

A 1 9 9 8 1 6 2 1 9

S.E.C. Registration Number

P H I L E Q U I T Y P E S O B O N D

F U N D , I N C .

(Company's Full Name)

1 5 T H F L O O R P S E T O W E R 5 T H A V E .

C O R . 2 8 T H S T B G C T A G U I G C I T Y

1 6 3 4

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

MA. ANGELICA D. CABANIT

Contact Person

8250-8700 loc 8721

Company Telephone Number

1 2 3 1

Month Day Fiscal Year

1 2 - 1

FORM TYPE

Month Day Year Period Ended

MUTUAL FUND

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, AS AMENDED

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

1. SEC Identification Number: **A199816219**
2. **PHILEQUITY PESO BOND 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. **201-883-836-000**
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, BONIFACIO GLOBAL CITY, TAGUIG CITY, 1634**
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 Fee				₱ 10,000.00
Add: Legal Research Fee				100.00
Total Registration Fees				₱10,100.00

DRAFT PROSPECTUS

OF

PHILEQUITY PESO BOND FUND, INC.

AN OPEN-END INVESTMENT COMPANY

100,000,000 Shares
COMMON STOCK

The number of shares to be offered is One Hundred Million (100,000,000) shares previously registered with the Securities and Exchange Commission, with par value One Peso (₱ 1.00) per share. All shares shall be offered and subscribed 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. 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 November 28, 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 THE FUND

Fees Chargeable to the Fund	
Management Fee	0.50% of the average NAV of the Fund
Distribution Fee	0.50% of the average NAV of the Fund
Depository Maintenance Fee	Daily: 0.01% of market value of holdings divide by 360 days
Transfer Agent Onboarding Fee	Fixed fee of P30,000.00
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
SEC Regulatory Fee for the Maintenance and Issuance of Units	0.01% p.a. of average NAV
External Audit Fee	150,000 exclusive of 10% out-of-pocket expenses and 12% value-added taxes
Directors Fee	10,000.00 per diem, per meeting

Fees Chargeable to the Investor	
Sales Load Fee	Maximum of five percent (5%) of the subscription amount
Early Redemption Fee	Maximum of two percent (2%) of the amount redeemed if less than 90 days
	0% if more than 90 days

PHILEQUITY PESO BOND FUND, INC.

15th Floor PSE Tower, 5th Avenue corner 28th Street, BGC, Taguig City 1634
Telephone Number: (632) 8250-8700

This Offering Prospectus relates to the offer and sale of One Hundred Million (100,000,000) Common Shares (the “Offer”, and such shares, the “Other Shares”) of which were previously registered with Securities and Exchange Commission, with par value of ₱1.00 per share, of Philequity Peso Bond Fund, Inc. (hereinafter, the “Fund” or the “Company”), a corporation organized under Philippine law.

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

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

Each holder of Shares will be entitled to such dividends as may be declared by the Company’s Board of Directors (the “Board”). See “Dividend Policy” on page 10 and “Distribution of Dividends” on page 27 of this Prospectus for a more detailed discussion.

The information contained in this Prospectus relating to the Company and its operations has been supplied by the Company and its Fund Manager, 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 fee equivalent to one percent (1.0%) per annum of the average net asset value of the Fund’s assets computed on a daily basis.

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

Risks such as market, credit, liquidity and operational risk should also be taken into consideration. Consequently, there may be instances when the redemption prices of redeemed shares may be less than the prices at which the shares were originally purchased.

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

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

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

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

PHILEQUITY PESO BOND FUND, INC.

By:



ANTONIO R. SAMSON
Chairman and President

DEC 22 2025

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

Doc. No. 18 ;
Page No. 5 ;
Book No. 44 ;
Series of 2025 .



ATTY. MARIELLE Y. L. LAGUERTA
Notary Public for City of Manila - Until Dec. 31, 2025
Notarial Commission No. 2024-179
Tower 3, 3K, No. 181 No. Lopez St., Ermita, Manila
I.B.P. NO. 488207- Dec. 27, 2024 for the year 2025
PTR. NO. 2041441- Jan. 2, 2025 at Manila
MCLE No. VIII-0010560- Valid until 4-14-2028
ROLL NO. 88314

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PRINCIPAL PARTIES TO THE OFFER

REGISTRANT

Philequity Peso Bond Fund, Inc.

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

Telephone No.: (632) 8250-8700

Website: www.philequity.net

INVESTMENT MANAGER, ADVISOR AND PRINCIPAL DISTRIBUTOR

Philequity Management, Inc.

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

Telephone No.: (632) 8250-8700

Website: www.philequity.net

CUSTODIAN

BPI Asset Management and Trust Corporation

7th Floor, BPI Buendia Center, Sen. Gil J. Puyat Ave, Makati, 1209

Telephone No.: (632) 8580-2682

Website: www.bpiassetmanagement.com

TRANSFER AGENT

Philequity Management, Inc.

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

Telephone No.: (632) 8250-8700

Website: www.philequity.net

LEGAL COUNSEL

Valerio & Associates Law Office

Units 101 and 102, G/F The Mondrian Residences 5321 East Asia Drive, Filinvest Corporate City, Alabang Muntinlupa 1781

Telephone No.: (632) 8535-2445

EXTERNAL AUDITOR

SyCip Gorres Velayo & Co.

6760 Ayala Avenue, Makati City

Telephone No.: (632) 8891-0307

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 Peso Bond Fund, Inc. with office address at 15th Floor PSE Tower, 5th Avenue corner 28th Street, BGC, Taguig City 1634. The Fund's telephone number is +632 8250-8700. The general character of the business of the Fund is an Open-End Mutual Fund established under the Investment Company Act, R.A. 2629. The Fund operated as an investment company with a focus on long-term capital appreciation. The Fund holds medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors.

Shares Offered/Par Value

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

Offering Price

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

Total Outstanding Shares after the Offer

The total number of outstanding shares of the Fund is One Hundred Million (100,000,000).

Proceeds from the Offering

The total proceeds expected to be raised by the Fund is Three Hundred Twenty Seven Million Five Hundred Twelve Thousand and Three Hundred Ninety Eight Pesos (327,512,398) at the Net Asset Value per share of ₱ 4.1654 as of September 30, 2024. The net proceeds from the sale of securities will be used in investing primarily in medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors. 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 BDO Unibank. On the other hand, the custodian for the securities shall be the Philippine Depository 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 (P1,000.00) for initial investments and Five Hundred Pesos (₱500.00) for additional investments. Investment shall be on cash basis only. Installment payments are prohibited.

Redemption Price

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

Redemption Fee and Charges

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

Management and Distribution Fee and Expenses

A management and distribution fee equivalent to one percent (1.0%) per annum of the average net asset value of the Fund's assets computed on a daily basis shall be payable by the Fund to its investment manager, Philequity Management, Inc. Certain operating expenses of the Fund are deemed covered by the management fee and shall be for the account of Philequity Management, Inc.

Investment Policies and Objective

The investment objective of Philequity Peso Bond Fund, Inc. is to provide investors with long-term capital appreciation through investing in medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors.

Risk Factors

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

Dividend Policy

Subject to compliance with the requirements of applicable laws and regulations, and the absence of circumstances which may restrict the payment of dividends, only surplus profits in excess of one hundred (100%) percent of the Corporation's paid-in capital stock shall be declared as cash dividends. The existence of surplus profits available for distribution as cash dividends shall be reviewed in the month of April of every year, or when the annual audited financial statements become available, whichever is later. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof. The amount of cash dividends declared and paid shall automatically be reinvested in new shares of stock of the Fund, for which no sales load fees will be charged. Any redemption of such reinvested shares shall be subject to redemption charges as stated under the heading Redemption of Shares.

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 quarter ending September 30, 2025. This consolidated financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included elsewhere in this Prospectus.

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

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

	(Unaudited)	Audited
	September 30, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	29,779,370	19,968,218
Financial assets at fair value through profit and loss	237,988,258	305,347,507
Receivables	2,067,787	1,762,474
Other assets	-	-
Total Current Assets	269,835,415	327,078,199
Total Assets	269,835,415	327,078,199
LIABILITY AND EQUITY		
Current Liabilities		
Accrued expenses and other liabilities	1,451,543	1,645,609
Equity		
Capital stock	62,756,568	78,247,035
Additional paid-in capital	120,707,645	165,886,319
Retained earnings	84,910,658	81,299,236
Total Equity	268,383,872	325,432,590
Total Liabilities and Equity	269,835,415	327,078,199
Net Asset Value Per Share	4.2760	4.1590

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

	For the Periods Ended (Unaudited)		For the Quarters Ended (Unaudited)	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
INVESTMENT INCOME (LOSS)				
Net gain (loss) on financial assets at fair value through profit or loss	2,371,632	3,937,531	1,280,926	6,321,171
Dividends	-	-	-	-
Interest	11,613,458	12,412,667	3,546,807	4,086,878
	13,985,091	16,350,198	4,827,734	10,408,648
EXPENSES				
Management fee	2,558,350	2,760,937	779,764	927,514
Taxes and licenses	75,646	94,386	284	26,496
Professional fee	418,522	151,506	189,031	37,396
Others	113,054	545,869	84,804	101,377
	3,165,571	3,552,697	1,053,883	1,092,783
INVESTMENT INCOME (LOSS) BEFORE INCOME TAX PROVISION FOR INCOME TAX	10,819,519	12,797,500	3,773,850	9,315,865
Current – RCIT	-	-	-	-
Final	2,322,692	2,482,534	709,362	817,375
	2,322,692	2,482,534	709,362	817,375
INVESTMENT INCOME (LOSS) AFTER INCOME TAX	8,496,828	10,314,967	3,064,489	8,498,489
EARNINGS (LOSS) PER SHARE	0.1145	0.1279	0.0413	0.1054

GLOSSARY

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

BSP	Bangko Sentral ng Pilipinas
Custodian	BPI Asset Management and Trust Corporation
Investment Manager	Philequity Management, Inc.
Investor	Any individual, association or corporation who desires to invest in the shares of the Fund
NAV	Net Asset Value
NIRC or R.A. 8424, As Amended	National Internal Revenue Code of 1997, as amended
PDDTS	Philippine Domestic Dollar Transfer System
Pesos or ₱	Philippine Peso, lawful currency of the Philippines
Principal Distributor	Philequity Management, 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 Peso Bond Fund, Inc.
Transfer Agent	Philequity Management, Inc.

RISK FACTORS

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

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

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

RISK OF INVESTING

General Risk Warning

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

Prudence Required

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

Professional Advice

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

This growth-oriented Fund aims to provide investors with long-term capital appreciation. The Fund holds medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors.

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 a fluctuation of the Fund's net asset value. The Fund, however, adopts steps to minimize, if not eliminate, the effect of these risks. The major risks facing the Fund are as follows:

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

Type of market risk:

Interest Rate Risk – This refers to the change in the bond price due to factors affecting the market such as interest rates. A change in interest rate is the period when rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund.

2. **Credit Risk** is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Investments in bonds carry the risk that the issuer of the bonds might not be able to meet its interest and principal payments. The value of the bonds will therefore be adversely affected and may result in a write-off. To mitigate this risk, each Issuer/Borrower/Counterparty passes through a stringent assessment to determine the quality of the issue meets the standards of the Fund. This assessment is conducted periodically to ensure the credit standing is maintained. The fund uses third party ratings agencies such as PhilRatings, Moodys, Fitch and S&P to identify and assess bond issuances.

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.

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

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

To mitigate liquidity risk, the Fund shall maintain an adequate liquidity reserve. The Fund's Liquidity Contingency Plan 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 and the Liquidity Requirements provided under ICA Rule 6.10.

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

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

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

5. **Country Risk**

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

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

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

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

inflation rate, lending and borrowing rates; and country's debt-to-GDP. Political factors the Fund might monitor are political decisions made by the administration, status of reforms being administered by the government and foreign investor's perception of doing business in the Philippines.

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

1. Regulatory Risk

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

2. Non – Guarantee

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

3. Dilution Risk

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

4. Fund Manager Risk

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

Risk Monitoring and Management Procedure

The Fund Manager through its Compliance Officer continuously monitors areas that may pose risks to the Fund. The Fund also has an Audit Committee to monitor risks, the members of which are required to have accounting and finance backgrounds. Said Committee, among others, shall also ensure compliance with the risk management policies of the Fund. It shall provide oversight over the Fund's activities in managing credit, market, liquidity, operational, legal, and other risks.

On an annual basis, the Committee shall review its business continuity plan and implement any changes that are necessary to ensure risks are identified, mitigated and/or eliminated. Exceptions and revisions to the risk management framework will also be subject to Board approval. The framework also includes the requirements of the SEC with regards to breach of investment restrictions, and respective curing periods.

FUND FEATURES

THE FUND

Philequity Peso Bond Fund, Inc. was incorporated on 24 February 1999. The general character of the business of the Fund is an Open-End Mutual Fund established under the Investment Company Act, R.A. 2629. The Fund operates as an investment company with a focus on long-term capital appreciation through investing in medium-risk investments that

consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors.

The Fund issues mutual fund shares for sale to the public. Said mutual fund shares are sold through its Principal Distributor, Philequity Management, Inc. ("PEMI") in accordance with the Management and Distribution Agreement. The Fund is ready to redeem or buy back the shareholding of any investor at the applicable NAV per share.

The Fund aims to provide small investors access to a diversified portfolio medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors.

The Fund shall maintain a portfolio consisting of debt securities issued by the Philippine government as well as those issued by companies in industries and enterprises with strong growth potentials or profitable historical financial performance. The investment objectives, policies and initial investment plans are discussed in detail under the topics Investment Objective and Investment Policies and Investment Restrictions.

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

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

INVESTMENT OBJECTIVE AND POLICIES

This growth oriented Fund aims to provide investors with long-term capital appreciation. The Fund holds medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors.

The maximum investment of the Fund in the securities of any one debt instrument issuer shall be determined by the size of the Fund, the risk profile of the debt instrument issuer, interest rates, and the yield offered by the issuer.

The Fund intends to invest its assets in a variety of instruments to achieve diversification, but will act as such 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. In investing in financial derivative instruments for the Investment Company, the Fund Manager shall subject itself to the SEC Memorandum Circ. No. 15, series of 2020 ("Rules on Investment in Financial Derivatives") and any other rules as prescribed by the Commission.
2. Unless the applicable Philippine laws, rules and regulations, and orders of the Securities and Exchange Commission ("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
 - (d) unlimited liability investments
3. 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:

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

4. 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.

5. 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.
6. 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.

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 bonds of the Fund which reduce the bond ownership of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the corporate books of the Fund. The Investor shall declare and warrant that there are no legal restrictions prohibiting the purchase of the shares applied for and that the Investor is otherwise eligible throughout the duration of the period that the Investor remains a shareholder of the Fund.

2. Offering Price

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

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

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

3. Sales Load

The sales load fee shall be a maximum of 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. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof. The amount of cash dividends declared and paid shall automatically be reinvested in new shares of stock of the Fund, for which no sales load fees will be charged. Any redemption of such reinvested shares shall be subject to redemption charges as stated under the heading Redemption of Shares.

6. Subscription and Redemption Procedure

A. Subscription

1. Opening an Account

A prospective investor must submit one (1) valid government-issued ID/s, proof of address, the prescribed PEMI account opening documents which have been duly accomplished together with proof of deposit by 12:00nn is to be considered a subscription for the same day NAVPU. Documents received past the cut-off shall be processed the next business day.

An investment application, once accepted, shall constitute an agreement between the Investor and the Investment Manager/Principal Distributor for the purchase of the units of the Fund at the time, in the manner, and subject to the conditions set forth in this Prospectus and the Account Opening Form. Upon acceptance of the application, the Investor shall be furnished a confirmation notice of subscription.

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, scale-down and reallocate any application for the shares for whatever 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 upon submission of a duly accomplished and executed Investment Application Form. Sales subject to installment payments are prohibited. Payments must be made in the form of: (a) cash deposit; or (b) fund transfers or online banking. Bank fees, if any shall be borne by the investor. For Bills payment bank fees varies from Php 0.00 - Php 50.00 while for Auto-debit bank fee ranges from Php 5.00 - Php 15.00.

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.

5. Delivery of Bond Certificates

Bond 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.

Upon the request of the Investor, bond certificates representing ownership of the shares of the Fund and Custodian Receipts shall be issued by the Transfer Agent and Custodian Bank, respectively, and shall be made available to the Investor as soon as practicable at the office(s) of the Transfer Agent and Custodian Bank. Any certificate that remains unclaimed for a period of thirty (30) days shall be mailed to the address specified in the Investment Application Form at the risk of the Investor.

The cost of issuance of the bond certificates shall be borne by the shareholder.

6. Periodic Fund Statement

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

B. Redemption

1. NAV Per Share Computation

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

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 bond 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.

3. Redemption Price

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

4. Minimum Holding Period and Redemption Charges

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

RETENTION PERIOD	REDEMPTION FEE
90 days	Maximum of 2.00%
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 will be subject to a penalty of Php 25.00.

5. Special Considerations

The Commission motu proprio or, upon the request of a Fund Manager, may suspend the redemption of securities of Investment Company 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; or
- 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 or units is made by PEMI, for any of the grounds mentioned above, the approval of the IOE must be secured.

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

6. Applicable Taxes

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

COMPUTATION OF NET ASSET VALUE

To comply with Section 17 of MC No. 33, Series of 2020, the net asset value shall be calculated by adding:

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

And subtracting:

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

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

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

BENEFITS TO THE INVESTOR

1. Professional Management and Supervision

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

2. Diversification

The fund enables an investor to reduce an undesirable impact of a single investment through diversification by investing in a portfolio with a variety of securities requiring low capital requirement than investing in these securities individually.

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 in medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors.

All cash proceeds, including the original subscription payments at the time of incorporation constituting the paid in capital of the investment company shall be deposited with the Fund's deposit account with BPI, which is the settlement account for payments relating to trades and transfers of securities.

In purchasing and selling securities and making or disposing of investments for the account of the Fund, the Fund Manager 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 Fund shall be guided by the investment policies and restrictions on its investments under the topics Investment Objective and Investment Policies and Investment Restrictions.

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

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

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

Any amount of the proceeds shall not be used as well to reimburse any officer, director, employee or shareholder of the Fund for any services rendered, assets previously transferred, and money loaned or advance or otherwise.

DETERMINATION OF OFFERING PRICE

The price at which the securities are to be sold is at the Net Asset Value per share ("NAVPS") on the day of the purchase. A sales load fee shall also be charged on the day of the purchase. The daily cut-off time for the reckoning of the date of submission of the subscription application shall be 12:00 noon. If the application is received on or before the said cut-off time, the shares shall be valued based on the NAVPS 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 fee shall be charged based on the total price of the application.

NAVPS shall be the computed difference between total assets of the Fund and its total liabilities divided by the number of shares outstanding, as of the end of the reporting day. The sales load fees for the amount of investment in an Investment Application shall be a maximum of five percent (5.0%)

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.

The Fund's units will be made available through Philequity's web portal. As of 31 October 2025, the portal is still under development and not available to customers. The Fund's units shall also be made available through its 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. PEMI may also enter into sub-distribution agreements with trained and qualified bank employees to market and sell the units 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/units 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 units distributed and shall be deducted from the distribution fee.

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

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.

PEMI or its sub-distributors shall be paid a distribution fee equivalent of 0.50% per annum of the average net asset value of the Fund's assets computed on a daily basis. A sales load not more than five percent (5.0%) shall also be charged. Apart from the distribution fee and sales load fee, no discounts or commissions shall be paid directly or indirectly to the distributors.

Fees	Percentage
Management Fee	0.50% of the average NAV of the Fund
Distribution Fee	0.50% of the average NAV of the Fund
Sales Load Fee	Up to a maximum of 5.0%
Exit Fee	Maximum of 2.0%

DESCRIPTION OF SECURITIES TO BE REGISTERED

Category of the Fund

The Fund is a growth oriented open-ended unitized mutual and is categorized as a medium-risk investment.

Profile of Prospective Investors

The Fund aims to reach prospective investors who have a long-term horizon and has some familiarity with fixed income securities. These prospective investors should consider the risks involved before investing in the Fund. A complete list of risk factors can be found on Page 15.

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 your complaint at the soonest possible time. A company representative will reply to your complaint sent through e-mail within 24 hours upon receipt. The Investment Manager shall resolve complaints or issues within thirty (30) days.

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 Peso Bond Fund, Inc. is regulated by the Securities and Exchange Commission (SEC).

Procedure for Monitoring Fund Distribution

As principal distributor of the Fund, PEMI shall among others, prepare and monitor the sales and redemptions of the Fund and provide a monthly report on fund distribution to the Commission. 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. The Fund has also authorized PEMI to set up a marketing network and accredit sub-dealers or agents who are directly liable to PEMI. Detailed plans of distribution can be found on page 40 under Management and Distribution Agreement.

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, he or she should fully and immediately disclose it and should not participate in the decision-making process. A director or officer who has a continuing material conflict of interest should seriously consider resigning from his or her position.

Delegation of Fund Management or Custody of Assets, if any

Fund Management services has been appointed to PEMI. Please see the Management and Distribution Agreement in Exhibit 6A and 6B. Custody of Assets has been appointed to BPI Asset Management and Trust Corporation. Please see the Custody Agreement in Exhibit 6D.

Rights of a Shareholder in case of Dissolution

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

Liabilities of the investment company and the fund manager to the shareholders/unit holders

Nothing in this Prospectus shall be construed as a guaranty of return or income; nor does it entitle the investor/s to a fixed rate of return on the money invested by him/her in the fund. PEMI shall not be liable for any loss or depreciation in the value of the fund or in the value of investor's shareholdings unless attributed to PEMI's act of fraud, willful default, gross negligence, or evident bad faith. It is understood that mutual funds are not bank deposit products, not guaranteed by PEMI, not covered by the Philippine Deposit Insurance Corporation, and that losses, if any, are for the sole account of the investor/s.

Statement of liability of the shareholders to the Investment Company

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

INTERESTS OF NAMED EXPERTS AND INDEPENDENT COUNSEL

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

INFORMATION WITH RESPECT TO THE REGISTRANT**DESCRIPTION OF BUSINESS*****The Fund***

Philequity Peso Bond Fund, Inc. is a domestic corporate duly authorized to operate as an open-ended investment company with an investment objective of investing in medium-risk investments that consist mainly of government securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenors. The Fund only invests in Philippine fixed income securities (Government and Corporate Bonds). There are no sales or revenues and net income contributed by foreign sales. The Fund was incorporated on February 24, 1999 with an authorized capitalization of One Hundred Million Pesos (P100,000,000.00) consisting of 100,000,000 common shares at a par value of P1.00 per share. This growth oriented Fund aims to provide investors with long-term capital appreciation. On September 29, 2023, the Fund applied with the SEC to offer units of participation. If approved, the Fund will offer both shares and units to the public. Apart from investing to fixed income securities, there are no other services or products to be offered.

The Fund has entered into a Management and Distribution Agreement with Philequity Management, Inc. authorizing PEMI to purchase and sell securities for the account of the Fund. The Fund does not have employees of its own since the management and administration functions are already being handled by PEMI. The Fund will not incur any income but instead PEMI will charge a management fee equivalent half a percent (0.50%) and a distribution fee equivalent to half a percent (0.50%) for performing its function.

The custodians safe keeps the securities of the Fund and in case of company bankruptcy and upon liquidation of the assets, the Fund shall payout the applicable redemption price to its unitholders 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 with its shares. 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.

Competition

Mutual funds mainly compete on performance followed by fees charged by the funds. If the performance of a fund is superior to its peers, it will most certainly see increases in its subscription. The Fund is categorized as a bond fund, primarily invested in Peso Securities and is in direct competition with eleven (11) other peso bond funds in the industry and several other Unit Investment Trust Funds (UITFs) offered by banks. As of April 30, 2025, the ALFM Peso Bond Fund, Inc., Sun Life Prosperity Bond Fund, Inc. and Philam Bond Fund, Inc. are considered to have the highest net assets and number of clients among the eleven mutual funds. The Philequity Peso Bond Fund intends to compete principally on the reputation of Philequity for investment outperformance amongst its competitors. A lower fee structure will also give a competitive edge for choosing PPBF.

Transactions with and/or dependence on related parties

The Fund does not foresee to have any transactions with and dependence on related parties.

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

Apart from the application to issue units of participation, there are no other applications in progress that require government approval

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

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

Compliance with the Investment Company Act

The Fund is primarily governed by the Securities and Exchange Commission (SEC). Specifically, the Fund shall comply with the implementing rules and regulations of R.A. 2629 or the Investment Company Act and any other amendments thereunto.

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 and Capital Markets Efficiency Promotion Act (CMEPA) law. 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.

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.

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.

LEGAL PROCEEDINGS

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

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

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:

	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
2021	3.9608	3.9819	3.9747	3.9569
2022	3.9252	3.8801	3.8626	3.8685
2023	3.9347	3.9493	3.9703	4.0366
2024	4.0551	4.0569	4.1654	4.1602
2025	4.2058	4.2286	4.276	n/a

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

Year	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	High	Low	High	Low	High	Low	High	Low
2021	4.002	3.9377	3.982	3.9524	3.9886	3.9732	3.9968	3.9333
2022	3.9919	3.9142	3.9314	3.8482	3.9281	3.8612	3.8762	3.8135
2023	3.9402	3.8627	3.9869	3.9364	3.9756	3.9227	4.0375	3.9517
2024	4.0561	4.0311	4.0612	4.014	4.1654	4.0588	4.1726	4.1566
2025	4.2058	4.1588	4.2300	4.2067	4.2803	4.2282	n/a	n/a

Holders

The number of common shareholders of record as of December 31, 2024 is 3,938. On 23rd of July 2015, SEC en banc approved the confidential treatment of the Top 20 shareholders of the Fund, including the 5% and 10% beneficial owners.

Dividends

Subject to compliance with the requirements of applicable laws and regulations, and the absence of circumstances which may restrict the payment of dividends, only surplus profits in excess of one hundred (100%) percent of the Corporation's paid-in capital stock shall be declared as cash dividends. The existence of surplus profits available for distribution as cash dividends shall be reviewed in the month of April of every year, or when the annual audited financial statements become available, whichever is later. The declaration and payment of such cash dividends shall be made by the Company on the following month thereof. The amount of cash dividends declared and paid shall automatically be reinvested in new shares of stock of the Fund, for which no sales load fees will be charged. Any redemption of such reinvested shares shall be subject to redemption charges as stated under the heading Redemption of Shares.

The Fund has not declared dividends since its inception.

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 does not foresee any significant changes in the number of employees in the next twelve (12) months.

Management's Discussion and Analysis

A. Financial Condition and Liquidity (in PHP)

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

	Unaudited September 30, 2025	Audited December 31, 2024	Increase/ Decrease	Percentage
BALANCE SHEET				
Total Assets	269,835,415	327,078,199	(57,242,784)	-17.50%
Total Liabilities	1,451,543	1,645,609	(194,066)	-11.79%
Total Equity	268,383,872	325,432,590	(57,048,718)	-17.53%

B. NAV Per Share (in PHP)

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.

	September 30, 2025	December 31, 2024
NAV attributable to holders of redeemable shares (a)	268,383,872	325,432,590
Number of shares outstanding (b)	62,765,569	78,247,036
NAV per share (a/b)	4.2760	4.1590

C. Operating Revenues and Expenses (in PHP)

	For the Period Ended		Increase/ Decrease	Percentage
	September 30, 2025	September 30, 2024		
Income Statement				
Investment Income (Loss)	13,985,091	16,350,198	(2,365,107)	-14.47%
Expenses	5,488,263	6,035,231	(546,968)	-9.06%
Net Income (Loss)	8,496,828	10,314,967	1,818,139	-17.63%

Investment income - For the period ended September 30, 2025, the Fund has lost a total investment income of ₱13,985,091 from investment income of ₱16,350,198 of same period last year, decreased by 14.47% or ₱2,365,107.

Operating expense - Comparing this year and last year's operating expenses, there was a decrease of 9.06% or ₱546,968 brought by lower management fee.

Net income (loss) - Because of increase in market value of the bond investments of the Fund, the Fund ended the quarter with a net income of ₱8,496,828 as of September 30, 2025 compared to net income of ₱10,314,967 of same period of last year.

D. Earnings/Loss per Share (in PHP)

The following table reflects the net income per share data:

	September 30, 2025	September 30, 2024
Net investment income/(loss) (a)	8,496,828	10,314,967
Weighted average number of outstanding shares of stock (b)	74,233,143	80,648,396
Earnings (loss) per share (a/b)	0.1145	0.1279

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:

	September 30, 2025	December 31, 2024
Current Ratio	18589.55%	19875.81%
Acid Test Ratio	18589.55%	19386.16%
Solvency Ratio	745.38%	596.62%
Debt-to-Equity Ratio	0.54%	0.51%
Asset-to-Equity Ratio	100.54%	100.51%
Interest Rate Coverage Ratio	NA	N/A
Return on Assets	2.84%	3.00%
Return on Equity	2.86%	3.01%
Net Profit Margin	164.59%	181.52%

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 100% Bloomberg Philippine Sovereign Bond Index as its benchmark in order to compare the Fund's performance.

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

	September 30, 2025	December 31, 2024	Return (%)
Benchmark*	150.116	142.271	5.51%
PPBF	4.276	4.1602	2.78%

2. Assets under Management

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

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

September 30, 2025	December 31, 2024	Growth (%)
268,385,573	325,523,319	-17.55%

3. Market Share in the Industry

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

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

	September 30, 2025		December 31, 2024	
	Net Assets (P'm)	%	Net Assets (P'm)	%
ALFM Peso Bond Fund, Inc.	34,480.73	73.14%	34,819.57	72.24%
ATRAM Corporate Bond Fund, Inc.	249.54	0.53%	274.95	0.57%
Cocolife Fixed Income Fund, Inc.	925.84	1.96%	939.57	1.95%
Ekklesia Mutual Fund, Inc.	189.99	0.40%	186.88	0.39%
First Metro Save and Learn Fixed Income Fund, Inc.	881.08	1.87%	1,187.36	2.46%
Philam Bond Fund, Inc.	1,309.20	2.78%	1,401.78	2.91%
Philam Managed Income Fund, Inc.	485.75	1.03%	615.56	1.28%
Philequity Peso Bond Fund, Inc.	268.38	0.57%	325.43	0.68%
Soldivo Bond Fund, Inc.	1,917.07	4.07%	1,795.03	3.72%
Sun Life Prosperity Bond Fund, Inc.	6,293.56	13.35%	6,506.54	13.50%
Sun Life Prosperity GS Fund, Inc.	143.40	0.30%	149.67	0.31%
Total	47,144.54	100.00%	48,202.34	100.00%

4. Performance vis-à-vis Competition

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

As of September 30, 2025, below are the performance of the various bond funds primarily invested in Peso bond securities

Fund Name	Return (%)
ALFM Peso Bond Fund, Inc.	3.10%
ATRAM Corporate Bond Fund, Inc.	2.07%
Cocolife Fixed Income Fund, Inc.	2.51%
Ekklesia Mutual Fund, Inc.	2.97%
First Metro Save and Learn Fixed Income Fund, Inc.	2.40%
Philam Bond Fund, Inc.	2.89%
Philam Managed Income Fund, Inc.	3.77%
Philequity Peso Bond Fund, Inc.	2.81%
Soldivo Bond Fund, Inc.	3.06%
Sun Life Prosperity Bond Fund, Inc.	3.22%
Sun Life Prosperity GS Fund, Inc.	2.87%

5. NAV Growth vis-à-vis Industry Growth

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

	September 30, 2024	September 30, 2023
ALFM Peso Bond Fund, Inc.	415.56	402
ATRAM Corporate Bond Fund, Inc.	1.9458	1.9543
Cocolife Fixed Income Fund, Inc.	3.5549	3.4128
Ekklesia Mutual Fund, Inc.	2.4314	2.3885
First Metro Save and Learn Fixed Income Fund, Inc.	2.5509	2.518
Philam Bond Fund, Inc.	4.5684	4.4845
Philam Managed Income Fund, Inc.	1.5046	1.4479
Philequity Peso Bond Fund, Inc.	4.276	4.1654
Soldivo Bond Fund, Inc.	1.1098	1.0783
Sun Life Prosperity Bond Fund, Inc.	3.53	3.4647
Sun Life Prosperity GS Fund, Inc.	1.8699	1.844

G. 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 off-balance sheet obligations, arrangements or transactions with other individuals or institutions.

Information on Independent Accountant and Other Related Matters

A. External Audit Fees and Services

1. Audit and Audit Related Fees

The audit and audit-related fees paid by the Fund for the year 2023 and 2024 as follows:

A. Audit and Audit-related Fees	2024	2023
1. Audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with the statutory and regulatory filings or engagements.	160,650	153,000
2. Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements.	16,065	15,300
B. Taxes/Fees	-	-
C. All other Fees	-	-

It is the Fund's Board of Directors which approves the audit fees as recommended by the Audit Committee.

The Independent Accountant does not render tax accounting compliance, advice, planning and other forms of tax services for the Company. The Independent Accountant also does not render other services for the Company.

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
			Director	2001 to Present
Ignacio B. Gimenez	Filipino	81	Director	2006 to Present
Daniel A. Ongchoco	Filipino	57	Independent Director	1999 to Present
Dobbin A. Tan	Filipino	61	Independent Director	2019 to Present
Kevin A. Sy	Filipino	41	Assistant Treasurer	2019 to Present
Ma. Angelica Cabanit	Filipino	57	Compliance Officer	2010 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, Ind., Philequity PSE Index Fund, Inc., and Philequity Dynamic Allocation Fund, Inc. (Director: 2021 to Present, Treasurer: Sept 2024 to present). Mr. Samson is also the Chairman and CEO of Touch DDB He holds a Bachelor's degree in Economics from the Ateneo de Manila University (1966) and Masters of Business Administration from Asian Institute of Management (1971).

Ignacio B. Gimenez

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

Daniel A. Ongchoco

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

Dobbin 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 MSCI Philippines Index Fund, Inc. He also serves as Independent Director Philequity Fund, Inc. (2014-Present) and Philequity Alpha One Fund, Inc (2019 to Present). Concurrently, he is the CEO of Red Rock IT Security, Inc., Rising Tide Digital, Inc., and New Sunlife Ventures, Inc. He is also School Treasurer of Xavier School, Inc. He is also an Independent Director of Alliance Select Foods International, Inc. He holds a Masters of Business Administration at University of Chicago, Booth School of Business (2013)

Kevin Neil A. Sy

Mr. Sy is the Assistant Treasurer of the following funds: Philequity Fund, Inc., Philequity PSE Index Fund, Inc., Philequity Dividend Yield Fund, Inc., Philequity Peso Bond Fund, Inc., Philequity Dollar Income Fund, Inc. (2015 to Present), Philequity MSCI Philippines Index Fund, Inc. (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. Ma. Gracia M. Pulido-Tan
2. Hosanna T. Ayson
3. Caesar J. Poblador
4. Ma. Louisa M. Gonzales
5. Ma. Clarissa P. Oben

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 and any material terms of any other arrangements, to which any director was compensated, or is to be compensated, directly or indirectly, for any service provided as a director, except as provided below:

Below is a table of compensation received for the past years:

	Annual Compensation	
	2024	2023
Ignacio B. Gimenez <i>Chairman and President</i>	3,555.55	2,888.88
Directors		
Violeta O. Luym	2,444.44	2,888.88
Felipe U. Yap	3,333.33	2,888.88
Aurora L. Shih	3,555.55	3,124.17
Antonio R. Samson	3,333.33	2,888.88
Independent Directors		
Dobbin A. Tan	3,111.11	2,888.88
Daniel Ongchoco	3,555.55	3,124.17

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

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

The Fund has hired PEMI as its investment manager and principal distributor. The Fund does not employ any personnel. There have not been any changes in control agreements since its inception.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owner

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

Security Ownership of Management

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

Title of class	Name of beneficial Owner	Amount and nature of beneficial ownership	Citizenship	Percent
Common	Antonio R. Samson	1	Filipino	0%
Common	Leo M. Garcia	1	Filipino	0%
Common	Ignacio B. Gimenez	1	Filipino	0%
Common	Daniel A. Ongchoco	1	Filipino	0%
Common	Dobbin A. Tan	1	Filipino	0%

Voting Trust Holders

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

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

Pursuant to the terms of the Management and Distribution Agreement, the Fund shall pay a management and distribution fee of 1% 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 as follows:

	Management Fee	Sales Commission	Due to PEMI
2024	3,697,399	20,077	193,537
2023	3,638,566	2,849	533,167

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

Apart from the MDA, certain members of the Board of Directors and/or Management hold positions as directors or officers in other companies with which the Fund may or will have dealings in the normal course of its operations.

All such relationships are subject to disclosure, review, and approval requirements under applicable laws and are managed on an arm's-length basis, consistent with the Fund's internal governance policies and the best-execution standards required under the regulatory framework.

Position on Other Publicly Listed Companies

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

Name	Position	Publicly Listed Company - Position
Dobbin Tan	Independent Director (Mutual Funds)	FOOD – Independent Director
Ignacio Gimenez	Chairman and President (Mutual Funds)	V – Director

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

Name	Position	Publicly Listed Company - Position
Antonio Moncupa, Jr.	Independent Director (PEMI)	V – Independent Director
Bert Hontiveros	Independent Director (PEMI)	V – Independent Director
Edmundo Bunyi	President (PEMI)	V – CEO/Director
Joseph Ong	Treasurer (PEMI)	V - Director
Roberto Lorayes	Chairman (PEMI)	V – Director
Willy Ocier	Director (PEMI)	ABA – Director APC – Chairman and Director BEL – Chairman LOTO – Chairman V - Director
Wilson Sy	Founder, Director, and CIO (PEMI)	PSE – Director V – Director
Valentino Sy	Director (PEMI)	V – Chairman/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 PSE Index Fund, Inc., Philequity MSCI Philippines Index Fund, Inc., Philequity Alpha One Fund, Inc. and Philequity Global 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, Scringour, 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.

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 Aragon 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).

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.

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 Disini Buted and Disini law offices, which he advises on matters involving banking and litigation, and a senior associate at the Valerio Law Offices.

CUSTODIAN

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

TRANSFER AGENT

The transfer agent of the Fund is Philequity Management, Inc. The primary responsibility of the transfer agent is the accurate record keeping of individual shareholdings and the issuance and cancellation of stock certificates/depository receipts.

LEGAL COUNSEL

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

EXTERNAL AUDITOR

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

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

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

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.

MANAGEMENT AND DISTRIBUTION AGREEMENT

Under this Agreements, Philequity Management, Inc. (PEMI) was engaged by the Fund to act as the investment manager and principal distributor 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;
10. 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; and

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 evidences 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 and distribution fee of one percent (1.0%) 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 shareholder of the Fund. The Agreement may be terminated at any time by the Board of Directors of the Fund, by vote of two thirds (2/3) of the outstanding capital stock of the Fund or upon written notice of not less than sixty (60) days.

CUSTODY AGREEMENT

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

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

BPI Asset Management and Trust Corporation agreement shall receive, safe keep, record, and account for the cash proceeds of the sale of the shares of stock of the fund. See page 38 for the detailed discussion of the roles and responsibilities of the Custodian.

TAXATION

Subscriptions

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

Dividends Received

Cash and/or property dividends received by an individual from a mutual fund company are subject to final tax of Ten Percent (10%) for Filipino citizens and resident aliens in accordance with Section 24(B)(2) of the Tax Code; Twenty Percent (20%) for non-resident aliens engaged in trade or business within the Philippines in accordance with Section 25(A)(2) of the Tax Code; and Twenty Five Percent (25%) for non-resident aliens not engaged in trade or business within the Philippines in accordance with Section 25(B) of the Tax Code.

On the other hand, cash and/or property dividends received by a domestic corporation and a resident foreign corporation are not subject to tax in accordance with Sections 27(D)(3) and 28(A)(1), respectively, of the Tax Code, with the exception of dividends received by a non-resident foreign corporation which are subject to final tax of Twenty Five Percent (25%) in accordance with Section 28(B)(1) of the Tax Code; provided that the rate shall be Fifteen Percent (15%) if the country in which the non-resident foreign corporation is domiciled, shall allow a credit against the tax due from the non-resident foreign corporation taxes deemed to have been paid in the Philippines equivalent to the difference between the regular income tax rate provided in Section 28(B)(1) and the Fifteen Percent (15%) tax on dividends in accordance with Section 28(B)(5)(b).

Redemption Gains

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

Donation and Estate Settlement

In accordance with Section 104 of the Tax Code, shares or rights, in any partnership, business or industry established in the Philippines, shall be considered as situated in the Philippines. Thus, such units of participation will be subject to donor's and estate taxes with certain exemptions and deductions as provided by the Tax Code. However, the same provision provides that no tax shall be collected in respect of intangible personal property, which would include units of participation in this case: (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

STOCK TRANSFER AND DIVIDEND PAYING AGENCY AGREEMENT

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

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

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

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

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

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

CORPORATE GOVERNANCE

To fully comply with the adopted leading practices on good corporate governance, the Fund has prepared and approved its Manual on Corporate Governance.

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

1. **Appointment of a Compliance Officer.** The Company has a Compliance Officer (who is an officer of the Company and is not a member of the Board) with sufficient authority to monitor and ensure adherence to the Manual on Corporate Governance, the Code of Business Conduct and Ethics, and relevant laws, rules, and regulations. The Compliance Officer reports to the Chairman/President and coordinates with the Corporate Secretary, and is responsible for, among others, monitoring compliance, reporting violations to the Board, and recommending the imposition of appropriate disciplinary action, when warranted.
2. **Responsibilities, specific duties, and functions of the Board of Directors.** Sets out the roles and responsibilities of the Board of Directors, including ensuring the Company's compliance with all relevant laws, regulations, and codes of best business practices, and fostering the long-term success and competitiveness of the Company consistent with its fiduciary responsibilities to the Company, its shareholders, and stakeholders.
3. **Creation of Board Committees.** Establishment of Board Committees to support the Board in fulfilling its governance responsibilities such as Audit Committee, the Nominations Committee and the Compensation and Remuneration Committee.
4. **Procedures for monitoring and assessment of compliance with the Manual of Corporate Governance.** The Company's evaluation and monitoring system includes, among others:
 - a. an annual Board, Chairperson, individual director, and Board committee self-assessment, including evaluation of management performance, and mechanisms to assess whether the Board's actions contribute to corporate objectives and whether directors provide constructive feedback and recommendations;
 - b. administration and documentation of the annual self-assessment process by the Corporate Secretary and reporting/record-keeping of the results;
 - c. continuous compliance monitoring by the Compliance Officer, including escalation/reporting of violations to the Board and recommending sanctions, when warranted.
5. **Training and continuing education.** Provides an orientation program and relevant training/continuing education programs for directors and key officers to strengthen governance implementation and effectiveness.
6. **Penalties for non-compliance / deviations from the Manual.** Directors, officers, and staff who violate the Corporate Governance Manual and Code of Ethics may be subject to penalties and/or sanctions, as may be imposed by the Board of Directors.

As of the date, the Company is not aware of any material deviation from the Manual of Corporate Governance that required disclosure of the name and position of the person(s) involved and the sanction(s) imposed. Should any deviation occur or be identified, the Company will disclose in the appropriate report(s) the nature of the deviation, the name and position of the person(s) involved, and the sanction(s) imposed by the Company/Board, consistent with the Manual and applicable regulations.

In addition to the foregoing, the Company undertakes measures to support full compliance with leading governance practices, including maintaining Board committee oversight (Audit and Corporate Governance, among others), strengthening disclosure and transparency policies, implementing mechanisms for confidential/anonymous reporting of concerns and complaints, and ensuring disciplinary action for violations of governance and ethics policies, consistent with the Manual.

The Company will continue to enhance corporate governance through (i) periodic review and updating of its Manual, committee charters, and governance policies; (ii) implementing action items arising from annual Board/committee evaluations; (iii) continuing director and key officer training programs; and (iv) strengthening monitoring, internal controls, and compliance oversight to support sustained adherence to the Manual and applicable regulations.

EXPENSES CHARGEABLE TO THE FUND AND THE INVESTMENT MANAGER

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.
5	Fees of the Investment Manager as compensation for the services and facilities of investment manager.
6	Cost of printing and mailing reports, notices, proxy forms, and other communication to stockholders of the Fund, except those borne by the custodian bank;
7	Fees of transfer agents for the securities of the Fund and other transfer fees to the extent not absorbed by buyers of the Fund's securities;
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.
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	All other operating expenses of the Fund, subject to the exceptions specified above under the topic Expenses Chargeable to the Fund.
4	Any Premium paid by the registrant or any selling security holder on any policy to insure or indemnify director, or officer against any liability they may incur in the registration, offering or sale of these securities.

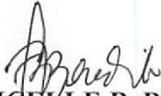
SIGNATURES

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

By:


ANTONIO R. SAMSON
Chairman and President¹


LEO M. GARCIA
Treasurer²


NICELLE B. BENEDITO
Comptroller / Principal Accounting Officer


ATTY. JONATHAN P. ONG
Corporate Secretary

SUBSCRIBED AND SWORN to before me this DEC 22 2025 day of _____ at CITY OF MANILA, affiants exhibits to me their Tax Identification Number (TIN), as follows:

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

Doc. No. 16 ;
Page No. 5 ;
Book No. 44 ;
Series of 2025


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

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	Amended Articles of Incorporation
Exhibit 2B	Amended By-laws
Exhibit 3	Subscription Form
Exhibit 4	Redemption Form
Exhibit 5	Opinion re: Tax Matters
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	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 9	Authorization to Commission to access registrant's bank accounts
Exhibit 10	Copy of Board Resolution approving the securities offering and authorizing the filing of the Registration Statement
Exhibit 11	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 12	Secretary's certificate as to approve and adoption of Anti-Money Laundering Operation Manual
Exhibit 13	Secretary's Certificate as to adoption by the Board of certain corporate governance principles