reports, and forms, and all out-of-pocket expenses shall be chargeable to the COMPANY.

These fees are quoted with the understanding that they may be revised from time to time at the request of either party and adjusted on a mutually satisfactory basis.

## **CORPORATE GOVERNANCE**

To fully comply with the adopted leading practices on good corporate governance, the Fund has prepared and approved its Manual on Corporate Governance. The Fund's Corporate Governance Committee shall oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments. The Corporate Governance Committee shall also oversee the periodic performance evaluation of the Board and its committees as well as executive management and conduct an annual self-evaluation of its performance. Also, the Fund's Board shall be assisted in its duties and compliance with relevant rules and regulations by a Compliance Officer.

Furthermore, to ensure that directors are kept updated of the developments in the business and regulatory environments, all directors shall, at least once a year, attend relevant annual continuing training program.

The Company's Manual on Corporate Governance provides for, among others, the following:

1. An evaluation system to measure or determine the level of compliance of the Board of Directors and top-level management.
2. Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance.
3. Disclosure procedures of any deviation from the company's Manual of Corporate Governance including a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual.
4. Plans to improve corporate governance of the company.

## **EXPENSES CHARGEABLE TO THE FUND AND THE INVESTMENT MANAGER**

### **EXPENSES CHARGEABLE TO THE FUND**

The following expenses shall be for the account of the Fund and shall be given priority in determining compliance by the Fund with any limitation on operational expenses set forth in applicable Philippine laws and regulations.

1. Compensation of the officers and directors of the Fund;
2. Audit and legal fees;
3. Brokerage charges and other customary fees and charges in connection with the acquisition, appraisal and disposition of the Fund's assets;
4. Fees of the custodian bank and customary fees and charges in connection with the acquisition, appraisal and disposition of the Fund's assets (0.015% per annum based on the Market Value of the Fund, payable quarterly upon billing).
5. Fees of the Investment Manager as compensation for the services and facilities of investment manager.
6. Cost of printing and mailing reports, notices, proxy forms, and other communication to stockholders of the Fund, except those borne by the custodian bank;
7. Fees of transfer agents for the securities of the Fund and other transfer fees to the extent not absorbed by buyers of the Fund's securities (Fixed monthly fee of P30,000.00; excluding transaction charges);
8. Costs of the registration of the Fund and its securities with the SEC; and
9. Taxes, including income taxes, license fees, documentary stamp taxes, to the extent not absorbed by buyers of the Fund's securities, including cost of bonding the Fund's personnel and officers as may be required by law or by rules and regulations of the SEC.

### **EXPENSES CHARGEABLE TO THE INVESTMENT MANAGER**

The following expenses shall be deemed covered by the management fee under Section 3 of the Management and Distribution Agreement and shall therefore be for the account of the Investment Manager (PEMI), to wit:

1. Salaries, bonuses, allowances and other compensation of the personnel hired by PEMI to perform the services in Section 1(a) of the Management and Distribution Agreement, including other costs incurred by PEMI's salesmen, personnel and officers, in connection with the selling of the Fund's shares as may be required by applicable Philippine law or by rules and regulations of the SEC;
2. Expenses of providing the office space and other administrative facilities referred to in Section 1(b) of the Management and Distribution Agreement, including office rentals, cost of office equipment and supplies, cost of utilities, such as telephone, light and water facilities;
3. All other operating expenses of the Fund, subject to the exceptions specified above under the topic Expenses Chargeable to the Fund.

No Premium shall be paid by the registrant or any selling security holder on any policy to insure or indemnify any director or officer against any liability they may incur in the registration, offering, or sale of these securities.

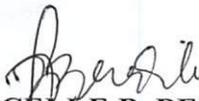
**SIGNATURES**

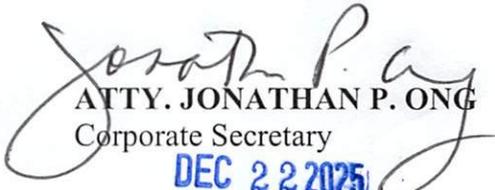
Pursuant to the requirements of the Securities Regulation Code, this Registration Statement is signed on behalf of the registrant by the undersigned; thereunto duly authorized, in the City of CITY OF MANILA on DEC 22 2025.

By:

  
**ANTONIO R. SAMSON**  
Chairman and President<sup>1</sup>

  
**LEO M. GARCIA**  
Treasurer<sup>2</sup>

  
**NICELLE B. BENEDITO**  
Comptroller / Principal Accounting Officer

  
**ATTY. JONATHAN P. ONG**  
Corporate Secretary  
**DEC 22 2025**

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_ at CITY OF MANILA, affiants exhibits to me their Tax Identification Number (TIN), as follows:

Name	TIN
Antonio R. Samson	105-379-031-000
Leo M. Garcia	102-046-083-000
Nicelle B. Benedito	240-064-583-000
Atty. Jonathan P. Ong	162-906-632-000

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Page No. 4;  
Book No. 4;  
Series of 2025

  
**ATTY. MARIELLE JEXELLE L. LAGUERTA**  
Notary Public for City of Manila- Until Dec. 31, 2025  
Notarial Commission No. 2024-179  
Tower 3, 3K, No. 181 No. Lopez St., Ermita, Manila  
I.B.P. NO. 486207- Dec. 27, 2024 for the year 2025  
PTR. NO. 2041441- Jan. 2, 2025 at Manila  
MCLE No. VIII-0010569- Valid until 4-14-2028  
ROLL NO. 88314

<sup>1</sup> Equivalent to Principal Executive Officer and Principal Operating Officer  
<sup>2</sup> Equivalent to Principal Financial Officer

## LIST OF EXHIBITS

Exhibit 1	Publication of Notice re: Filing
Exhibit 2A	Articles of Incorporation
Exhibit 2B	By-laws
Exhibit 3	Subscription Form
Exhibit 4	Redemption Form
Exhibit 5	Certification by the President and Chairman of the Board describing the involvement, if any, by management or members of the Board of Directors in companies which the investment company will be dealing with
Exhibit 6A	Fund Management Agreement
Exhibit 6B	Marketing and Distribution Agreement
Exhibit 6C	Stock Transfer and Dividend Paying Agency Agreement
Exhibit 6D	Custodian Agreement
Exhibit 7A	Notarized Curriculum Vitae of Officers and Directors of the Fund
Exhibit 7B	Notarized Curriculum Vitae of Officers and Directors of the Investment Manager
Exhibit 8	Authorization to Commission to access registrant's bank accounts
Exhibit 9	Copy of Board Resolution approving the securities offering and authorizing the filing of the Registration Statement
Exhibit 10	Duly notarized Board Resolution manually signed by a majority of the Board of Directors of the Investment Company and Fund Manager approving the disclosures contained in the Registration Statement and assuming responsibility for the information contained therein
Exhibit 11	Advisory Agreement