

C S 2 0 1 7 3 9 7 2 6

S.E.C. Registration Number

P H I L E Q U I T Y M S C I P H I L I P P I N E S

I N D E X 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 CABANIT

Contact Person

8250-8713

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

1 2 - 1

FORM TYPE

Month

Day

Year

Period Ended

MUTUAL FUND

Secondary License Type, If applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D

Cashier

STAMPS

Remarks = pls. Use black inc for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, AS AMENDED

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

1. SEC Identification Number: **CS201739726**
2. **PHILEQUITY MSCI PHILIPPINES INDEX 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. **201-884-062-000**
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 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, telephone number and FAX number, including area 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 Statement				₱12,000.00
Add: Legal Research Fee				120.00
Documentary Stamp				30.00
Total Registration Fees				₱12,150.00

DRAFT PROSPECTUS

OF

PHILEQUITY MSCI PHILIPPINES INDEX FUND, INC.

AN OPEN-END INVESTMENT COMPANY

The number of shares to be offered is One Billion (1,000,000,000) shares with par value One Peso (₱1.00) per share. All shares shall be offered and subscribed based on the Next Computed Net Asset Value Per Share after subscription is made. 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
15th Floor, PSE Tower, 5th Avenue corner 28th 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

FUND	
Management Fee	0.50% per annum of the average NAV of the Fund
Distribution Fee	0.50% per annum of the average NAV of the Fund
Transfer Agent Retainer	Fixed monthly fee of P30,000.00 (excluding transaction charges)
Custodian Fee	0.015% per annum based on the Market Value of the Fund, payable quarterly upon billing
External Audit Fee	107,000 exclusive of 10% out-of-pocket expenses and 12% value-added taxes
Directors Fee	10,000.00 per diem per meeting
MSCI Licensing Fee	

INVESTOR	
Sales Load Fee	Maximum of five percent (5.0%) of the subscription amount.
Early Redemption Fee	Maximum of one percent (1%) of the amount redeemed if less than or equal 90 days
	0% if more than 90 days

PHILEQUITY MSCI PHILIPPINES INDEX FUND, INC.

15th Floor, PSE Tower, 5th Ave. cor. 28th Street, Bonifacio Global City, Taguig City

Telephone Number: (632) 8250-8700

This Offering Prospectus relates to the offer and sale of 1,000,000,000 Common Shares, inclusive of the Two Hundred Fifty Million (250,000,000) Common Shares subscribed and outstanding, (the “Offer,” and such shares, the “Offer Shares”), with par value of ₱1.00 per share, of Philequity MSCI Philippines Index Fund, Inc. (hereinafter, the “Fund” or the “Company”), a corporation organized under Philippine laws. The Offer Shares will comprise of 750,000,000 new Common Shares to be issued by the Fund, as well as 250,000,000 Common Shares subscribed at incorporation and currently outstanding. The current shareholders of the Fund own 250,000,000 common shares, none of which can be offered within twelve (12) months from the registration of the Fund by virtue of the regulation disallowing the original promoters of the Fund who have subscribed and paid for its original capital, to sell, transfer, convey, encumber, or otherwise dispose of their shares/securities within said period. All common shares are equal in all respect, with no issued security having any preference in dividends, liquidation, etc.

The Offer Shares shall be offered at the net asset value (NAV) per share for the banking day, if payment is made within the daily cut-off (12:00 noon), plus a sales load fee if applicable.

The Fund is a growth oriented open-ended mutual fund that invests primarily in Philippine listed companies. Proceeds from the sale of securities shall be used primarily to purchase common stocks that comprise its benchmark, the MSCI Philippines Index (MXPH). The Fund is an index fund and its investment objective is to track the performance of the MXPH by mirroring the holdings and respective weightings of securities in the MXPH.

The Fund has applied with the Securities and Exchange Commission for the registration of its 1,000,000,000 Common Shares of stock divided into the 750,000,000 unissued Common Shares and the 250,000,000 issued Common Shares with a par value of ₱1.00 per share.

All of the Common Shares of the Company issued 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.

The total proceeds expected to be raised by the Fund is Eight Hundred Ninety-Seven Million and Seven Hundred Thousand Pesos (897,700,000) at the Net Asset Value per share of ₱0.8977 as of June 30, 2025. The net proceeds of the same will be utilized by the Fund to invest in shares of stocks listed on the Philippine Stock Exchange (PSE) and comprising the MSCI Philippines Index (MXPH), matching its constituents and respective weights. A more detailed discussion on the “Use of Proceeds” may be found on page 25 of this Prospectus.

As of June 30, 2025, the Fund has 351,522,139 outstanding shares, valued at ₱ 315,561,424.18. The remaining unissued shares will be sold at the prevailing NAVPs upon subscription.

Each holder of Shares will be entitled to such dividends as may be declared by the Company’s Board of Directors (the “Board”). Distribution of dividends is governed by Section 5, Article XII of the Company’s By-Laws. The Board of Directors, by majority vote, may declare cash dividends from the Company’s unrestricted retained earnings. See “Distribution of Dividends” on page 28 of this Prospectus.

Unless the context indicates, otherwise, any reference to the “Company” refers to Philequity MSCI Philippines Index 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 are 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 fifty basis points (0.50%) and distribution fee equivalent to fifty basis points (0.50%) 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 this Offer, including the material risks involved. The Offer is being made on the basis of this Prospectus only.

As the Fund will be investing primary 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 credit risk, market risk 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. A detailed discussion of risks can be found on pages 15 to 18 of this Prospectus.

Application has been made to the Securities and Exchange Commission (SEC) to register 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 OR 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 SOLICITATION OF AN OFFER TO BUY.

PHILEQUITY MSCI PHILIPPINES INDEX FUND, INC.

By:



IGNACIO B. GIMENEZ
Chairman and President

DEC 15 2023

SUBSCRIBED AND SWORN TO BEFORE ME this ____ day of _____, _____ at
CITY OF MANILA, affiant exhibited to me his Tax Identification Number 228-111-486-000.

Doc. No. 63;
Page No. 19;
Book No. XIV;
Series of 2023

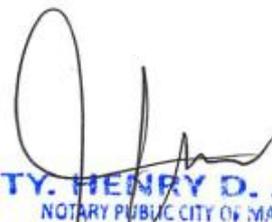

NOTARY HENRY D. ADASA
NOTARY PUBLIC CITY OF MANILA
APPOINTMENT 097/12/31/2023 MANILA
I.P. NO. 181139 / 01/03/2023
P.R. NO. 0861145 / 01/03/2023
ROLL NO. 29679, TIN NO. 172-528-620
MCLE COMP. NO. VII-0000165 VALID UNTIL APRIL 14, 2025
⑮
STA. CRUZ, MANILA

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PRINCIPAL PARTIES TO THE OFFER

REGISTRANT

Philequity MSCI Philippines Index Fund, Inc.

15th Floor, PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City
Telephone No.: 8250-8700
Website: www.philequity.net

INVESTMENT MANAGER, ADVISOR AND DISTRIBUTOR

Philequity Management, Inc.

15th Floor, PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City
Telephone No.: 8250-8700
Website: 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

TRANSFER AGENT

Philequity Management, Inc.

15th Floor PSE Tower 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City
Telephone No.: 8250-8700
Website: www.philequity.net

LEGAL COUNSEL

Valerio & Associates Law Office

Offices Units 101 and 102, G/F The Mondrian Residences
5321 East Asia Drive, Filinvest Corporate City
Alabang, Muntinlupa City
Landline: 0285352445

EXTERNAL AUDITOR

SyCip Gorres Velayo & Co.

6760 Ayala Avenue Makati City
Telephone No.: 891-0307
Website: www.sgv.ph

PROSPECTUS SUMMARY

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

Issuer

Philequity MSCI Philippines Index Fund, Inc. with office address 15th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City. 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 will invest in the constituents of the MSCI Philippines Index in the same weightings to match its returns.

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 (12:00 noon), plus a sales load fee, if applicable.

Total Outstanding Shares after the Offer

The total number of outstanding shares of the Fund after the Offer shall be One Billion (1,000,000,000).

Proceeds from the Offering

The total proceeds expected to be raised by the Fund is One Billion Pesos (₱1,000,000,000.00) at the par value of ₱1.00 per share. The net proceeds from the sale of securities will be used to invest primarily in companies listed on the PSE that comprise the MSCI Philippines Index. 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 (EWB) 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 five percent (5.0%) 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.

Minimum Redemption Amount

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

Minimum Balance

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

Redemption Price

The redemption price of the securities surrendered within the daily cut-off time shall be the current 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 Charges

A redemption fee of one percent (1.0%) 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 (for check pick-up) will be subject to a penalty of Php 25.00.

Management and Distribution Fee and Expenses

A management fee equivalent to fifty basis points (0.50%) and distribution fee equivalent to fifty basis points (0.50%) 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. (PEMI). Certain operating expenses of the Fund are deemed covered by the management fee and shall be for the account of PEMI.

Investment Policies and Objective

The investment objective of Philequity MSCI Philippines Index Fund, Inc. is to generate income and achieve long-term capital appreciation by matching the performance of the MSCI Philippines Index ("MXPH"), through investment in the proportionate amount of Index stocks such that the performance of the Fund matches the MXPH. It is categorized under ICA-IRR as growth-oriented.

Risk Factors

As the Fund will be investing in MSCI Philippines Index stocks, various factors, such as market conditions, general political and economic situations, and the performance of corporations whose stocks comprise the MXPH 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.

These risks (as described and explained under "Risk Factors") include:

- Market Risk
- Index Risk
- Passive Management Risk
- Credit Risk
- Liquidity Risk
- Operational Risk
- Country Risk
- Regulatory Risk
- Non – Guarantee
- Dilution Risk
- Fund Manager Risk
- Large Transaction Risk
- Taxation Risk

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. In case of existence of surplus profit in excess of one hundred percent (100%) of the paid-in capital stock, cash dividends will be declared. 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 second quarter ending June 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 MSCI PHILIPPINE INDEX FUND, INC.
(An Open-End Mutual Fund Company)
STATEMENTS OF FINANCIAL POSITION

ASSETS	Unaudited June 30, 2025	Audited December 31, 2024
CURRENT ASSETS		
Cash and cash equivalents	1,222,526	2,501,296
Financial assets at fair value through profit or loss	313,319,625	309,121,058
Loans and receivables	1,879,042	447,248
Total Current Assets	<u>316,421,193</u>	<u>312,069,602</u>
TOTAL ASSETS	316,421,193	312,069,602
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accrued expenses and other liabilities	861,603	535,378
EQUITY		
Capital stock	351,522,139	351,527,325
Additional paid-in capital	6,859,618	6,978,077
Retained earnings	(42,822,167)	(46,971,178)
Total Equity	<u>315,559,590</u>	<u>311,534,224</u>
TOTAL LIABILITIES AND EQUITY	316,421,193	312,069,602

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

For the Periods Ended (Unaudited)

June 30, 2025 June 30, 2024

INVESTMENT INCOME (LOSS)

Net gain (loss) on financial assets at fair value through profit or loss	1,383,673	(2,496,964)
Dividends	6,498,240	5,757,542
Interest	949	5,305
	7,882,862	3,265,884

EXPENSES

Management fee	1,737,011	1,813,800
Taxes and licenses	922,999	388,844
Commission	91,101	62,744
Transaction costs	16,398	11,294
Professional fee	210,207	-
Others	806,312	1,070,278
	3,784,027	3,346,961

INVESTMENT INCOME (LOSS) BEFORE INCOME TAX

4,098,835 (81,078)

PROVISION FOR INCOME TAX

Current – RCIT	-	-
Final	190	1,061
	190	1,061

**INVESTMENT INCOME (LOSS)
AFTER INCOME TAX**

4,098,645 (82,139)

GLOSSARY

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

Business Day	Any of the days in a week, except Saturdays, Sundays, and holidays, when banks are not required to do, or are authorized by law to close for, business in Metro Manila.
BSP	Bangko Sentral ng Pilipinas
Custodian	BPI Asset Management and Trust Corporation
Investment Manager	Philequity Management, Inc. (PEMI)
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
MXPH	MSCI Philippines Index is a basket of common stocks, carefully selected by Morgan Stanley Capital International (MSCI), a global financial services firm, to represent the performance of large and mid-cap segments of the Philippine stock market.
PMPI	Philequity MSCI Philippines Index Fund, Inc.
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 MSCI Philippines Index 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 losing money when securities are bought from smaller companies. There may be a big 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, all of 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 be invested in or the nature of the risks involved in the trading of the securities, especially those high risk securities.

Risk Factors

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 fees and expenses; and (ii) the Fund Manager's ability to manage risks and volatility.

Various risk factors can affect the market value of the assets of the Fund and can cause fluctuations 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 below-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 offset by gains in another.

There are two types of market risk namely:

- a. **Interest Rate Risk** – This refers to the change in the value of a financial asset due to market interest rate changes. The Fund's fixed rate investments and receivables are exposed to such risk. 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. **Index Risk** or tracking risk is the risk that the underlying securities of the Fund may underperform versus the overall equity market or particular sectors of the equity market. Since the Fund is merely mirroring the MXPB, the returns of the fund may be affected by the rebalancing or any future changes in regulations set by its operator, MSCI.
 3. **Passive Management Risk** arises due to its nature as an index tracker. The Fund is not actively managed and intends to be fully invested in the underlying securities of the MXPB at all times. In a declining market, the Fund Manager shall not be able to take a defensive position or actively select individual securities to invest in. As a result, the Fund may perform significantly different compared to actively managed funds.

4. **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.

5. **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 a counterparty failing on repayment of a contractual obligation, or inability to generate cash inflows as anticipated.

The Fund is exposed to daily 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's Liquidity Contingency Plan is in place to ensure an adequate liquidity reserve. The Fund's Liquidity Contingency Plan in accordance with the ICA-IRR and MC 33, s. 2020 and internal guidelines on cash and cash equivalent positions shall likewise be monitored on a daily basis during times of volatility. 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.

6. **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 Fund manager implements a sound system of internal control which includes but is 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, and monitoring of exceptions and errors. Personnel are also updated with current regulations affecting the Fund.

7. **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 either move these funds to better quality, safer, lower risk investments such as the US dollar or at 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.

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 risks exist that might have a significant effect on the net asset value of the Fund. Economic factors include the GDP, growth in remittances from overseas workers, business process outsourcing revenues, inflation rate, lending and borrowing rates, and the 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 investors' perception of doing business in the Philippines.

8. 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 agencies concerned. In addition, the Fund will be an active member of the Philippine Investment Fund Association (PIFA), through which it may recommend changes in regulatory policies that affect the mutual fund industry.

9. 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 PSE, will be strictly observed by the Fund.

10. 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.

11. 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.

12. 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

13. Taxation Risk

The original issue of shares of stock 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 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

PMPI was incorporated on December 15, 2017. 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 investment objective of the Fund is to track and match the performance of the MXPB by trading the proportionate number of shares as indicated in the MXPB. 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 may accept Deposits for Future Subscription in the event that the Fund becomes fully subscribed. The Fund is ready to redeem or buy back the shares of any investor at the applicable NAV per share.

The Fund aims to provide small investors with the opportunity of accessing the stock market by investing in shares of stock that comprise the MXPB in such proportion that the performance of the Fund matches that of the MXPB.

The Fund shall maintain a portfolio of equity securities consisting primarily of stocks in the MXPB. The MXPB is a free-float weighted equity index designed to measure the performance of the large and mid-cap segments of the Philippine market. With a varying number of constituents, the index aims to cover 85% of the Philippine equity universe.

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. The Fund employs no personnel as the function is solely through PEMI. 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

The Philequity MSCI Philippines Index Fund, Inc. is a passive fund which aims to match the components and weightings of the MSCI Philippines Index ("MXPB"). Since the Fund will track the MXPB, the percentage of the Fund which will be invested in any one company shall be determined by the composition and weightings of the MXPB.

A portion of the Fund may also be invested in short-term instruments such as but not limited to debt securities and fixed-income securities until such time that the entire Fund can be properly allocated among all the MXPB stocks.

The Fund will act within the provision of applicable laws and regulations as stated in the investment restrictions.

INVESTMENT RESTRICTIONS

The investments and operation of the Fund shall be subject to the following limitations and restrictions:

1. Unless the applicable Philippine laws, rules and regulations, and orders of the SEC provide otherwise, the Fund shall not sell securities short nor invest in any of the following:

- (a) margin purchase of securities (investments in partly paid shares are excluded);
- (b) commodity futures contract;
- (c) precious metals; and
- (d) unlimited liability investments.

2. Unless permitted by applicable Philippine laws, rules or regulations, the Fund shall not participate in an underwriting or selling group in connection with the public distribution of securities, except its own capital stock.

3. The Fund shall not purchase from or sell to any of its officers or directors, or to any of the officers or directors of its investment adviser/s, manager or distributor/s or firm/s of which any of them are members, any security other than the capital stock of the Fund.

On 21 November 2018, SEC approved the exemption from the investment limitations indicated in Section 6.8 of the ICA IRR, including that which limits Investment Companies to invest 15% of its net assets in any of single enterprise or issuer nor shall total investment in an investee company exceed 10% of its outstanding securities. The MSCI Index is comprised of eligible assets. It is diversified such that the maximum weight per constituent does not exceed 30% of the index. The MSCI Index is developed by MSCI, an independent and reputable agency with widely accepted methodologies and over 40 years of experience. The MSCI Philippine Index can be viewed daily through its website, www.msci.com.

The Fund has availed an exemptions from the liquidity requirements indicated in Section 6.10 of the ICA IRR, including that which prescribes at least ten percent (10%) of the assets of the Fund shall be invested in liquid/semi-liquid assets. The Fund has submitted a liquidity contingency plan to the Commission.

OTHER LIMITATIONS

Operational Expenses

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:

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

Borrowing Limit

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.

In compliance with the Foreign Account Tax Compliance Act (“FATCA”) enacted in the United States (“U.S.”), Foreign Financial Institutions (“FFIs”) such as the Fund are obliged to submit certain compliance reports to the U.S. Inland Revenue Services (“IRS”) with respect to customers or clients who are considered U.S. Persons. If the Fund is found to be non-compliant, the Fund may be subject to a 30% withholding on certain income or proceeds from US sources. The FATCA requires FFIs such as the Fund to conduct due diligence and make certain reports to the IRS with respect to its customers or clients who are identified as U.S. Persons. In line with the Fund’s desire to maintain its processes FATCA-compliant, the Fund will implement its standard procedures which may require additional documents from such U.S. Persons who wish to purchase shares of the Fund. PEMI reserves the right to reject any application to purchase shares of the Fund if said application is found to be non-compliant with the requirements of PEMI.

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 may 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 NAV per share of 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 may 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 five percent (5.0%) 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. Payment shall be on cash basis only. No installment payment is allowed.

5. 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. In case of existence of surplus profit in excess of one hundred percent (100%) of the paid-in capital stock, cash dividends will be declared. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof.

6. 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.

7. 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.

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 a conspicuous place at 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.

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 current 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. A redemption or exit fee may be charged by the Corporation to any shareholder, the rate of which shall be decided upon by the Board of Directors or by the Corporation's investment manager.

The Corporation shall not suspend the right of redemption or postpone the date of payment or satisfaction upon redemption of any redeemable security for more than the period prescribed by applicable Philippine laws and regulations after the tender of such security to the Corporation, except on instances the Securities and Exchange Commission may from time to time prescribe.

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 one percent (1.0%) 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

The original issue of shares of stock 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 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

To comply with Rule 8.4 of the ICA-IRR, 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.

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. Accordingly, the Investment Manager, who has the expertise, the time and the facilities to undertake such activities, can buy and sell the proportionate number of stocks in order to maintain a portfolio that parallels the composition of the MXPB.

2. Diversification

An Investor in the Fund achieves instant diversification at a minimal investment, especially as the Fund's assets shall be proportionately allocated among all MXPB stocks. As the objective of the Fund is to match the performance of the MXPB, the Investor is given an opportunity to participate in the equities market.

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 and reinvested by the Fund in stocks comprising the MXPB.

All 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 BPI Asset Management and Trust Corporation, which is the settlement account for 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. A portion of the Fund may also be invested in short-term instruments until such time that the entire Fund can be properly allocated among all the Index stocks.

The Fund has entered into a Management and Distribution Agreement with PEMI. As Fund Manager, PEMI may, without need of prior approval of or prior notification to the Fund, purchase and sell securities or make other investments for the account of the Fund within the limits of the Fund's investment objectives, policies, or guidelines and subject to the provisions of R.A. 2629. The complete scope of services of PEMI as Fund Manager and Distributor can be seen under the section titled "Management and Distribution Agreement".

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 designated settlement bank will be used to handle the cash flow for each transaction although the investment assets will always be safe kept by the custodian or depository.

The Fund 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 advanced 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 may also be charged on the day of the purchase which shall be determined by each distributor provided that the sales load does not go beyond the maximum sales load fee of five percent (5.0%). 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 of 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 up to a maximum of 5% fee may 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, as of the end of the reporting day. The audit committee will check the daily NAVPS.

The NAVPS shall be posted daily in a conspicuous place at the principal office of the Fund, as well as in all its branches and designated redemption centers AND/OR 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.

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.

DILUTION

Being an open-ended mutual fund, shares are continuously subscribed to 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 the 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.

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 June 30, 2023 and License Number ICA-00007. The said certification is being renewed annually.

PEMI shall be paid a management fee equivalent to fifty basis points (0.50%) and distribution fee equivalent to fifty basis points (0.50%) per annum of the average net asset value of the Fund’s assets computed on a daily basis as its management fee. A sales load not exceeding five percent (5%) may 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 31 July 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.

Procedure for Monitoring Fund Distribution

The Fund has appointed Philequity Management, Inc. (PEMI) as the principal distributor of the Fund. The Fund has also authorized PEMI to set up a marketing network and accredit sub-dealers or agents to distribute the Fund. Under the agreement, PEMI shall among others prepare and monitor the sales and redemptions of the Fund and provide a monthly report on fund distribution. PEMI shall maintain accurate and appropriate records pertaining to fund distribution which may be subject to inspection or audit by the Fund at any time.

DESCRIPTION OF SECURITIES TO BE REGISTERED

Category of the Fund

The Fund is a growth oriented open-ended mutual fund that invests primarily in Philippine listed companies. Proceeds from the sale of securities shall be used primarily to purchase common stocks that comprise its benchmark, the MSCI Philippines Index (MXPH). The Fund's investment objective is to track the performance of the MXPH by mirroring the holdings and respective weightings of securities in the MXPH.

Profile of Prospective Investors

The Fund aims to reach prospective investors who have a long-term horizon and are looking for an alternative to traditional deposits and has some familiarity with equities. These prospective investors should be made aware that the proceeds from the sale of securities shall be primarily invested in exchange listed securities and should consider the risks involved before investing in the Fund.

Procedure for Handling Customer Complaints

In case of complaints, investors may contact:

Philequity Management Inc,

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

E-mail: ask@philequity.net

Website: 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 complaints at the soonest possible time. A company representative will reply to complaints 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, complaints can be submitted to the Securities and Exchange Commission thru cgfd_ld@sec.gov.ph. Philequity Management, Inc., is regulated by the Securities and Exchange Commission (SEC).

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, if any (after policies on the conflict of interest)

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..

Rights of a Shareholder in case of Dissolution

The custodian bank safe keeps the securities and in case of company dissolution and upon liquidation of the assets, the company will have to settle their obligation first to the creditors, preferred stockholder and lastly to the common stockholder.

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 holders of shares of stock or units of participation of the Fund shall be limited to their investments in the Fund.

The Fund has an authorized capital stock of One Billion Pesos (₱1,000,000,000.00) divided into 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 SEC 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 if they have been issued, 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 a form of cheque, 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

. 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.

Other than the above and those provided by law, there are no other material rights accorded to the shareholders.

INTERESTS OF NAMED EXPERTS AND INDEPENDENT COUNSEL

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

INFORMATION WITH RESPECT TO THE REGISTRANT

DESCRIPTION OF BUSINESS

The Fund

Philequity MSCI Philippines Index Fund, Inc. is a domestic corporation duly authorized to operate as an open-ended investment company with an investment objective of investing in listed securities comprising the MXPB, a free-float weighted equity index developed by Morgan Stanley Capital International (MSCI), a global financial services provider. The Fund was incorporated on December 15, 2017 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 Philippine listed securities comprising the MXPB. There are no sales or revenues and net income contributed by foreign sales.

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 fifty basis points (0.50%) and distribution fee equivalent to fifty basis points (0.50%) per annum of the average net asset value of the Fund's assets for performing its functions.

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.

THIS FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY [LICENSEE]. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS FUND PARTICULARLY OF THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILITES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS FUND OR THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FUND, OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSION OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

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 is categorized as a stock fund and is in direct competition with twenty three (23) other equity mutual funds in the industry. Specifically, the Fund competes against other index tracking funds. Data sourced from the Philippine Investment Fund Association (PIFA) shows eight (8) other index tracker mutual funds. As of December 31, 2024, Sun Life Prosperity Phil. Stock Index Fund, Inc., Philippine Stock Index Fund Corp. and Philequity PSE Index Fund, Inc. are considered to have the highest net assets and number of clients among the 8 index tracker mutual funds. Philequity has maintained its reputation as a leader in relative performance amongst its peers. Fees like sales load, management and exit fees are also factors that affect the decision-making process of potential investors. To date, the Fund changes the lowest fees and shortest holding periods.

The Fund is in a unique position as it aims to track a different index, the MSCI Philippines Index.

* 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 customers

Need for any Government Approval of Principal Products or Services

There are no other applications in progress that require government approval.

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

The Fund has entered into a Data License Agreement with MSCI Limited (“MSCI”), whereby MSCI has agreed to provide PEMI with data and authority to use or to refer to and to have the right to sublicense the Index in connection with issuing, managing, offering, selling, marketing and promoting the Fund and in connection with making disclosures about the Fund under the applicable laws, rules and regulations in order to indicate that MSCI is the source of such Index. Fees under this agreement will be included in the management fee of the Fund.

The Fund does not hold any other patents, trademarks, copyrights, licenses, franchises, concessions or royalty agreements other than the Data License Agreement with MSCI Limited.

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, such as a process manual or configuration in company 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 by having a compliance program which:

- i. identifies relevant laws and regulations affecting the Fund and its respective effects for noncompliance;
 - ii. conduct periodic compliance testing and subsequent findings reports or exceptions noted and
 - iii. provide specific action plans to develop, maintain and enhance compliance for the Fund.;
- 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 have both positive and negative effects on the interest of mutual fund investors.

Examples of positive effects are the Passive Income and Financial Intermediary Taxation Act (PIFITA) bill, Capital Markets Efficiency Promotion Act (CMEPA) law and Foreign Corrupt Practices Act (FCPA). Under CMEPA law, the removal of DST has made mutual funds more attractive, helping to bring in more investors by lowering investment cost. The PIFITA bill meanwhile, has potential negative impact on investor returns, primarily due to increased taxation on reinvested gains, dividends, and fund income. Although the reforms are intended to boost tax revenues, they may also reduce interest in mutual funds, prompt a shift toward alternative investments, and hinder efforts to promote financial inclusion. On the other hand, FCPA can strengthen mutual fund companies' governance by pushing tighter third-party oversight and stronger books-and-records/internal-controls discipline, which can reduce corruption-related operational and reputational risk. However, it can also increase compliance burden and enforcement exposure especially around intermediaries and recordkeeping, leading to higher costs, investigations, penalties, and potential disruption even for firms investing only in local markets.

Other Laws and Government Policies Applicable to the Company

Compliance with Financial Products and Services Consumer Protection Act

The Financial Products and Services Consumer Protection Act aims to protect consumers of financial products and services by strengthening financial regulators, outlining the duties of financial service providers, and providing consumers with additional rights and remedies. The Fund and PEMI has a responsibility to protect consumer interest and ensure transparency, fair and sound market conduct as well as fair, reasonable and effective handling of financial disputes. If customers are not satisfied with The Fund, its provider and its services, processes or overall experience, customers may contact PEMI or the SEC. Please refer to page 24 under "Procedure for Handling Customer Complaints" for more information.

Compliance with the Investment Company Act

As an investment company registered with the Securities and Exchange Commission (SEC), It shall have a minimum subscribed and paid up capital of Fifty Million Pesos (P50,000,000.00) as required under Rule 3.4f of the ICA IRR. The Commission may grant a request for a lower paid-in capital requirement if the Investment Company is one of or part of a group of investment companies to be created or already in existence to be managed or under management by the same Fund Manager with a track record of at least five years as such and provided that the subscribed and paid up capital shall not be lower than One Million Pesos (P1,000,000.00);

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.

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 shares 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 shares in each case. The Fund also reserves the right to refuse to accept a subscription for shares 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

In compliance with local and foreign regulatory requirements, the Fund requires the investor to notify the Fund in writing and provide the required details or documents within thirty (30) days from a change of his/her circumstances. Change of circumstances means any change in the investor's circumstances which results in the Fund being subject to tax reporting and withholding requirements under local and/or foreign laws applicable to the investor or investor's property (such as the US Foreign Account Tax Compliance Act). There is a change of circumstances if there is a change in the investor's contact information, identification documents, place of residence, citizenship of the owner or beneficiary, or other circumstances as defined under applicable laws.

Failure to accomplish the foregoing gives the Fund the right to exercise any of the following: a) continue the account on the same terms and conditions, b) continue the investment on the same terms and conditions and deduct from it any amounts that the Fund has to withhold under the applicable laws, or c) terminate the investor's account. The right to terminate the account will only be exercised after the investor has failed to provide the required information within thirty (30) days from written notice from the Fund and only after the Fund is unable to transfer the investor's policy or take any steps other than termination in order to comply with applicable laws.

Effect of Existing or Probable Governmental Regulations on the Business

Senate and congressional bills amending R. A. 2629, which is the main law that regulates the mutual fund industry, have been filed. The most prominent of these are the bills on the proposed Collective Investment Schemes Law ("CISL"). One of the noteworthy provisions of the CISL bills is the exemption of mutual fund companies from certain requirements of the Corporation Code as regards increasing ACS (Senate Bill No. 1334 introduced by Senator Angara in 14 February 2017, for example, does away with the requirements of subscribed and paid-up for any increase in capital stock). If passed into law, this would be of possible benefit to mutual fund companies by facilitating a proposed increase in capital stock for the

purpose of offering more shares to the public. PEMI, through PIFA, participates in the hearing and deliberation of the CISL bill. PEMI expects the regulatory environment to improve with the passage of the CISL bill to the benefit of investors.

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 parties.

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.

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	0.8247	0.8856	0.8895	0.9148
2022	0.9441	0.8014	0.7384	0.8488
2023	0.8487	0.8495	0.8353	0.8669
2024	0.9318	0.8658	1.0011	0.8864
2025	0.8711	0.8977	0.8528	-

Stated below are the High and Low Net Asset Value per share of the Fund for the indicated quarters:

Year	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	High	Low	High	Low	High	Low	High	Low
2021	0.9363	0.8173	0.8982	0.7922	0.9024	0.8015	0.9599	0.8851
2022	0.9738	0.8903	0.9395	0.7885	0.8904	0.7384	0.8798	0.7444
2023	0.9215	0.8245	0.8814	0.8404	0.8839	0.7915	0.8796	0.7866
2024	0.9471	0.8688	0.9453	0.8221	1.0307	0.8599	1.0406	0.8742
2025	0.9062	0.8080	0.9316	0.8200	0.9225	0.8528	-	-

Holdings

On 21st of November 2018, 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 Fund's assets, liabilities and equity.

Financial Position	Audited		Increase/ Decrease	Percentage
	December 31, 2024	December 31, 2023		
Total Assets	312,069,602	313,495,708	(1,426,106)	-0.45%
Total Liabilities	535,378	830,854	(295,476)	-35.56%
Total Equity	311,534,224	312,664,854	(1,130,630)	-0.36%

Total assets decreased by 0.45% mainly because of market performance for the period.

Decrease of 35.56% in total liabilities is mainly due to decrease of dues to broker account and payment of various tax liabilities.

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)	311,534,224	312,664,854
Number of shares outstanding (b)	351,527,325	360,675,805
NAV per share (a/b)	0.8862	0.8669

C. Operating Revenues and Expenses

Income Statement	Audited		Increase/ Decrease	Percentage
	December 31, 2024	December 31, 2023		
Investment Income (Loss)	14,016,997	11,413,386	2,603,611	22.81%
Expenses	6,592,541	4,774,455	1,818,086	38.08%
Net Income (Loss)	7,424,456	6,638,931	785,525	11.83%

Investment income (loss) – The increase in investment income by 22.81% as compared to 2023 is mainly attributable to the positive market performance during the period.

Operating expense – The Fund's increase in total expense of 1.8M or by 38.95% is mainly attributed to the increase in professional fee during the period.

Net Income – Because of the increase in the expenses for the period, the Fund ended the year with a net income of ₱7,424,456, compared to the net income of ₱6,638,931 of same period of last year.

D. Earnings per Share

The following table reflects the net earnings/loss per share data:

	Audited	
	December 31, 2024	December 31, 2023
Net investment income/(loss) (a)	7,424,456	6,633,442
Weighted average number of outstanding shares of stock (b)	354,534,988	363,279,513
Earnings (loss) per share (a/b)	0.0209	0.0183

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	58289.58%	37731.74%
Acid Test Ratio	57822.38%	37495.17%
Solvency Ratio	1386.77%	798.39%
Debt-to-Equity Ratio	0.17%	0.27%
Asset-to-Equity Ratio	100.17%	100.27%
Interest Rate Coverage Ratio	N/A	N/A
Return on Assets	2.37%	2.12%
Return on Equity	2.38%	2.12%
Net Profit Margin	188.79%	172.06%

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 MSCI as its benchmark in order to compare the Fund's performance. MSCI information can be obtained thru MSCI website.

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

	June 30, 2025	December 31, 2024	Return (%)
MSCI	1,155.05	1,151.47	0.31%
PMPI	0.8977	0.8864	1.27%

2. Assets under Management

One of the ways to measure the Fund's performance is the increase of its Assets under Management. The movement of the Fund's assets can be measured in two ways: net sales and marked-to-market valuations. As a passive fund, the Fund shall focus on the net sales of its shares as an indication of investor confidence in the Fund's performance.

3. Market Share in the Industry

This indicator is related to 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.

Listed below are the Net Assets of Index Tracker mutual funds as of June 30, 2025:

	June 30, 2025		December 31, 2024	
	Net Assets (P'm)	%	Net Assets (P'm)	%
First Metro Save and Learn Phil. Index Fund, Inc.	76.31	0%	86.81	0%
PAMI Equity Index Fund, Inc.	990.46	5%	1,057.91	5%
Philequity MSCI Phil. Index Fund, Inc.	318.29	2%	311.53	1%
Philequity PSE Index Fund, Inc.	3,456.46	17%	3,505.18	16%
Philippine Stock Index Fund Corp.	5,964.90	29%	6,558.62	30%
Sun Life Prosperity Phil. Stock Index Fund, Inc.	8,477.69	42%	9,111.75	42%
COL Equity Index Unitized Mutual Fund, Inc.	267.08	1%	228.43	1%
Philippine Stock Index Fund Corp. UNITS	695.03	3%	697.51	3%
	20,246.21	100%	21,557.74	100%

4. Performance vis-à-vis Competition

While categorized as a stock fund based on the Philippine Investment Fund Association's classification, the Fund's performance will most likely be compared to similar index funds in the industry. We note however that while PMPI is an index fund, it will track a different index.

As of June 30, 2025, below are the performances of the various index funds.

Fund Name	Return (%)
First Metro Save and Learn Phil. Index Fund, Inc.	-1.82%
PAMI Equity Index Fund, Inc.	-0.65%
Philequity MSCI Phil. Index Fund, Inc.	1.30%
Philequity PSE Index Fund, Inc.	0.32%
Philippine Stock Index Fund Corp.	-0.18%
Sun Life Prosperity Phil. Stock Index Fund, Inc.	-0.94%
COL Equity Index Unitized Mutual Fund, Inc.	-0.20%
Philippine Stock Index Fund Corp. UNITS	-0.85%

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 are stock funds.

Fund Name	NAVPS	
	June 30, 2025	June 30, 2024
First Metro Save and Learn Phil. Index Fund, Inc.	0.6809	0.6843
PAMI Equity Index Fund, Inc.	43.4338	42.897
Philequity MSCI Phil. Index Fund, Inc.	0.8977	0.8658
Philequity PSE Index Fund, Inc.	4.6482	4.5371
Philippine Stock Index Fund Corp.	768.68	753.73
Sun Life Prosperity Phil. Stock Index Fund, Inc.	0.864	0.8548
COL Equity Index Unitized Mutual Fund, Inc.	1.0797	1.0602
Philippine Stock Index Fund Corp. UNITS	927.6	915.87

A. Causes for any Material Changes (+/-5% or more) in the Financial Statements

Income Statement Items – June 30, 2025 versus June 30, 2024

- 155.41% increase in net gain (loss) on financial assets is due to the increase in market value of equity investment that is mainly attributed to negative market performance during the period;
- 12.86% increase in dividend income is attributable to increase in investment in stocks with dividend declaration for the year;
- 82.11% decrease in interest income is mainly attributed to lower short-term investments during the period;
- 137.37% increase in taxes and licenses is due to higher documentary stamp taxes for the period from higher volume of subscription and redemption of shares;
- 45.19% increase in commission is mainly due to increase in buying and selling activities of equity securities;
- 45.19% increase in transaction costs is mainly due to increase in buying and selling activities of equity securities; and
- 24.66% decrease in other expenses is due to decrease in bank charges and MSCI license fee for the period.

Balance Sheet Items – June 30, 2025 versus December 31, 2024

- 51.12% decrease in cash and cash equivalents due to decrease in bank deposit brought by lower volume or subscription of shares;
- 320.13% increase in loans and receivables is due to dividends declared last year that are still outstanding; and
- 60.93% increase in liabilities is mainly due to increase in accounts payables related to unpaid redemption proceeds and subscriptions and due to related parties.

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.
- f. Information on Independent Accountant and Other Related Matters
- g. Any material commitments for capital expenditures
- h. 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 is ₱112,350 and ₱ 107,000 for the years 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	Citizenship	Age	Position	Term
Antonio R. Samson	Filipino	79	Chairman and President	2025 to Present
Ignacio B. Gimenez	Filipino	81	Director	2017 to Present
Leo M. Garcia	Filipino	90	Treasurer	2024 to Present
			Director	2017 to Present
Dobbin Ang Tan	Filipino	61	Independent Director	2018 to Present
Norman L. Wee	Filipino	52	Independent Director	2018 to Present
Kevin A. Sy	Filipino	40	Assistant Treasurer	2017 to Present
Ma. Angelica D. Cabanit	Filipino	56	Compliance Officer	2017 to Present
Jonathan P. Ong	Filipino	58	Corporate Secretary	2020 to 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, Inc., 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).

Leo M. Garcia

Mr. Garcia is a Director and the Treasurer of the following mutual funds: Philequity PSE Index Fund, Inc. (Director: 2014 to present, Treasurer: Sept 2024 to present), and Philequity Dividend Yield Fund, Inc (Director: 2013 to present, Treasurer: Sept 2024 to present), Philequity MSCI Philippines Index Fund, Inc. (Director: 2018 to Present, Treasurer: Sept 2024 to present) and Philequity Alpha One Fund, Inc. (Director: 2019 to Present, Treasurer: Sept 2024 to present). Mr. Garcia was formerly the President of LM Garcia Securities Corporation (1980 to 1997). Mr. Garcia holds a Bachelor of Science in Business Administration degree from the University of the Philippines (1958).

Dobbin A. 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 Global Fund, Inc., Philequity Dollar Income Fund, Inc. and Philequity Dividend Yield Fund, Inc, Philequity PSE Index Fund, Inc and Philequity Peso Bond 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).

Norman L. Wee

Mr. Wee is an Independent Director of Philequity Fund Inc. (2018 to Present), Philequity MSCI Philippines Index Fund, Inc. (2018 to Present) and Philequity Alpha One Fund, Inc. (2019 to Present) and currently the Chief Financial Officer of W Group Inc. and W Landmark Inc. He is also a Director and Vice President of W Hydrocolloids Inc. Mr. Wee holds a Bachelor’s Degree in AB Management from De La Salle University College of St. Benilde (1995).

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. (2017 to Present), 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 Vantage Equities, Inc., Vantage Financial Corporation, Philequity Management and the following funds: Philequity Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc. (2010 to Present), Philequity Dividend Yield Fund, Inc. (2013 to Present), Philequity MSCI Philippines Index Fund, Inc. (2017 to Present) and Philequity Alpha One Fund, Inc. (2019 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. Edmundo Marco P. Bunyi, Jr.
2. Ignacio B. Gimenez
3. Roberto Z. Lorayes
4. Joseph L. Ong
5. Timothy Bryce A. Sy
6. Valentino C. Sy
7. Wilson L. Sy

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.

	Year	Annual Compensation
All directors as a group	2024	22,444
	2023	21,111

For the year 2025, the Fund forecasts a total per Diem of Php 5,000.00 for each director.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owner

On 21 November 2018, SEC approved the request for 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:

Title of class	Name of beneficial Owner	Amount and nature of beneficial ownership		Citizenship	Percent
Common	Antonio R. Samson	1	Direct	Filipino	0.00%
Common	Ignacio B. Gimenez	1	Direct	Filipino	0.00%
Common	Leo M. Garcia	1	Direct	Filipino	0.00%
Common	Dobbin A. Tan	1	Direct	Filipino	0.00%
Common	Norman L. Wee	1	Direct	Filipino	0.00%

Voting Trust Holders

On 21 November 2018, SEC approved the request for confidential treatment of the Top 20 shareholders of the Fund, including the 5% and 10% beneficial owners.

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 not been a party to any transaction or proposed transaction, in which any director or executive officer of the Fund or any security holder owning 5% or more of the securities of the Fund or any member of the immediate family of such persons, had a direct or indirect material interest except the Management and Distribution Agreement entered into by the Fund and Investment Manager.

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 fifty basis points (0.50%) and distribution fee equivalent to fifty basis points (0.50%) per annum 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 5% of the gross investment based on tiered-front end sales schedule.

Related party transactions and balances with PEMI as of December 31, 2024:

	Management fee	Sales commission	Due to PEMI
2024	3,715,129	6,971	181,761

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
Darlene Sy (Sales and Marketing)	Vantage Equities, Inc. – 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., and Philequity PSE 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 PEMI. He is also a director of Vantage Equities, Inc. and Vantage Financial Corporation, 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, Scringeur, Vickers (1987-1989), and as 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 both the Treasurer and a Director of Vantage Equities, Inc., Vantage Financial Corporation and Philequity Management. Mr. Ong is also the President of Chemcenter Corporation. Previously, he was connected with Exxon Chemicals serving various functions in sales, marketing, audit, and logistics operation both here and abroad. He was also a former director of Petroenergy Resources Corporation from 2007 to 2009. Mr. Ong holds a degree in Chemical Engineering, magna cum laude, from De La Salle University.

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 PEMI. He is also the Chairman and Chief Executive Officer of Vantage Equities, Inc. Concurrently, he is a Director of Wealth Securities (1998 to 2011) and Vantage Financial Corporation, 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 PEMI. He is the Chairman of Wealth Securities, Inc. (2016-present), Vice Chairman of Asian Alliance Holdings, Corp. and serves as Director of Vantage Equities, Inc., Vantage Financial Corporation, Xcell Property Ventures, Inc. (2005 to present), Monte Oro Resources & Energy, Inc. (2005 to present), the Philippine Stock Exchange (2016 – present) and Eastwest Banking Corporation (2016 – 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).

Ma. Angelica D. Cabanit

Ms. Cabanit is the Compliance Officer of Vantage Equities, Inc., Vantage Financial Corporation, Philequity Management and the following funds: Philequity Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc. (2010 to Present), Philequity Dividend Yield Fund, Inc. (2013 to Present), Philequity MSCI Philippines Index Fund, Inc. (2017 to Present) and Philequity Alpha One Fund, Inc. (2019 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.

CUSTODIAN

BPI Asset Management and Trust Corporation is the Fund’s Custodian Bank. Subject to BSP regulations and other applicable laws and regulations, it is responsible for safekeeping the Fund’s assets and holding title to the Fund’s securities in a nominee capacity; receiving and holding all cash and proceeds of the Fund, including original subscriptions and proceeds from the sale or maturity of securities; ensuring that the Fund’s assets and properties are registered in the name of, or for the account of, the Fund; earmarking and properly recording any encumbrances or liens affecting Fund assets and maintaining appropriate segregation in its records and/or custody arrangements; executing and settling purchase and sale transactions and other duly authorized instructions of the Fund (including settlement upon maturity); performing at least monthly reconciliations to ensure that all positions are properly recorded and accounted for; conducting marked-to-market valuation of the Fund’s assets; acting as collecting and paying agent with respect to income, proceeds, taxes, and other amounts due on the Fund’s assets; facilitating corporate actions in accordance with the direction provided by the securities owner; and filing periodic and other reports relating to its custodial operations.

TRANSFER AGENT

The transfer agent of the Fund is Philequity Management, Inc. 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 counsels of the Fund.

EXTERNAL AUDITOR

The external auditors of the Company are the accounting firms 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 0.50% 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 0.50% 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, 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. Fulfill such duties and responsibilities as set forth in the Custodian Bank Agreement.

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

STOCK TRANSFER AND DIVIDEND PAYING AGENCY AGREEMENT

Under this Agreement, Philequity Management, Inc. 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 (Php30, 000.00)
2. A monthly retainer's fee of Thirty Thousand Pesos (Php30, 000.00)
3. A fee of Forty Five Pesos (Php45.00), for each scripless shares issuance or certificate issued by the AGENT and Twenty Pesos (Php20.00) 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 (Php30.00) 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

A. CHARGEABLE TO THE FUND

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 the 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.

B. CHARGEABLE TO THE INVESTMENT MANAGER

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. Taxes, Cost of Printing and Engraving, Legal, Accounting and Engineering Fees and any Listing Fees.
4. Payment of administrative penalties imposed upon the Fund, especially in connection with the reporting requirements of the Investment Company to the SEC
5. All other operating expenses of the Fund, subject to the exceptions specified above under the topic Expenses Chargeable to the Fund.

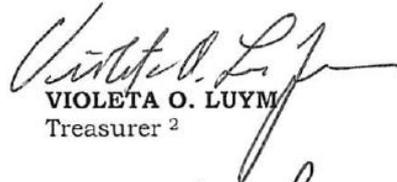
No Premium shall be paid by the registrant or any selling security holder on any policy to insure or indemnify any director or officer against any liability they may incur in the registration, offering, or sale of these securities.

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 15 2023, _____.

By:


IGNACIO B. GIMENEZ
 Chairman and Resident ¹


VIOLETA O. LUYM
 Treasurer ²

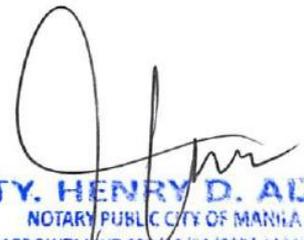

LILY YU
 Comptroller / Principal Accounting Officer


ATTY. JONATHAN P. ONG
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this _____ day of DEC 15 2023 at CITY OF MANILA affiants exhibits to me Tax Identification Number (TIN), as follows:

Name	TIN
Ignacio B. Gimenez	228-111-486-000
Violeta O. Luym	109-731-437-000
Lily T. Yu	211-047-056-000
Atty. Jonathan P. Ong	162-906-632-000

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 Series of 2023


ATTY. HENRY D. ADASA
 NOTARY PUBLIC CITY OF MANILA
 APPOINTMENT 09/12/31/2023 MANILA
 IBP NO. 181139 / 01/03/2023
 PTR NO. 0861145 / 01/03/2023
 ROLL NO. 29679, TIN NO. 172-528-620
 MCLE COMP. NO. VII-0000165 VALID UNTIL APRIL 14, 2025
 (15) STA. CRUZ, MANILA

¹ Equivalent to Principal Executive Officer and Principal Operating Officer
² 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