

June 30, 2025

SECURITIES AND EXCHANGE COMMISSION

8/F SEC Headquarters, 7907 Makati Avenue
Bel-Air, Makati City 1209

Attention: **Director Rachel Esther J. Gumtang-Remalante**
Corporate Governance and Finance Department

Re: **Annual Corporate Governance Report for 2024**

Ladies and Gentlemen,

In accordance with SEC Memorandum Circular No. 13, Series of 2021, we hereby submit the Annual Corporate Governance Report (ACGR) of Solidaritas Fund, Inc. for the year 2024.

The attached Annual Corporate Governance Report (ACGR) provides an accurate and comprehensive overview of our company's corporate governance practices throughout the year 2024, with all other required directors' and officers' signatures included as mandated.

Thank you.

DocuSigned by:


ATTY. SABINO B. PADILLA IV
Corporate Secretary



SEC FORM-ACGR (FOR PC/RI)

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

1. For the fiscal year ended **DECEMBER 31, 2024**
2. SEC Registration Number **CS2008-03624**
3. BIR Tax Identification Number **006-986-509**
4. Exact Name of the Issuer as specified in its charter **SOLIDARITAS FUND, INC.**
5. Province, Country or other jurisdiction of incorporation or organization **METRO MANILA, PHILIPPINES**
6. Address of Principal Office **7/F BPI BUENDIA CENTER, SEN. GIL J. PUYAT AVENUE, MAKATI CITY**
7. Postal Code **1209**
8. Issuer's telephone number, including area code **(632) 8580-0900**
9. Former name, former address, and former fiscal year, if changed since last report **N/A**
10. Industry Classification Code (For SEC's use only) _____

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
THE BOARD'S GOVERNANCE RESPONSIBILITIES			
Principle 1. ESTABLISHING A COMPETENT BOARD			
The company should be headed by a competent, working Board to foster the long-term success of the corporation, and to sustain its competitiveness and growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.			
Recommendation 1.1			
1	The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Solidaritas Fund Inc.'s (the "Fund" or the "Company") directors as of December 31, 2024, are as follows: <ul style="list-style-type: none"> • Rev. Fr. Antonio Cecilio T. Pascual (Chairman and Director) • Rev. Fr. Lamberto S. Ramos (President and Director) • Rev. Fr. Antonio E. Labiao Jr. (Treasurer and Director) • Bishop Mylo Hubert C. Vergara, D.D. (Director) • Rev. Fr. Orlando B. Cantillon (Director) • Monica Mei C. Young (Independent Director) • Rev. Fr. Herbel F. Torres (Independent Director) • Bishop Roberto O. Gaa (Director) • Isidro G. Garcia (Independent Director) For detailed profiles of the Directors, including their academic qualifications, industry knowledge, professional experience, expertise, and relevant training, please refer to pages 11 to 1 of SEC Form 17-A filed on April 14, 2025 ("SEC Form 17-A"). The foregoing shows that the Directors remain qualified for their positions individually and
2	The Board has an appropriate mix of competence and expertise.	Compliant	
3	Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	

			collectively, enabling them to fulfill their roles and responsibilities and respond to the needs of the organization.	
Recommendation 1.2				
1	The Board is headed by a competent and qualified Chairperson.	Compliant	<p>The Chairperson during the 2024 term was Rev. Fr. Antonio Cecilio T. Pascual.</p> <p>The Board is led by a competent and qualified Chairperson. His qualifications, demonstrating his competence, are detailed in Annex 1 - SEC 17-A_Solidaritas Fund Inc, pages 10.</p>	
Recommendation 1.3				
1	The company provides a policy on training of directors.	Compliant	<p>On the training policy and orientation program of the Directors, please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 12 of the Manual on Corporate Governance, specifically item J titled 'Orientation and Continuing Training Program.'</p> <p>It is also highlighted on Page 5 of the Manual on Corporate Governance (MOCG) that one of the duties and responsibilities of the Chair in relation to the Board is to assure the conduct of proper orientation for first-time Directors and continuing training opportunities for all Directors.</p> <p>The members of the Board attended relevant training programs in 2024 such as various Anti-Money Laundering (AML)/Counter Terrorism Financing Trainings.</p>	
2	The company has an orientation program for first-time directors.	Compliant		
3	The company has relevant annual continuing training for all directors.	Compliant		

Recommendation 1.4				
1	The Board has a policy on board diversity.	Compliant	Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 5 of the MOCG, specifically Article 4: Board Governance and item A titled 'Composition of the Board.' It states that there shall be diversity in the composition of the Board to avoid groupthink, ensure optimal decision-making, and enhance the efficiency of collective problem-solving within the group.	
Recommendation 1.5				
1	The Board is assisted by a Corporate Secretary.	Compliant	The Board is assisted by Atty. Sabino B. Padilla IV. He is a separate individual from the Compliance Officer and is not a member of the Board of Directors. Please refer to Annex 1 - SEC 17-A_Solidaritas Fund Inc, page 13, and Annex 2 - MOCG_Solidaritas Fund Inc_BPI, pages 23 to 25. The Corporate Secretary, Atty. Sabino B. Padilla, attended and completed the Institute of Corporate Directors (ICD) Corporate Secretary as Corporate Governance Professionals training held from June 13 to 14, 2024, from 1:00 PM to 5:00 PM via Zoom Meetings.	
2	The Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3	The Corporate Secretary is not a member of the Board of Directors.	Compliant		
4	The Corporate Secretary attends annual training/s on corporate governance.	Compliant		
Recommendation 1.6				
1	The Board is assisted by a Compliance Officer.	Compliant	The Compliance Officer of 2024 was Hany Mae V. Dureza. Please refer to Annex 1 - SEC 17-A_Solidaritas Fund Inc, page 14. The Compliance Officer is not a member of the Board of Directors.	Considering the size and limited scope of operations of the company, the Senior Manager officer rank of the Compliance Officer provides her with adequate stature and authority.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	Non-Compliant		
3	The Compliance Officer is not a member of the board.	Compliant		
4	The Compliance Officer attends annual training/s on corporate governance.	Compliant	The Compliance Officer, Ms. Hany Mae V. Dureza, attended the Institute of Corporate Directors, Inc. (ICD) Corporate Governance Orientation Program (CGOP) on April 29-30, 2025.	

Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company's articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.

Recommendation 2.1

1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	Compliant	Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 4 of the MOCG, specifically Article 4: Board Governance. It provides that the directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Fund and all Shareholders and all other Stakeholders. The Board members also actively participate in the Fund's meetings on a regular basis throughout the year.	
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Recommendation 2.2

1	The Board oversees the development and approval of the company's business objectives and strategy.	Compliant	The Board formulates the Fund's vision, mission, and strategic objectives to guide the Investment Manager's activities, including the means to effectively monitor the latter's performance. Please refer to page 10 of Annex 2 - MOCG_Solidaritas Fund Inc. The Board members also actively participate in the Fund's meetings on a regular basis throughout the year.	
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		

Recommendation 2.3

1	The Board ensures and adopts an effective succession planning program for directors, key officers, and management.	Compliant	One of the Responsibilities, Duties and Functions of the Board is to ensure and adopt an effective succession planning program for Directors, key Officers, and Management to ensure the continuous and consistent growth of the Fund. This should include adopting a retirement policy for Directors and key Officers. Please refer to page 10 of Annex 2 - MOCG_Solidaritas Fund Inc.	
2	The Board adopts a policy for the retirement of directors and key officers.	Compliant		

			<p>The nomination process is also detailed in the MOCG, on pages 9 and 10, item F, "Nomination of Directors."</p> <p>Included in the Shareholders' Rights and Protection in the MOCG are the details of the voting rights and the process of these, which shall be executed during Shareholders' Meetings. Please refer to pages 26 to 29 of Annex 2 - MOCG_Solidaritas Fund Inc,</p>	
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Recommendation 2.4

1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	Compliant	Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Pages 13 to 14 of the MOCG, specifically item M titled ' Remuneration of Directors and Officers'.	
2	The Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		

Recommendation 2.5

1	The Board has a formal and transparent board nomination and election policy.	Compliant	<p>For the Board nomination and election policy, please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Pages 9 to 10</p> <p>This policy outlines the process for accepting nominations from shareholders and conducting a board review of the qualifications of nominees. Additionally, the policy includes an assessment of the effectiveness of relevant Board processes, with a focus on ensuring the quality of directors aligns with the company's strategic direction.</p>	
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	Compliant		
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	Compliant		
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	Compliant		
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	Compliant		

Recommendation 2.6

1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The policy on Related Policy Transactions (RPT) can be found in Annex 2 - MOCG_Solidaritas Fund Inc, Page 20.	
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
Recommendation 2.7				
1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	Compliant	The Board's responsibility to approve the selection of the management is found in Annex 2 - MOCG_Solidaritas Fund Inc, Page 11	
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	Compliant	The Board's responsibility to assess the performance of the management is found Annex 2 - MOCG_Solidaritas Fund Inc, Pages 10 to 11.	
Recommendation 2.8				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.	Compliant	Please refer to Annex 4 - Board Self-Assessment Form, which is provided annually to members of the Board and the relevant Board-level committees. The results of the self-assessment exercise are subsequently reported to the Board annually.	
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par with the standards set by the Board and Senior Management.	Compliant		
Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	Compliant	One of the responsibilities of the Board is to ensure that the Fund has an adequate internal control system with proper checks and balances. This is to be carried out by its management directly or through its duly appointed Investment Manager. This information can be found in Annex 2 - MOCG_Solidaritas Fund Inc, Page 10	
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	Compliant		

<p>3 The Board adopts an Internal Audit Charter.</p>	<p>Non-compliant</p>		<p>While the Manual on Corporate Governance (MOCG) provides that the Audit Committee is responsible for ensuring a reliable and effective internal control and audit system within the organization, including oversight of duly appointed and/or registered investment managers' internal corporate governance frameworks, it is noted that the internal audit function of the Fund operates on a limited scale relative to its size and complexity.</p> <p>In view of this, and after due consideration, the adoption of a standalone Internal Audit Charter is deemed not applicable at this time. The existing governance framework, including the oversight functions of the Audit Committee and coordination with the internal controls maintained by external investment managers, is considered sufficient to meet regulatory expectations.</p> <p>For further reference, please see Annex 2 - MOCG_Solidaritas Fund Inc, pages 15 to 16.</p>
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<p>Recommendation 2.10</p>			
<p>1 The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.</p>	<p>Compliant</p>	<p>The MOCG specifies that the Board is responsible for implementing an Enterprise Risk Management (ERM) framework that enables the identification of risk exposures at both the unit and enterprise level, as well as the evaluation of risk management strategies for their effectiveness. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 19</p>	
<p>2 The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p>	<p>Compliant</p>		

Recommendation 2.11			
1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	The responsibilities, duties, and functions of the Directors are set out in the MOCG. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc Page 10. The Solidaritas Fund Inc. MOCG is available in this website. ALFM Mutual Funds Library
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	Compliant	
3	The Board Charter is publicly available.	Compliant	

Principle 3. ESTABLISHING BOARD COMMITTEES

The board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.

Recommendation 3.1			
1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The Board may carry out its various responsibilities through Committees that shall be set up to support the effective performance of the Board's functions. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 14.

Recommendation 3.2			
1	The Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	The Board has established an Audit Committee to strengthen its oversight of the Fund's financial reporting, internal control systems, internal and external audit processes, and compliance with applicable laws and regulations. The Audit Committee meets regularly to carry out its responsibilities and to ensure the integrity and effectiveness of these key functions. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 15.
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	Compliant	The members of the Audit Committee as of December 31, 2024:
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Chairman: <ul style="list-style-type: none"> Rev. Fr. Herbel F. Torres (Independent Director).

4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	Compliant	Members: <ul style="list-style-type: none"> • Monica Mei C. Young (Independent Director); and • Isidro G. Garcia (Independent Director). 	
Recommendation 3.3				
1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Non-compliant		In reference to the provisions set out in the Fund's MOCG (pages 17-18), the establishment of a separate Corporate Governance Committee (CGC) is assessed to be non-essential at this time. This determination is based on the Fund's current scale of operations, limited functional complexity, and applicable regulatory guidance, including the establishment of an IOE, which supports a proportionate approach to governance structures.
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	Non-compliant		<p>In accordance with good governance practices and regulatory expectations, all corporate governance matters are regularly discussed at the Board level. This integrated approach ensures that governance responsibilities are appropriately addressed within the existing Board framework, without compromising the effectiveness of oversight or compliance with relevant laws and regulations.</p> <p>Furthermore, most of the duties of the Fund are delegated to the Fund</p>

				Manager which has its own Corporate Governance Committee.
Recommendation 3.4				
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-compliant		<p>In reference to the provisions set out in the Fund's MOCG (page 19), the establishment of a separate Board Risk Oversight Committee (BROC) is assessed to be non-essential at this time. This determination is based on the Fund's current scale of operations, limited functional complexity, and applicable regulatory guidance, including the establishment of an IOE, which supports a proportionate approach to governance structures.</p> <p>In accordance with good governance practices and regulatory expectations, all corporate governance matters are regularly discussed at the Board level. This integrated approach ensures that governance responsibilities are appropriately addressed within the existing Board framework, without compromising the effectiveness of oversight or compliance with relevant laws and regulations.</p> <p>Furthermore, most of the duties of the Fund are delegated to the Fund Manager which has its own Risk Management Committee.</p>
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	Non-compliant		
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-compliant		

Recommendation 3.5				
1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The duties and responsibilities of the Audit Committee are outlined in the MOCG, which enhances its oversight capability over the Fund's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 15.	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Compliant		

Principle 4. FOSTERING COMMITMENT

To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1				
1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	The process and procedure of Board, Committee and shareholder meetings are set out in the MOCG. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Pages 11, 13, 27, and 28 For details on the 2024 board meetings, please refer to Part V of SEC Form 17-A, under Exhibits and Schedules, on pages 16 to 17. The members of the Board demonstrate active and consistent participation in all Board meetings held throughout the year, reflecting their commitment to the effective discharge of their governance and oversight responsibilities.	
2	The Directors review meeting materials for all Board and Committee meetings.	Compliant		
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		

Recommendation 4.2				
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	Compliant	Non-executive directors are compliant with the maximum concurrent directorships in public companies and/or registered issuers.	

Recommendation 4.3

1	The Directors notify the company's board before accepting a directorship in another company.	Compliant	Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 12.
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Principle 5. REINFORCING BOARD INDEPENDENCE

The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.

Recommendation 5.1

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	Compliant	<p>Out of the nine (9) members of the Board, eight (8) are non-executive directors.</p> <ul style="list-style-type: none"> • Rev. Fr. Antonio Cecilio T. Pascual; • Rev. Fr. Antonio E. Labiao Jr; • Bishop Mylo Hubert C. Vergara, D.D.; • Rev. Fr. Orlando B. Cantillon; • Bishop Roberto O. Gaa; • Monica Mei C. Young (Independent Director); • Rev. Fr. Herbel F. Torres (Independent Director); and • Isidro G. Garcia (Independent Director). <p>Please refer to Annex 1 - SEC 17-A_Solidaritas Fund Inc, Pages 11 to 14.</p>
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Recommendation 5.2

1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	Compliant	<p>The Board has three (3) independent directors.</p> <ul style="list-style-type: none"> • Monica Mei C. Young (Independent Director); • Rev. Fr. Herbel F. Torres (Independent Director); and • Isidro G. Garcia (Independent Director).
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Recommendation 5.3

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	Please refer to Annex 1 - SEC 17-A_Solidaritas Fund Inc, Page 11 to 14 for the independent directors' qualifications.
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			Independent directors are required to submit a Certification of Independent Director, along with other necessary documents, to the Securities and Exchange Commission during each Annual Stockholders' Meeting (ASM).	
Recommendation 5.4				
1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	Compliant	The company prohibits independent directors from being reappointed to the same position after the term limit of nine (9) years, ensuring that there is a rotation of directors and fresh perspectives are brought in. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 7.	
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	Compliant	There has been no instance that the Company retained an Independent Director after nine (9) years.	
Recommendation 5.5				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	Compliant	The Chairperson of the Board in 2024 is Jose Rev. Fr. Antonio Cecilio T. Pascual, and the President is Rev. Fr. Lamberto S. Ramos. Please refer to Annex 1 - SEC 17-A_Solidaritas Fund Inc, pages 11 to 12.	
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	Compliant	The duties and responsibilities of the chairperson and Chief Executive Officer/President are on Annex 2 - MOCG_Solidaritas Fund Inc, page 5.	
Recommendation 5.6				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	Compliant	Rev. Fr. Herbel F. Torres is the Lead Independent Director.	
Recommendation 5.7				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the deliberations for the same, and recuse from voting on the approval of transaction.	Compliant	The Directors are required to abstain from transactions in which they have adverse interest. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Pages 11 to 12	

Recommendation 5.8				
1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present.	Compliant	These items are typically reviewed and discussed during the Audit Committee meetings, in accordance with established oversight and financial reporting protocols.	
2	The meetings are chaired by the lead independent director, if applicable.	Compliant	Kindly refer to pages 16 to 17 of Annex 1 – SEC Form 17-A for the meetings/discussions conducted during the year for the Solidaritas Fund Inc.	

Principle 6. ASSESSING BOARD PERFORMANCE

The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1				
1	The Board conducts an annual self-assessment of its performance as a whole.	Compliant	Please see Annex 4 for the copy of the self-assessment form.	
2	The Chairperson conducts an annual self-assessment of his performance.	Compliant		
3	The individual members conduct a self-assessment of their performance.	Compliant		
4	Each committee conducts a self-assessment of its performance.	Compliant		

Recommendation 6.2				
1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	Compliant	It is among the responsibilities, duties, and functions of the Board to establish a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual Directors, Committees and such system should allow for a feedback mechanism from the Shareholders. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Pages 10 to 11.	
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant		

Principle 7. STRENGTHENING BOARD ETHICS

The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1	The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.	Compliant	The Code of Business Conduct and Ethics of the Fund Manager covers the standards and practices in maintaining the professional and ethical management of the Company. By adhering to the principles and standards set forth in the Code, the Fund Manager is able to ensure that the Company's business is conducted with the highest level of integrity and in accordance with the best interests of the Company and its stakeholders. This not only helps to establish trust and confidence among shareholders, clients, and other stakeholders, but also helps to foster a culture of ethical behavior within the organization.	
2	The Code is properly disseminated to the members of Board.	Compliant		
3	The Code is disclosed and made available to the public through the company website.	Compliant	For the Code of Business Conduct and Ethics of the Fund Manager. Please refer to BPI Wealth .	

Recommendation 7.2

1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Code of Business Conduct and Ethics of the Fund Manager covers the standards and practices in maintaining the professional and ethical management of the Company. By adhering to the principles and standards set forth in the Code, the Fund Manager is able to ensure that the Company's business is conducted with the highest level of integrity and in accordance with the best interests of the Company and its stakeholders. This not only helps to establish trust and confidence among shareholders, clients, and other stakeholders, but also helps to foster a culture of ethical behavior within the organization.	
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DISCLOSURE AND TRANSPARENCY

Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.

Recommendation 8.1

1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to Shareholders and other Stakeholders that gives a fair and complete picture of a Fund's financial condition, results, and business operations, as outlined in Article 11: disclosure and transparency of Annex 2 - MOCG_Solidaritas Fund Inc, Page 25.
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Recommendation 8.2

1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	Compliant	The Fund has a policy requiring all Directors and Officers to disclose/report to the Fund any dealings in the Fund's shares by the said Directors and Officers within five (5) business days. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 25.
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	Compliant	

Recommendation 8.3

1	The company's corporate governance policies, programs and procedures are contained in its MOCG(MCG).	Compliant	In compliance with the recommendations set by the SEC, the principles and best practices of good governance are contained in the MOCG, and it is institutionalized throughout the entire organization.
2	The company's MCG is submitted to the SEC.	Compliant	The Fund's MOCG is submitted to the SEC.
3	The company's MCG is posted on the company website.	Compliant	The copy of the MOCG is attached in this document. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc. and posted on the company's website Solidaritas Fund Inc.

Recommendation 8.4

1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	Compliant	In compliance with the recommendations provided under SEC Memorandum Circular No. 24, Series of 2019 (Code of Corporate Governance for PCs and RIs), the Fund's corporate governance policies and practices
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			and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	
2	The company's ACGR is submitted to the SEC.	Compliant	The Fund's ACGR for 2024 is to be submitted on or before June 30, 2025.	
3	The company's ACGR is posted on the company website.	Compliant	Please refer to the website of Solidaritas Fund Inc.	

Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	Compliant	These items are discussed during the Fund's Audit Committee meetings.	
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.	Compliant	The MOCG disclosures also include the requirement that the Audit Committee must have a robust process for approving and recommending the appointment, reappointment, removal, and determination of fees of the external auditor. The appointment, reappointment, removal, and fees of the External Auditor should be recommended by the Audit Committee and approved by the Directors and the Shareholders. For the removal or change in the External Auditor, the reasons for removal or change should be disclosed to the SEC, the shareholders, and the public through the Fund website and other required disclosures. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 22.	
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	Compliant		

Recommendation 9.2

1	The Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into	Compliant	The duties and responsibilities of the Audit Committee are in MOCG. Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 15	
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	consideration relevant Philippine professional and regulatory requirements.			
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		

Recommendation 9.3

1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	Compliant	Please refer to Annex 1, SEC 17-A, Page 55 for the required disclosures.	
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	This is appropriately guided by the MOCG. Please refer to and Annex 2 - MOCG_Solidaritas Fund Inc, Pages 15 to 16 for more details.	

Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.

Recommendation 10.1

1	The Board has a clear and focused strategy on the disclosure of non-financial information.	Compliant	The Board is committed at all times to the full disclosure of material information and transactions. It shall ensure the timely filing of all required disclosures and submissions with the SEC, in the interest of its shareholders and other stakeholders. This commitment is outlined in Article 11 of the MOCG, titled 'Disclosure and Transparency.' For further details, please refer to Annex 2 - MOCG_Solidaritas Fund Inc, pages 25 to 26.	
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<p>2 The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.</p>	<p>Compliant</p>	<p>The day-to-day management and operational functions of the Fund have been delegated to the appointed Fund Manager and Distributor, BPI Wealth, which is mandated to carry out its responsibilities in strict adherence to the Environmental, Ethical, Social, and Governance (EESG) standards set forth by the BPI Group. These standards are integrated into the Fund's investment and operational processes to ensure alignment with applicable regulatory frameworks and to promote responsible and sustainable investment practices. Please refer to this link: (https://www.bpi.com.ph/about-bpi/investor-relations/integrated-reports)</p>	
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Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

<p>1 The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.</p>	<p>Compliant</p>	<p>Please refer to the website of Solidaritas Fund.</p>	
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INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS

Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management system.

Recommendation 12.1

<p>1 The company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>The business of the Fund is conducted mainly by the Fund Manager who has adequate internal control systems. For the internal control systems of the Fund Manager (BPI Wealth), please refer to BPI Wealth Annual Report.</p> <p>Furthermore, most of the duties of the Fund are delegated to the Fund Manager who have</p>	
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			adequate risk management processes, policies, and procedures; appropriate risk measurement system, prudent risk limits, monitoring and management information system; and comprehensive and effective internal control system and, audit and compliance program.
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>The business of the Fund is conducted mainly by the Fund Manager who has an adequate Enterprise Risk Management Framework. For the Enterprise Risk Management Framework of the Fund Manager (BPI Wealth), please refer to BPI Wealth Annual Report.</p> <p>Furthermore, most of the duties of the Fund are delegated to the Fund Manager who have adequate risk management processes, policies, and procedures; appropriate risk measurement system, prudent risk limits, monitoring and management information system; and comprehensive and effective internal control system and, audit and compliance program.</p>

Recommendation 12.2

1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The Company has engaged an external auditor which has issued an unqualified audit opinion for 2024. Please refer to Annual Financial Statement (AFS) of Annex 1 - SEC 17-A_Solidaritas Fund Inc.
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CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS

Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS

The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	Compliant	Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Pages 26 to 29.
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Recommendation 13.2				
1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	Compliant	The Annual Stockholders Meeting (ASM) was conducted virtually via Zoom on October 18, 2024, at 3:30 p.m. The notice and agenda for the ASM are indicated in the Notice to the stockholders. Kindly also refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 29.	
Recommendation 13.3				
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	Compliant	The minutes of the Annual Stockholders Meeting (ASM) are made available on the website after the ASM and are removed before the following ASM.	
2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	Compliant	Stockholders as of record date who exercised their right to vote on the matters in the agenda had the option of casting their votes through any of the following modes, subject to validation: 1. Electronic voting in absentia; or 2. Through the appointment of a proxy The results were reflected in the minutes of the meeting.	
Recommendation 13.4				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Please refer to Annex 2 - MOCG_Solidaritas Fund Inc, Page 11.	
Recommendation 13.5				
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	Compliant	For inquiries, investors may contact the Fund's principal distributor and transfer agent at bpi_investment@bpi.com.ph	

2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	Compliant	Senior officers of the fund manager and principal distributor attended the Annual Stockholder Meeting for this Fund on October 18, 2024.
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DUTIES TO STAKEHOLDERS

Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.	Compliant	It is among the responsibilities, duties, and functions of the Board as outlined in Annex 2 of the Annex 2 - MOCG_Solidaritas Fund Inc, on pages 10 to 11
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Recommendation 14.2

1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection, and enforcement of the rights of stakeholders.	Compliant	It is among the responsibilities, duties, and functions of the Board as outlined in Annex 2 of the Annex 2 - MOCG_Solidaritas Fund Inc, on pages 10 to 11, and in Article 13, 'Stakeholders' Rights and Protection.'
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Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.

Recommendation 15.1

1	The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p>The Fund does not have employees of its own. The management and administration of the Fund are already being handled by BPI Wealth who has sound and effective corporate governance. For the corporate governance of the Fund Manager (BPI Wealth), please refer to BPI Wealth Annual Report.</p> <p>Furthermore, The Board of Directors and Management have adopted a framework of policies, rules, systems, and processes for the Company that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to</p>
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			stockholders and other stakeholders which include, among others, customers, employees, suppliers, regulators, government, and the community in which it operates.
Recommendation 15.2			
1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	Compliant	<p>The business of the Fund is conducted mainly by the Fund Manager who has Code of Business Conduct and Ethics. For the Code of Business Conduct and Ethics of the Fund Manager (BPI Wealth), please refer to BPI Wealth Annual Report.</p> <p>Furthermore, the Code of Business Conduct and Ethics (“the Code”) of the Fund Manager aims to provide as guide to employees of the Company in meeting ethical duties and responsibilities in compliance with the implemented rules and regulations of the industry. The codes serve as guidance so that the right decisions are made in the performance of their respective roles and responsibilities across various functions in the Company.</p>
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company’s culture.	Compliant	
Recommendation 15.3			
1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	<p>The business of the Fund is conducted mainly by the Fund Manager who has adequate Whistleblower Policy. For the Whistleblower Policy of the Fund Manager (BPI Wealth), please refer to BPI Wealth Annual Report.</p> <p>Furthermore, the Whistleblower Policy of the Fund Manager addresses the commitment of BPI Wealth to integrity and ethical behavior by helping to foster and maintain an environment where whistleblowers can act appropriately, without fear of retaliation.</p>
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	

Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The company should be socially responsible in all its dealings with the communities in which it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

1	The company recognizes and places importance on the interdependence between business and society and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Please refer to the Fund's website link at https://www.alfmmutualfunds.com/funds/solidaritas-fund	
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CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above **Solidaritas Fund Inc. Annual Corporate Governance Report** covering 2024 are true, complete, and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of **MAKATI CITY** on the **JUN 30** day of **2025** 20_____.

Signed by: 
D4D43132866E426
Rev. Fr. Antonio Cecilio T. Pascual
Chairman of the Board

Signed by: 
D4D43132866E426
Rev. Fr. Lamberto S. Ramos
President & CEO

Signed by: 
1699086C4B3C4E2...
Rev. Fr. Herbel F. Torres
Independent Director

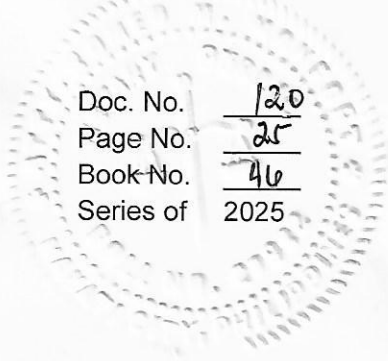
Signed by: 
871E7769C437449...
Monica Mei C. Young
Independent Director

DocuSigned by: 
D4D43132866E426
Atty. Sabino B. Padilla IV
Corporate Secretary

Signed by: 
6AF722B65994D6...
Hany Mae V. Dureza
Compliance Officer

SUBSCRIBED AND SWORN to before me this **MAKATI CITY JUN 30 2025** 20_____, by the following who are also personally known to me (or whom I have identified through competent evidence of identity) and who exhibited their respective identification document as follows:

Name	Competent Evidence of Identity	Date/Place Issued
Rev. Fr. Antonio Cecilio T. Pascual	TIN 209-925-759	
Rev. Fr. Lamberto S. Ramos	TIN 162-155-270	
Rev. Fr. Herbel F. Torres	TIN 753-947-163	
Monica Mei C. Young	TIN 108-725-990	
Atty. Sabino B. Padilla IV	TIN 113-255-561	
Hany Mae V. Dureza	TIN 310-161-585	



Doc. No. 120
Page No. 25
Book No. 46
Series of 2025

ATY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City



SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: April 14, 2025 07:02:51 PM

Company Information

SEC Registration No.: CS200803624

Company Name: SOLIDARITAS FUND, INC.

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST10414202583170703

Document Type: ANNUAL_REPORT

Document Code: SEC_Form_17-A

Period Covered: December 31, 2024

Submission Type: Original Filing

Remarks: WITH FS

Acceptance of this document is subject to review of forms and contents

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED**

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2024**
2. SEC Identification Number **CS2008-03624**
3. BIR Tax Identification No. **006-986-509-000**

SOLIDARITAS FUND, INC.

4. Exact name of issuer as specified in its charter

Metro Manila, Philippines

5. Province, Country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

7. **7/F BPI BUENDIA CENTER, SEN. GIL J. PUYAT AVENUE, MAKATI CITY** **1209**
Address of principal office Postal Code

8. **(632) 8580-0900**
Issuer's telephone number, including area code

9. **BAHAY PARI SOLIDARITAS FUND, INC.**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding as of 31 December 2024
COMMON SHARES " A "	57,692,364

11. Are any or all of these securities listed on a Stock Exchange?

Yes [] No [**X**]

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**X**] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [**X**] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated based on assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

Php121,599,208.42 (NAVPs of Php2.11 and **57,692,364** Outstanding Shares as of 31 December 2024)

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission. **N.A.**

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Any annual report to security holders

Audited Financial statements attached herewith.

- (b) Any information statement filed pursuant to SRC Rule 20 **NONE**

- (c) Any prospectus filed pursuant to SRC Rule 8.1 **NONE**

MANAGEMENT REPORT

PART I - BUSINESS AND GENERAL INFORMATION

DESCRIPTION OF BUSINESS

1. Business Development

The Solidaritas Fund, Inc. ("Solidaritas" or the "Fund") is a domestic corporation duly authorized to operate as an open-end investment company. The Fund was incorporated on March 10, 2008 as Bahay Pari Solidaritas Fund, Inc. with an authorized capitalization of P112.4 Million consisting of 112,400,000 common shares of par value P1.00 per share. The Fund applied for an increase in authorized capital stock amounting to P141 million divided into 141 million shares with P 1.00 par value and obtained the SEC's approval on April 11, 2014. On July 17, 2017, the Fund's Board of Directors and Shareholders approved an amendment in the Articles of Incorporation to change the Fund's name to Solidaritas Fund, Inc. The SEC approved the change in company name on April 13, 2018. The Fund was organized and incorporated to engage in the sale of its shares of stock and in the investment of the proceeds of this sale into a basket of stocks and fixed income securities.

The Solidaritas Fund was officially transferred from the management of Multinational Investment Bancorporation to BPI Investment Management, Inc. on June 3, 2010.

The investment objective of the Fund is to provide long-term capital appreciation through investments in a diversified portfolio of equity and fixed income securities. Due to the aggressive nature of the Fund, Solidaritas Fund, Inc. shall best cater to investors who are aware of risks in investing in stocks and who can tolerate interim price volatilities in exchange for long-term capital growth. The Fund is ready to redeem at the applicable Net Asset Value per Share, all or any part of the Shares standing in the name of a Shareholder in the Fund.

BPI Investment Management, Inc. (“BPI Investment”) shall act as the Fund’s Investment Manager and, as such, is tasked to formulate and implement the investment strategy of the Fund, and to provide and render management and technical services to prospective investors. BPI Investment, a wholly owned subsidiary of the Bank of the Philippine Islands, was incorporated in 1974 to principally engage in the business of managing an investment company. BPI Investment is licensed by the SEC to act as fund manager (or “investment company adviser”) as well as a distributor of mutual funds. BPI Investment shall also act as the Fund’s Investment Advisor and is tasked to render services which include investment research and advice; the preparation of economic, industry, market, corporate, and security analyses; and assistance and recommendations in the formulation of investment guidelines. For its services, the Fund Manager shall charge a fee of not more than 2% per annum net of distribution and/or marketing referral fees.

Effective April 1, 2023, BPI Investment Management, Inc. (BIMI), wholly owned subsidiary of Bank of the Philippine Islands (BPI) assigned all its right, interests, and obligations as fund manager, advisor of the Fund to BPI Wealth - A Trust Corporation (BPI Wealth), a wholly owned subsidiary of Bank of the Philippine Islands (BPI). Henceforth, the management functions are performed by BPI Wealth over the Fund. Services, contracts and agreements are in force with BPI Wealth.

The Fund has appointed BPI Investment Management, Inc. (BIMI) as principal distributor with the authority to appoint sub-distributors on behalf of the fund. Under the terms of the agreement, BIMI and/or its sub-distributors perform daily functions related to the marketing and the growth of the level of assets of the Fund.

In March 2024, the SEC approved the Amended By-Law of BIMI wherein one of the changes is to update its company name from BPI Investment Management Inc. to BPI Investments Inc.

BPI Asset Management and Trust Corporation (the “Company” or “BPI AMTC”) is a wholly owned subsidiary of Bank of the Philippine Island (BPI), a domestic commercial bank with an expanded banking license in the Philippines. It was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 6, 2016 primarily to carry and engage in the business of trust, other fiduciary business and investment management business which may legally be had or done by trust corporations organized under and in accordance with Republic Act No. 8791 (The General Banking Law of 2000) and its implementing regulations as it exists or may be amended and to do all other things incident thereto and necessary and proper in connection with said purposes within such territory, as may be determined by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP). The corresponding Certificate of Authority to Operate was issued by the BSP to the Company on December 29, 2016.

In February 2023, the Company announced the change in its trade name from BPI Asset Management and Trust Corporation to BPI Wealth - A Trust Corporation, or simply BPI Wealth.

The Fund’s shares will be offered to institutional and individual members of the Diocesan Clergy Community and church affiliates. There is no plan to apply for listing in any exchange the shares of the registrant. Consequently, none of the registrant's shares are to be allocated to an exchange and/or to its members. Sales agents of the Fund’s distributors may collect a Sales Load based on each amount invested by an applicant or Shareholder in the Fund, in an amount not exceeding 1.5% of the investment. Notwithstanding, the Fund’s distributor has the discretion to waive such sales load as it deems necessary.

The principal distributor of Solidaritas Fund is BPI Investments Inc., a licensed distributor by the Securities and Exchange Commission.

Solidaritas Fund, as an investment company, will be regularly dealing with the following principal parties, among others, as follows:

Fund Manager, Investment Advisor	BPI Wealth – A Trust Corporation
Transfer Agent	BPI Investments Inc.

Fund Distributors:

BPI Investments Inc.
Bank of the Philippine Islands

Risk Factors and Investment Considerations

The NAVPS of the Fund may fluctuate due to changes in the market values of the Fund's investments. Such changes in market value may be attributable to various factors such as:

A. Factors External to the Fund, listed in the order of importance:

- 1) Market Risk - the risk that movement in the financial markets will adversely affect the value of investments of the Fund. To properly manage market risk, various risk measurement methodologies are utilized to quantify the potential change in portfolio value resulting from changes in security prices. Measures of risk-adjusted performance are also utilized. Market risk is controlled through the establishment of investment limits and by managing the fund according to investment guidelines and parameters that are consistent with its return objective and risk profile.
- 2) Interest Rate Risk - the risk that the value of the portfolio will decline as interest rates rise. Bond prices are inversely related to interest rates (i.e., as interest rates increase, bond prices decrease). Interest rate risk is measured using duration and controlled through duration limits. To mitigate this risk, the Fund Manager closely monitor movements in interest rates.
- 3) Liquidity Risk - The risk that the investments of the Fund cannot be sold or converted into cash within a reasonable time or in instances where sale or conversion is possible but not at a fair price. A liquidity contingency plan, which provides a framework for addressing liquidity crisis situations is in place.
- 4) Credit Risk - the risk that the bond issuer may not be able to pay its debt when interest payments and maturity falls due. Credit risk is minimized through diversification. Investment and counterparty limits are also established and monitored regularly. All investment outlets and counterparties go through accreditation prior to the execution of investment transactions.
- 5) Inflation Risk - the risk that the return of your investments will not keep in pace with the increase in consumer prices. To mitigate inflation risk, the Fund Manager closely monitors inflation.
- 6) Reinvestment Risk - the risk associated with the possibility of having lower return when maturing securities or the interest earnings of funds are re-invested. To mitigate reinvestment risk, the Fund Manager closely monitors interest rate trends so as to re-invest at higher interest rates.
- 7) Foreign Exchange Risk - this is the possibility for an investor to experience losses from a decline in fund value when the market value of fixed income securities, settled in any other currency, held by the fund are converted/translated to Philippine Peso. To mitigate foreign exchange risk, the fund manager closely monitor the movements in the spot market.

B. Risks Inherent to the Fund, listed in the order of importance:

- 1) Investors in an open-end fund are exposed to the risk of dilution, since open-end investors are allowed to contribute and/or withdraw their entire holdings anytime. Given this inherent risk, the Investment Manager tries to lessen the frequency of withdrawals by imposing an early redemption penalty for investors who withdraw from the Fund before the 180-day minimum holding period. By doing this, investors are discouraged to withdraw during the minimum holding period and the Investment Manager will be able to maximize the investment during the said period.
- 2) Unlike closed-end funds, the investment potential and capability of the Fund are limited by liquidity constraints as the Investment Manager should always ensure that there are sufficient liquid assets to service withdrawals at any given time.

- 3) Unlike bank accounts, investment companies / mutual funds are neither insured with the PDIC or any other agency of the government, nor guaranteed by the Investment Manager. Before investing in the Fund, investors are expected to understand that it is not a bank deposit product and any income or loss shall be for the account of the investor. Investors are advised to read the Prospectus of the Fund, which may be obtained from authorized distributors, before deciding to invest. The Fund is registered with the Securities and Exchange Commission (SEC).
- 4) Mutual funds are subject to "manager risk," which is the potential for a fund to fail to achieve its objectives due to investment decisions by the Investment Manager, caused by the Investment Manager's ability or failure to "read the market" accurately. To mitigate this risk, the Investment Manager employs a thorough investment process, considering macroeconomic factors and integrating them in asset allocation models to optimize the return of the portfolio. The Fund Manager likewise keeps abreast of current market conditions through various trainings and seminars on fund management techniques as well as close coordination with various counterparties and regulators.

2. *Distribution methods of the products or services*

The Solidaritas Fund is distributed by SEC Licensed Mutual Fund Agents of BPI Investments Inc. (BII). and Bank of the Philippine Islands. The Fund was organized and incorporated to engage in the sale of its shares of stock primarily to Catholic parish priests, diocesan clergy, and related diocesan institutions.

3. *Competition*

The Solidaritas Fund competes with thirteen (13) other balanced mutual funds in the Philippine Mutual Fund Industry. As of December 31, 2024, the total net asset value of balanced mutual funds as reported by the Philippine Investment Funds Association, Inc. (PIFA) amounted to Php 11 B. Of this, Php 121 .60 Million belongs to the Fund.

4. *Effect of existing or probable governmental regulations on the business.*

The Solidaritas Fund believes that government regulations are intended to strengthen the industry for the benefit of the investing public and will, thus, comply with the regulations imposed as may be instituted by the regulatory authorities.

5. *Number of employees*

Solidaritas Fund does not have employees of its own since the management and administrative operations of the Fund are already being handled by its fund manager, BPI Wealth – A Trust Corporation. The Fund (registrant) does not have a parent company.

PROPERTIES

The Solidaritas Fund does not own any property described under Annex C of SRC Rule 12 such as real estate, plant and equipment, mines, patents, etc.

LEGAL PROCEEDINGS

The Fund is not aware of any pending legal proceedings to which it is a party.

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Stockholders was held virtually via Zoom last October 18, 2024, at 3:30PM. The matters submitted to the stockholders for a vote were:

1. Approval of the 2023 Annual Report and Audited Financial Statements.

2. Approval and Confirmation of all acts during the past year of the Board of Directors and Officers, the Fund Manager, and the Service Administrator.
3. Election of Directors.
4. Confirmation of BPI Wealth - A Trust Corporation as Fund Manager, Investment Advisor and Service Administrator.
5. Confirmation of BPI Investments Inc. as Principal Distributor and Transfer Agent.
6. Re-appointment of SGV & Co. as External Auditor.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

1. Market Information

Market Price (NAVPS in Pesos)	2024	2023	2022	2021
Quarter ending March 31	2.11	2.00	2.1175	1.98
Quarter ending June 30	2.05	2.00	1.9261	2.06
Quarter ending September 30	2.23	1.99	1.8490	2.06
Quarter ending December 31	2.11	2.03	1.9899	2.09

Source: Daily Price and NAVPS schedule

Stated below are the High and Low Net Asset Value Per Share (NAVPS) for each quarter from 2021 to 2024.

Quarter Ending	2024		2023		2022		2021	
	Low	High	Low	High	Low	High	Low	High
March	2.03	2.13	1.96	2.08	2.0399	2.1505	1.97	2.12
June	2.00	2.13	1.99	2.04	1.9190	2.1074	1.94	2.07
September	2.04	2.26	1.94	2.04	1.8490	2.0214	1.96	2.08
December	2.09	2.27	1.94	2.04	1.8571	2.0303	2.06	2.14

The Fund's shares are unlisted and as such are not traded in the Philippine Stock Exchange. The shares are being sold by SEC-licensed mutual fund sales agents thru the Fund's authorized distributors enumerated under Part I - Distribution Methods of this report.

2. Dividends

- a. The Fund has not issued any cash dividends since inception.
- b. Declaration of cash dividends is limited to the declaration made by the Board of Directors subject to the restriction that no dividends will be declared that will impair the capital stock of the company.

3. Number of holders

The Fund has a total of 163 security holders as of the 31 December 2024. The corporation has only one class of common stock.

4. Institutional and retail investors

The table below shows the Fund's total number of institutional and retail investors and the percentage of their investments as of December 31, 2024.

Solidaritas Fund	Retail	Institutional
Number of investors	124	39
Percentage of investments	16.09%	83.91%

5. Geographic concentration of investments

The geographic concentration of investments as of December 31, 2024 is as follows: Luzon (84.66%), Visayas (13.50%), and Mindanao (1.84%).

6. Investment company return information

Stated below is the Fund's return in the last five (5) recently completed fiscal years.

Solidaritas Fund, Inc.				
2020	2021	2022	2023	2024
-0.17	0.16	0.26	2.91	3.92

7. Recent Sales of Unregistered or Exempt Securities Including Recent Issuances of Securities Constituting an Exempt Transaction

Not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

AS OF DECEMBER 31, 2024

The Philippine Stock Exchange Index (PSEi) closed 2024 with a gain of 1.22%, breaking its previous streak of four consecutive years of decline. However, foreign investors remained net seller sellers, with net outflows reaching USD408 million. On a sectoral basis, Services and Financials outperformed the broader market as investors preferred select names with leading market capitalization and good fundamentals as well as defensive and high-yielding stocks.

Consensus estimates indicated a market valuation of 11x Price-to-Earnings Ratio (PER), below its 10-year mean of around 17x.

As of end December 2024, Solidaritas Fund's trading net asset value (NAV) per share was computed at P2.1075, an increase of 3.92% from P2.0280 of the previous year. The increase in NAV per share can be attributed mainly to the outperformance of the fund versus its benchmark in 2024.

Key Performance Indicators

- a) **Performance vis-à-vis the Benchmark** – Solidaritas Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2024 was a gain of 3.92%, compared to 2023's loss of 1.91%, net of fees and taxes. In 2024, the benchmark had a return of 3.15%, resulting to a fund outperformance of 77 bps.
- b) **Portfolio Quality** – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high-grade fixed income instruments

and local equities, except stocks which have not been approved by the Fund's Board of Directors (i.e., gaming, gambling, hard liquor, cigarettes and tobacco, and mining).

- c) **Market Share in the Industry** – As of December 2024, Solidaritas Fund cornered 1.1% of the P11.04 Billion total net asset value of balanced funds based on PIFA's December 2024 report. The Fund accounted for 1.0% of balanced funds' NAV in 2023.
- d) **NAV Growth vis-à-vis Industry Growth** – As of December 31, 2024, the Fund's NAV slightly increased to P121.60 Million, up 1.76% from P119.50 Million. The Balanced Fund Industry contracted by 10.23%.
- e) **Performance vis-a-vis Competition** – Solidaritas ranked 2nd among the peso balanced mutual funds in 2024.

AS OF DECEMBER 31, 2023

The PSEi continued to be challenged in 2023 returning -1.77% for the year, settling somewhere in the middle of how its ASEAN peers performed. Foreign investors continued to be sellers, with net outflows reaching USD863.3 million according to Bloomberg data. On a per sector basis, only Financials saw gains buoyed by the high interest rate environment which supported expansion of net interest margins. All other sectors underperformed the index as overall sentiment was dragged by macroeconomic concerns (e.g., high inflation & decelerating growth) and lingering hawkishness of central banks.

Market valuation remained close to 13x PE based on consensus estimates, below its 10-year mean of around 17x.

As of end December 2023, Solidaritas Fund's trading net asset value (NAV) per share was computed at P2.0280, an increase of 1.91% from P1.9899 of the previous year. The increase in NAV per share can be attributed mainly to the outperformance of the fund versus its benchmark in 2023.

Key Performance Indicators

- a) **Performance vis-à-vis the Benchmark** – Solidaritas Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2023 was a loss of 1.91%, compared to 2022's loss of 4.85%, net of fees and taxes. In 2023, the benchmark had a return of 1.49%, resulting to a fund outperformance of 42 bps.
- b) **Portfolio Quality** – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities, except stocks which have not been approved by the Fund's Board of Directors (i.e., gaming, gambling, hard liquor, cigarettes and tobacco, and mining).
- c) **Market Share in the Industry** – As of December 2023, Solidaritas Fund cornered 1.0% of the P12.30 Billion total net asset value of balanced funds based on PIFA's December 2023 report. The Fund accounted for 1.0% of balanced funds' NAV in 2022.
- d) **NAV Growth vis-à-vis Industry Growth** – As of December 31, 2023, the Fund's NAV fell to P129.45 Million, down 13.12% from P137.54 Million. The Balanced Fund Industry contracted by 10.37%.
- e) **Performance vis-a-vis Competition** – Solidaritas ranked 9th among the peso balanced mutual funds in 2023.

AS OF DECEMBER 31, 2022

The PSEi fell 7.8% in 2022, underperforming much of its ASEAN peers. On flows, foreigners were net sellers amounting to Php1.245 billion based on Bloomberg data. In the Philippines, Telcos underperformed

mainly on issues surrounding the capex of a major industry player as well as tougher competition along with Property amid the sharp rise in interest rates. On the other hand, Banks outperformed.

The PSEi closed at almost 13x forward PE based on consensus estimates, below its 10-year mean of around 17x.

The major theme for 2022 was inflation. The BSP matched the US Federal Reserve's aggressive tightening to support the Peso and tame inflation. Peso eventually rebounded after its weakest level in mid-October.

As of end December 2022, Solidaritas Fund's trading net asset value (NAV) per share was computed at P1.9899, a decrease of 4.85% from P2.091 of the previous year. The decrease in NAV per share can be attributed mainly to the decline in the local equities market in 2022.

Key Performance Indicators

- a) ***Performance vis-à-vis the Benchmark*** – Solidaritas Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2022 was a loss of 4.85%, compared to 2021's decline of 0.13% net of fees and taxes. In 2022, the benchmark had a return of -2.67%, resulting to a fund underperformance of 218 bps.
- b) ***Portfolio Quality*** – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities, except stocks which have not been approved by the Fund's Board of Directors (i.e., gaming, gambling, hard liquor, cigarettes and tobacco, and mining).
- c) ***Market Share in the Industry*** – As of December 2022, Solidaritas Fund cornered 1.0% of the P13.72 Billion total net asset value of balanced funds based on PIFA's December 2022 report. The Fund accounted for 0.6% of balanced funds' NAV in 2021.
- d) ***NAV Growth vis-à-vis Industry Growth*** – As of December 31, 2022, the Fund's NAV fell to P137.54 Million, down 7.40% from P148.52 Million. The Balanced Fund Industry contracted by 43.07%.
- e) ***Performance vis-a-vis Competition*** – Solidaritas ranked 1st among the peso balanced mutual funds in 2022.

FINANCIAL STATEMENTS

Audited Financial Statements attached herewith.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are no disagreements with the external auditors on the accounting and financial disclosures of the Fund.

EXTERNAL AUDIT FEES

The fund paid a total of P292,612.32 in audit fees in 2024 for the 2023 audited financial statements while P278,678.40 in audit fees were paid in 2023 for the 2022 audited financial statements.

The fund engaged the external auditor to audit the 2024 audited financial statements. No final billing has been made for the year 2024 as of the date of filing. However, out of the estimated amount of P261,261.00 for 2024, P96,562.07 was paid in 2024.

The audit committee approves any engagement for the services of the external auditor. After reviewing the need for the services of the auditor, the audit committee reviews the engagement proposal submitted. The committee then agrees on the fees to be charged by the external auditors.

The Audit Committee which oversees the corporation's external audits is headed by Rev. Fr. Herbel F. Torres, Chairman/Independent Director, Ms. Monica Mei C. Young, Member/Independent Director and Mr. Isidro G. Garcia, Member/Independent Director.

PART III - CONTROL AND COMPENSATION INFORMATION

DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

The following, who are all Filipino citizens, are the Fund's Directors and Officers:

- 1. Rev. Fr. Antonio Cecilio T. Pascual (Filipino, 65 years old)**
Chairman and Director
Term of Office as Director: April 15, 2008 - present

Fr. Antonio Pascual, 65 years old, Filipino, is currently the Executive Director of Caritas Manila, Inc. He is also the President of Radio Veritas, a minister of the Social Services Development Ministry of the Roman Catholic Archdiocese of Manila. He holds key positions in several cooperatives. He is the Founder and Chairman of Simbayanan ni Maria Development Cooperative, Chairman of the Solidaritas Credit Cooperative, Chairman of the Metro South Cooperative Bank, and Director of Caritas SALVE Microfinance Cooperative. He is also a member of the Board of Trustees of Alfonso Yuchengco Foundation, Inc., One Meralco Foundation, Inc., Philippine Council for NGO Certification, and Bayan Academy. He has also been a member of the Board of Trustees of Association of Foundations, Inc. (2015-2017). He has a degree in Philosophy from Our Lady of Angels Franciscan Seminary and in Theology from San Jose Major Seminary, Ateneo de Manila University. He earned a Master's degree in Development Management from the Asian Institute of Management.

- 2. Rev. Fr Lamberto S. Ramos (Filipino, 73 years old)**
President and Director
Term of Office as Director: December 19, 2022 - present

Fr. Lamberto S. Ramos was ordained a priest only last June 1, 2018, 55 years after meandering through 2 seminaries namely San Carlos Seminary and Loyola School of Theology, "with interruption in between" such as: regency, a happy marriage, 3 children, 3 master's degrees in:

a. Philosophy (Ateneo), b. Business Economics (University of Asia and Pacific), and c. Marketing Management (RVB Technological University of Delft, the Netherlands), successful domestic and international corporate career (Alaska Milk, General Milling, Jardines, Budweiser Beer, Hardiflex, Nextel among others), then wife's cancer and subsequent demise.

Today Fr. Lambert is the Rector and Administrator of the Shrine and Parish of Our Lady of the Abandoned Church, Marikina, and has just been recently appointed CEO of Solidaritas Credit Cooperative. He likewise sets up systems and processes for the bishop of Antipolo and other priests to upgrade their management structure so as to increase the efficiency and effectiveness of their various parishes. To ground his management expertise and experience in canonical foundation, he was sent to Rome to take up the Program of Church Management at Universita della Santa Croce. He likewise helps the marital and parental ministries of the diocese.

After a secular life as CEO in various companies, barking orders and fiats, he made a solemn promise to obey his bishop in all humility and obedience, not to mention celibacy and life simplicity! Talk about radical change in identity, lifestyle, and mission! If most people are only allowed to respond once to "the universal call to holiness," such as the choice of a particular state of life in the church either as an ordained priest or as a good married man and father (with the chosen mission related to each state of life), Fr Lambert's unique vocation and response has been to both: thus "dalawang langit ang

nasungkit!" Both experiences as a priest and married man will serve him well as he embarks on a new life, witnessing to the "Magandang Balita ng Panginoon," in imitation of Jesus' life, with self-giving love and service as prime motivation and nothing else.

3. **Rev. Fr. Antonio E. Labiao, Jr. (Filipino, 70 years old)**
Treasurer and Director
Term of Office as Director: May 19, 2010 - present

Fr. Antonio E. Labiao Jr., 70 years old, Filipino, is currently the Parish Priest and Rector of the Diocesan Shrine of Our Lady of Mercy, Novaliches, Quezon City (since 2013). Prior to his present assignment, he was the Parish Priest and Rector of St. Peter Parish: Shrine of Leaders, Commonwealth Avenue, Quezon City (2007-2013). Prior to his being Parish Priest and Rector in St. Peter Parish, he was the Parish priest of Jesus, Lord of Divine Mercy Parish, Mapayapa Village I, Quezon City (2002-2007), and at the same time Administrator of Mary the Queen Parish, Fairview, Quezon City (2006-2007). He is also concurrently the Vicar General for Pastoral Affairs of the Diocese of Novaliches. As Vicar General, he serves as the Pastoral Director of the Diocesan pastoral programs.

Fr. Tony, as he is commonly called, earned his Bachelor of Arts degree in Philosophy from Notre Dame University in Cotabato City. He finished his degree in Sacred Theology at St. Francis Xavier Major Seminary, Davao City. He was ordained a priest on March 29, 1979.

4. **Bishop Mylo Hubert C. Vergara, D.D. (Filipino, 62 years old)**
Director
Term of Office as Director: April 15, 2008 - present

Bishop Mylo Vergara, 62 years old, Filipino, is currently the Bishop of Pasig (since 2011). Prior to his Episcopal Ordainment on April 30, 2005, he served as Vicar Clergy for the Diocese of Cubao in the year 2005 and became President of Radio Veritas Global Broadcasting, Inc., Manila in 2001. He was also a member of the Credit Committee of the Bahay Pari Credit Cooperative in 1999 and a Presbyterial Council member of the Archdiocese of Manila from 1994-2001.

Bishop Mylo had also been engaged in the teaching profession by becoming a Dean of Studies and Professor of Philosophy in the Holy Apostles Seminary from 1990 - 1994. He has also acted as a parish priest of the Santa Rita de Cascia Parish (2001-2003) and Holy Sacrifice Parish in Diliman, Quezon City (2003-2005). He was the Bishop of San Jose, Nueva Ecija. He is currently the bishop of the Diocese of Pasig.

He earned his Master's degree in Philosophy and a Bachelor's degree in Management Engineering from Ateneo de Manila University. He completed his elementary and high school education at Ateneo de Manila University. He achieved his licentiate in Sacred Theology from the Loyola School of Theology and a Doctorate in the same field from the University of Sto. Tomas.

5. **Rev. Fr. Orlando B. Cantillon (Filipino, 65 years old)**
Director

Fr. Orlando B. Cantillon, 65 years old, Filipino, is the current school Director of Colegio de Sta. Ana and Sto. Niño Parochial School, both in Taguig. He entered Claret Seminary in 1976. He then finished his Bachelor of Philosophy at the University of Santo Tomas in 1980 and Theology at Loyola School of Theology, Ateneo de Manila, in 1986. He was then ordained a Claretian Priest on March 8, 1986.

He was assigned to various roles throughout his ministry. He served as Parochial Vicar at Immaculate Heart of Mary in U.P. Village from 1986 to 1987, then as a Seminary Formator and Instructor from 1987 to 1990. From 1990 to 1995, he became a missionary in East Timor and West Timor. He later studied at Instituto de Vida Religiosa in Madrid from 1995 to 1997. Following his studies, he served as Parochial Vicar of San Roque, Pateros from 1997 to 1998, and as Chaplain of the College of St. Benilde from 1998 to 1999. He was appointed Parish Priest of San Isidro, Novaliches from 1999 to 2000, then Parish Priest

of St. John the Baptist, Taguig from 2000 to 2005. He continued his pastoral service as Parish Priest of San Antonio Abad, Pasig from 2005 to 2007, then as Parish Priest of San Roque, Pateros from 2007 to 2010. In 2010, he became the Parish Priest of Immaculate Conception Cathedral.

In addition to his religious service, he pursued higher education, completing an M.A. in Educational Management at Pasig Catholic College in 2010. He is currently a Ph.D. candidate in Educational Management at UST (2012).

6. Bishop Roberto Gaa (Filipino, 62 years old)

Director

Term of Office as Director: January 01, 2022 – present

Bishop Roberto Gaa, 62 years old, Filipino, formerly served in the Holy Apostle Senior Seminary in Guadalupe, Makati from 2012 to 2019 as Dean of Studies and as a member of the Presbyteral Council of the Archdiocese of Manila from 2008 to 2015. He also served in Holy Spirit Parish in Tala, Caloocan City as Parish Priest from 2001 to 2002 and at Saint Anthony of Padua Parish in Singalong, Manila City from June 2001 to August 2001.

7. Ms. Monica Mei C. Young (Filipino, 37 years old)

Independent Director

Term of Office as Independent Director: March 24, 2022 - present

Ms. Monica Mei C. Young, Filipino, is currently an Associate Project Officer and Consultant in the Asian Development Bank. She is a financial due diligence analyst and an INSEAD MBA graduate (Financial Times' #3 Global MBA) with over 10 years of experience in evaluating risk, financial statements, project sustainability, financial sector development programs, and developing models, with extensive international experience.

She was part of the INSEAD MBA Class of December 2015, where she attended courses in Corporate Finance, Bank Management, and Quantitative Methods in France and Singapore. She also participated in the Wharton School of the University of Pennsylvania MBA Exchange Program, where she attended Entrepreneurship Through Acquisitions in the United States.

Her academic background includes a Bachelor of Science in Management from Ateneo De Manila University (2005 - 2009), where she ranked in the top 10% of entrance test examinees out of approximately 10,000 applicants. In 2007, she attended a four-month course at Hong Kong Baptist University, where she was awarded a full scholarship for the International & Cross-cultural Business Management & Communications program in Hong Kong.

8. Mr. Isidro Garcia (Filipino, 73 years old)

Independent Director

Term of Office as Independent Director: October 18, 2024 - present

Mr. Sid Garcia is a seasoned leader in the insurance and finance industries with extensive experience across various business sectors. He is the Chairman of Trinity Insurance & Reinsurance Brokers, Inc., as well as its Cebu-based counterpart, and Trinity Property Ventures, Inc. Under his leadership, Trinity ranked 8th in the Philippine Insurance Broking Industry in 2022, solidifying its position as one of the country's top independent brokers. He also serves as Director for Syllabus Inc., a STI College franchise, Athena Credit, and Mabuhay Energy Company, further showcasing his diverse business expertise.

Mr. Sid Garcia is actively involved in the broader business community, holding positions as Trustee of the Association of Insurance Brokers in the Philippines, Advisory Board Member of Brokerslink, and member of the Management Association of the Philippines and the Philippine Chamber of Commerce and Industry.

In addition to his corporate work, Mr. Sid Garcia has been an active Rotarian since 1988, serving as President of the Rotary Club of Makati (1997-98) and District Governor for District 3830 (2009-2010). He also chaired the 2019 Manila Rotary Zone Institute and currently serves as Chairman Emeritus of D3830 Rotary Homes Development Foundation (2019-2023).

9. Rev. Fr. Herbel F. Torres (Filipino, 44 years old)

Independent Director

Term of Office as Director: December 19, 2022 - present

Fr. Herbel F. Torres is currently the parish priest of Our Lady of Pentecost Parish (Diocese of Cubao) and has served as the Oeconomus for the diocese since 2018.

Previously, he was assigned as the parish priest of Holy Family Parish (Project 8) from 2009 to 2012 and from 2012 to 2018 at Our Lady of Fatima Parish. In addition to his pastoral duties, he also served as the priest-in-charge of the audit department of the diocese.

He graduated from college at Sto. Niño Seminary in Numancia, Aklan, earning a Bachelor of Arts degree in Philosophy. He later received his Bachelor's degree in Theology from Loyola School of Theology. He also obtained his M.A. in Pastoral Ministry from Ateneo de Manila University and completed his theological formation at San Jose Seminary.

Other Officers of the Fund

1. Atty. Sabino B. Padilla IV (Filipino, 64 years old)

Corporate Secretary

Atty. Sabino B. Padilla IV, born in 1960, 64 years old, is the Corporate Secretary and Compliance Officer of the ALFM Mutual Funds. Atty. Padilla graduated with a degree in Bachelor of Laws from the University of the Philippines in 1985. He then received his Master of Laws from the Harvard University, USA in 1988. He is currently a partner of the Padilla Law Office which is legal counsel to BPI and its subsidiaries and to various religious orders, societies and congregations for men and women as well as educational institutions and hospitals operated by them. He is also the Corporate Secretary of other mutual funds such as the Solidaritas Fund and Ekklesia Mutual Fund.

2. Ms. Hany Mae V. Dureza (Filipino, 35 years old)

Compliance Officer, AML & Data Protection Officer

Ms. Hany Mae V. Dureza, Filipino, 35 years old, is a Senior Manager and Head of Investments Compliance and Accounts Review at BPI Wealth. She is also the Compliance Officer for ALFM Mutual Funds, PAMI Mutual Funds, Ekklesia Mutual Fund, Inc., and Solidaritas Mutual Fund, Inc. Her tenure at BPI has seen her progress from a Manager of Investments Compliance to a Senior Manager, demonstrating her expertise and leadership in the field. Before joining BPI, Hany worked as a Senior Associate in Assurance at SGV & Co., where she honed her skills in financial assurance.

She holds a Master's in Business Administration from the Asian Institute of Management, where she graduated with Distinction. She also earned a Bachelor of Science in Accountancy, magna cum laude, from the University of the Philippines – Visayas. Her dedication to her profession is further highlighted by her participation in various relevant training programs and her membership in the Philippine Institute of Certified Public Accountants.

Additional Information required under Annex C of SRC Rule 12:

- The incorporators of the Fund are: Rev. Fr. Antonio Cecilio T. Pascual, Rev. Fr. Emmanuel O. Sarez, Bishop Francisco C. San Diego, Rev. Msgr. Daniel B. Sta. Maria, Rev. Msgr. Alfonso A. Bugauan, Jr., Bishop Mylo Hubert C. Vergara, Rev. Fr. Ernesto C. Raymundo, Rev. Fr. Marlou V. Lemaire, Francisco E. Josef, Jose Luis L. Vera, Bahay Pari Credit Cooperative, Diocese of Cubao, Bishop Teodoro C. Bacani, Jr., Diocese of Novaliches, Rev. Fr. Arnel F. Recinto, Santa Maria della

Strada Foundation, Diocese of Pasig, DZRV Radio Veritas Foundation, Inc., Immaculate Conception Cathedral, Simbayanan ni Maria Development Cooperative, Diocese of San Jose, Nueva Ecija and the Diocese of Iba.

- 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.
- Each Director shall serve for a term of 1 year from his appointment and until his successor has been duly elected and qualified, provided, however, that any director may be removed from office at any time with or without cause by a 3/4 vote of the subscribed capital stock entitled to vote.
- Rev. Fr. Herbel F. Torres, Ms. Monica Mei C. Young, and Mr. Isidiro G. Garcia are the independent directors of the Fund. An independent director is a person not having any relationship or position in the Fund, or in parties related to the Fund, the holding of which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, in compliance with Section 38 of the Securities Regulation Code.
- None of the Board of Directors or Officers of the Company are involved or have been involved in any legal proceeding during the past five (5) years that are material to an evaluation of the ability or integrity of any of the said directors or officers of the company, specifically:
 - None of the Board of Directors are involved in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;
 - None of the Board of Directors are involved in any conviction by final judgment, including the nature of the offence, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
 - None of the Board of Directors are being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- None of the Board of Directors are being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

EXECUTIVE COMPENSATION

Director / Officer	Position	Year	Salary	Bonus	Other Salary
Rev. Fr. Antonio Cecilio T. Pascual	Chairman / Director	2022	9,000.00	-	-
		2023	8,100.00	-	-
		2024	6,000.00	-	-
		2025 (estimated)	13,200.00	-	-
Rev. Fr. Lamberto S. Ramos	President / Director	2022	3,000.00	-	-
		2023	8,100.00	-	-
		2024	7,200.00	-	-

		2025 (estimated)	13,200.00	-	-
Rev. Fr. Antonio Labiao	Treasurer / Director	2022	9,000.00	-	-
		2023	8,100.00	-	-
		2024	4,200.00	-	-
		2025 (estimated)	13,200.00	-	-
Bishop Mylo Hubert C. Vergara, D.D.	Director	2022	9,000.00	-	-
		2023	8,100.00	-	-
		2024	1,200.00	-	-
		2025 (estimated)	13,200.00	-	-
Rev. Fr. Orlando B. Cantillon	Director	2022	9,000.00	-	-
		2023	2,700.00	-	-
		2024	7,200.00	-	-
		2025 (estimated)	13,200.00	-	-
Bishop Roberto Gaa	Director	2022	3,000.00	-	-
		2023	-	-	-
		2024	3,000.00	-	-
		2025 (estimated)	13,200.00	-	-
Ms. Monica Mei C. Young	Independent Director	2022	-	-	-
		2023	-	-	-
		2024	7,200.00	-	-
		2025 (estimated)	13,200.00	-	-
Mr. Isidro G. Garcia	Independent Director (Starting October 2024)	2024	3,000.00	-	-
		2025 (estimated)	13,200.00	-	-
Rev Fr. Herbel S. Torres	Director	2022	-	-	-
		2023	5,400.00	-	-
		2024	6,000.00	-	-
		2025 (estimated)	13,200.00	-	-
Atty. Sabino B. Padilla IV	Corporate Secretary	2022	9,000.00	-	-
		2023	5,400.00	-	-
		2024	6,000.00	-	-
		2025 (estimated)	13,200.00	-	-
Ms. Hany Mae V. Dureza	Compliance Officer and Risk Officer (Starting March 2024)	2024	-	-	-
		2025 (estimated)	-	-	-

The members of the Board will receive compensation amounting to P3,000.00 for every regular meeting and P1,200.00 for every special meeting attended. 49,530.00, 45,390.00, 24,912.00, 52,380.00, 41,700.00, 28,320.00, 63,000.00, 45,900.00 and 51,000.00 was the total expense for the Board's per diems for the years 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 respectively. An estimate of P132,000.00 in Board of Directors and Officers compensation is to be paid out for 2025. The Board of Directors reserves the right to change the compensation schedule in the future.

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

The fund has no Compensation Committee.

SECURITY OWNERSHIP OF MANAGEMENT

• As of December 31, 2024

Name	Position	No. of Shares	Percentage
Rev. Fr. Antonio Cecilio T. Pascual	Chairman/Director	5,000 (record)	0.01%
Rev. Fr. Lamberto S. Ramos	President/Director	5,000 (record)	0.01%
Rev. Fr. Antonio E. Labiao Jr.	Treasurer/Director	24,905 (record)	0.04%
Bishop Mylo Hubert C. Vergara	Director	17,836 (record)	0.03%
Rev. Fr. Orlando B. Cantillon	Director	368,380 (record)	0.64%
Bishop Roberto O. Gaa	Director	5,000 (record)	0.01%
Ms. Monica Mei C. Young	Independent Director	5,000 (record)	0.01%
Mr. Isidro G. Garcia	Independent Director	5,000 (record)	0.01%
Rev. Fr. Herbel F. Torres	Independent Director	118,417 (record)	0.21%
Atty. Sabino Padilla IV	Corporate Secretary	0	0.00%
Ms. Hany Mae V. Dureza	Compliance Officer	0	0.00%

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The fund has no existing or proposed transaction with any entity which any of its directors, officers or stockholders have material interest in the last two years and will not have any future related transactions.

Also, it has not hired an expert or independent counsel on a contingent basis. There is also no existing voting trust or similar agreement entered by holders of more than 5% of a class.

BPI Wealth – A Trust Corporation, as a fund manager, shall formulate and implement the investment strategy, provide and render management, technical, and administrative services, whereby authorizing BPI Wealth – A Trust Corporation to purchase and sell investment securities for the account of the Fund. As investment advisor, BPI Wealth – A Trust Corporation is tasked to render services which include investment research and advice; the preparation of economic, industry, market, corporate, and security analyses; and assistance and recommendations in the formulation of investment guidelines. In consideration for the above management, administration and advisory services, the Fund pays BPI Wealth – A Trust Corporation a fee of not more than 1.50% p.a. of the Fund’s average daily trading NAV in 2024.

The Fund has distribution agreements with subsidiaries of BPI, namely, BII and BPI Capital Corporation (BPI Capital). Under the terms of the agreement, BII and BPI Capital are appointed as co-distributors to perform principally all related daily functions in connection with the marketing and the growth of the level of assets of the Fund for a fee of 0.25% p.a. based on the outstanding daily balance of the Fund’s shares distributed in 2024. Such agreements are effective year after year unless terminated by each party. BPI act as the receiving banks for the contributions and withdrawals related to the Fund as transacted by the distributors and shareholders.

In November 2016, the Fund terminated its contract with BPI-AMTG and appointed BIMI as its new Investment Advisor.

Effective April 1, 2023, BPI Investment Management, Inc. (BIMI), wholly owned subsidiary of Bank of the Philippine Islands (BPI) assigned all its right, interests, and obligations as fund manager, advisor of the Fund to BPI Wealth - A Trust Corporation (BPI Wealth).

PART IV - CORPORATE GOVERNANCE

COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The company regularly assesses the compliance of the Board of Directors and top management with its Manual on Corporate Governance through an annual self-assessment process. To foster a robust corporate governance culture and align with recent developments in governance practices, the Fund submits an Annual Corporate Governance Report to the SEC. As of the date of this report, there have been no deviations from the company's Manual on Corporate Governance.

PART V - EXHIBITS AND SCHEDULES

EXHIBITS AND REPORTS ON SEC FORM 17-C

1. Exhibits NONE
2. Reports on SEC Form 17-C

Items Reported	Date Filed
Approval of the 2023 Audited Financial Statements and Approval of New Compliance Officer	April 15, 2024
Approval of the Agenda for 2024 Annual Shareholders' Meeting on September 30, 2024	July 31, 2024
Approval of the postponement of the 2024 Annual Shareholders' Meeting from September 30, 2024 to October 18, 2024	September 20, 2024
<ul style="list-style-type: none"> • Approval of the 2023 Annual Report and Audited Financial Statements. • Approval and Confirmation of all acts during the past year of the Board of Directors and Officers, the Fund Manager, and the Service Administrator. • Election of Directors. • Confirmation of BPI Wealth - A Trust Corporation as Fund Manager, Investment Advisor and Service Administrator. • Confirmation of BPI Investments Inc. as Principal Distributor and Transfer Agent. • Re-appointment of SGV & Co. as External Auditor. 	October 22, 2024
Approval of the Board of Directors on the Election of Officers and Board Committees during the Organizational Meeting held on October 18, 2024	October 22, 2024

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on

APR 14 2025

By:

REV. FR. ANTONIO CECILIO T. PASCUAL
Chairman

Signed by:

D4D43132866E426...

REV. FR. LAMBERTO S. RAMOS
President

REV. FR. ANTONIO E. LABIAO JR.
Treasurer

DocuSigned by:

D4D43132866E426...

ATTY. SABINO B. PADILLA IV
Corporate Secretary

ANDRAE V. MANALO
*For BPI Wealth - A Trust Corporation
as Fund Manager*

APR 14 2025

SUBSCRIBED AND SWORN to before me this _____ affiants exhibiting to me their Tax Identification Nos., as follow:

NAMES	TAX IDENTIFICATION NO.
Rev. Fr. Lamberto S. Ramos	162-155-270
Rev. Fr. Antonio Cecilio T. Pascual	209-925-759
Rev. Fr. Antonio E. Labiao Jr.	236-823-583
Atty. Sabino B. Padilla IV	113-255-561
Andrae V. Manalo	107-975-333

Doc. No. **237**
Page No. **48**
Book No. **111**
Series of 20 **25**

ATTY. CESAR T. VERANO
NOTARY PUBLIC MAKATI CITY
APPOINTMENT NO: M-029
VALID UNTIL DECEMBER 31, 2025
ISSUED ON: DECEMBER 15, 2023
PTR NO.: MKT 10465510 / 01-02-2025 / MAKATI CITY
IBP NO.: 484720 ROLL NO 29024
MCLE COMPLIANCE NO.: VII-0023845
VALID UNTIL DECEMBER 31, 2025
OFFICE ADDRESS: #2733 G/F CARREON BLDG
ZENAIIDA ST., BRGY. POBLACION MAKATI CITY



SOLIDARITAS FUND, INC.

Solidarity in Stewardship

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Solidaritas Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended 31 December 2023 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

SGV & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

A handwritten signature in black ink, appearing to read 'A. Pascual', written over a horizontal line.

Rev. Fr. Antonio Cecilio T. Pascual
Chairman

Signed by:

A handwritten signature in black ink, appearing to read 'L. Ramos', written over a horizontal line.

D4D43132868E426

Rev. Fr. Lamberto S. Ramos
President

A handwritten signature in black ink, appearing to read 'A. Labiao, Jr.', written over a horizontal line.

Rev. Fr. Antonio E. Labiao, Jr.
Treasurer

Signed this ____ day of ____

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES
MAKATI, METRO MANILA

BEFORE ME, a Notary Public for and in the above jurisdiction, personally appeared:

Name	Tax Identification No.
Rev. Fr. Antonio Cecilio T. Pascual	209-925-759
Rev. Fr. Lamberto S. Ramos	162-155-270
Rev. Fr. Antonio E. Labiao, Jr.	236-823-583

Known to me to be the same persons who executed the foregoing CERTIFICATE, consisting of 2 pages including this page wherefore this Acknowledgement is written and they acknowledge to me that the same is their voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and place first above written.

Doc. No. 236
Page No. 48
Book No. VIII
Series of 20 25



ATTY CESAR T VLRANO

NOTARY PUBLIC MAKATI CITY

APPOINTMENT NO: M-429

VALID UNTIL DECEMBER 31, 2025

ISSUED ON: DECEMBER 15, 2023

PTR NO.: MKT 10465610 / 01-02-2025 / MAKATI CITY

IBP NO.: 484720 ROLL NO.: 29024

MCLE COMPLIANCE NO.: 764023845

VALID UNTIL DECEMBER 31, 2025

OFFICE ADDRESS: #2733 G/F CARREON BLDG
ZENADA ST., BRGY. POBLACION MAKATI CITY

REPUBLIC OF THE PHILIPPINES)

MAKATI CITY

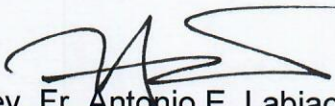
)S.S.

TREASURER'S CERTIFICATION

I, Rev. Fr. Antonio E. Labiao, Jr., of legal age, Filipino and with office address at Cathedral Shrine and Parish of the good Shepherd, Regalado Ave., Fairview Park, Quezon City, after being sworn in accordance with law, hereby certify that:

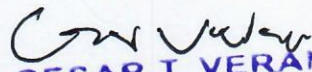
1. I am the Treasurer of the Solidaritas Fund, Inc. (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines under SEC Certificate of Registration No. CS2008-03624 with principal office address at 7//F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City.
2. The Financial Statement ("F/S") CD submitted contains the exact data stated in the hard copies of the F/S of the Corporation.
3. I am executing this certification to attest to the truth of the foregoing and in compliance with the reportorial requirements of the SEC.

WITNESS MY HAND on this APR 14 2025 day of 20 in Makati City.


 Rev. Fr. Antonio E. Labiao, Jr.
 Treasurer

SUBSCRIBED AND SWORN to before me on this APR 14 2025 day of _____ at MAKATI CITY. Affiant exhibited to me his Tax Identification No. 209-925-759.

Doc. No. 238
 Page No. 48
 Book No. VM
 Series of 2025


ATTY. CESAR T. VERANO
 NOTARY PUBLIC MAKATI CITY
 APPOINTMENT NO: M-029
 VALID UNTIL DECEMBER 31, 2025
 ISSUED ON: DECEMBER 15, 2023
 PTR NO.: MKT 10465510 / 0140-2025 / MAKATI CITY
 IBP NO.: 484720 P.D. NO. 24024
 MCLE COMPLIANCE NO. VII-0023845
 VALID UNTIL DECEMBER 31, 2025
 OFFICE ADDRESS: #2733 G/F CARREON BLDG
 ZENAIDA ST., BRGY. POBLACION MAKATI CITY

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To AMTC-SOLIDARITAS FUND INC <amtc-solidaritasfund@bpi.com.ph>

Cc AMTC-SOLIDARITAS FUND INC 01 <amtc-solidaritasfund01@bpi.com.ph>

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- EAFS006986509RPTTY122024.pdf
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Submission Date/Time: **Apr 12, 2025 07:19 PM**

Company TIN: **006-986-509**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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Transaction Code:

AFS-0-8EH5JFHJ04PNQVTT3QMRYVYM409J6K5LHH

Submission Date/Time:

Apr 12, 2025 07:19 PM

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Solidaritas Fund, Inc.
7th Floor, BPI Buendia Center,
Gil Puyat Ave., Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Solidaritas Fund, Inc. (an Open-End Investment Company) (the "Fund"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31 2024, 2023 and 2022, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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





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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 18 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Solidaritas Fund, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Redginald G. Radam

Partner

CPA Certificate No. 118866

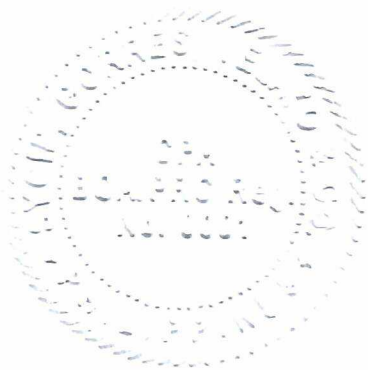
Tax Identification No. 249-000-259

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-141-2024, April 26, 2024, valid until April 25, 2027

PTR No. 10465364, January 2, 2025, Makati City

April 4, 2025



SOLIDARITAS FUND, INC.**(formerly Bahay Pari Solidaritas Fund Inc.) (An Open-End Investment Company)****STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2024	2023
ASSETS		
Cash and cash equivalents (Note 6)	₱3,971,469	₱15,683,590
Financial assets at fair value through profit or loss (Note 7)	100,835,298	61,112,580
Receivables (Note 8)	944,450	1,260,065
Investment securities at amortized cost (Note 9)	15,892,246	41,590,549
TOTAL ASSETS	₱121,643,463	₱119,646,784
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable and accrued expenses (Note 10)	₱320,941	₱443,945
EQUITY		
Capital stock (Note 12)	57,692,364	58,921,506
Additional paid-in capital	40,624,428	41,275,567
Retained earnings	23,005,730	19,005,766
TOTAL LIABILITIES AND EQUITY	₱121,643,463	₱119,646,784
Net Asset Value Per Share (Note 12)	₱2.1029	₱2.0231

See accompanying Notes to Financial Statements.

SOLIDARITAS FUND, INC. (formerly *Bahay Pari Solidaritas Fund Inc.*)
(An Open-End Investment Company)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
INVESTMENT INCOME			
Interest income (Note 13)	₱3,418,128	₱2,348,002	₱1,830,564
Trading gain (loss) on financial assets at FVTPL – net (Note 7)	2,795,778	930,089	(7,091,692)
Dividend income (Note 7)	1,661,288	1,975,240	1,783,773
Gain (loss) on foreign exchange – net (Note 6)	2,007	(312)	12,491
	7,877,201	5,253,019	(3,464,864)
EXPENSES			
Management and professional fees (Note 15)	2,354,811	2,443,007	2,917,043
Directors' fees (Note 15)	51,000	43,538	34,155
Taxes and licenses	31,416	26,655	46,903
Miscellaneous	115,126	63,650	319,697
	2,552,353	2,576,850	3,317,798
INVESTMENT INCOME (LOSS) BEFORE TAX	5,324,848	2,676,169	(6,782,662)
PROVISION FOR INCOME TAX (Note 14)	650,285	463,911	277,785
TOTAL COMPREHENSIVE INCOME (LOSS)*	₱4,674,563	₱2,212,258	(₱7,060,447)
Basic Income (Loss) per Share (Note 16)	₱0.0806	₱0.0342	(₱0.1009)

**The Fund has no other comprehensive income (loss) items.
See accompanying Notes to Financial Statements.*



SOLIDARITAS FUND, INC.**(formerly Bahay Pari Solidaritas Fund Inc.) (An Open-End Investment Company)****STATEMENTS OF CHANGES IN EQUITY**

	Number of Shares Outstanding (Note 12)	Capital Stock (Note 12)	Additional Paid-in Capital	Retained Earnings	Total Equity
Balances at January 1, 2024	58,921,506	₱58,921,506	₱41,275,567	₱19,005,766	₱119,202,839
Shares issued during the year	463,972	463,972	536,027	–	999,999
Shares redeemed during the year	(1,693,114)	(1,693,114)	(1,187,166)	(674,599)	(3,554,879)
Total comprehensive income	–	–	–	4,674,563	4,674,563
Balances at December 31, 2024	57,692,364	₱57,692,364	₱40,624,428	₱23,005,730	₱121,322,522
Balances at January 1, 2023	69,119,453	₱69,119,453	₱48,380,756	₱19,809,987	₱137,310,196
Shares issued during the year	122,303	122,303	123,989	–	246,292
Shares redeemed during the year	(10,320,250)	(10,320,250)	(7,229,178)	(3,016,479)	(20,565,907)
Total comprehensive income	–	–	–	2,212,258	2,212,258
Balances at December 31, 2023	58,921,506	₱58,921,506	₱41,275,567	₱19,005,766	₱119,202,839
Balances at January 1, 2022	71,020,276	₱71,020,276	₱49,082,701	₱28,164,519	₱148,267,496
Shares issued during the year	1,822,955	1,822,955	1,885,392	–	3,708,347
Shares redeemed during the year	(3,723,778)	(3,723,778)	(2,587,337)	(1,294,085)	(7,605,200)
Total comprehensive loss	–	–	–	(7,060,447)	(7,060,447)
Balances at December 31, 2022	69,119,453	₱69,119,453	₱48,380,756	₱19,809,987	₱137,310,196

See accompanying Notes to Financial Statements.

SOLIDARITAS FUND, INC.
(formerly Bahay Pari Solidaritas Fund Inc.) (An Open-End Investment Company)

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Investment income (loss) before tax	₱5,324,848	₱2,676,169	(₱6,782,662)
Adjustments for:			
Unrealized (gain) loss on financial assets at FVTPL– net (Note 7)	(1,577,138)	202,591	1,900,270
Amortization of premium on investment securities (discount)	–	(21,806)	(4)
Changes in operating assets and liabilities:			
Decrease (increase) in the amounts of:			
Financial assets at FVTPL	(38,145,580)	24,413,163	12,017,766
Receivables	315,615	335,002	(1,177,879)
Increase (decrease) in accounts payable and accrued expenses	(123,004)	(1,904,711)	1,640,930
Net cash generated from (used in) operations	(34,205,259)	25,700,408	7,598,421
Income taxes paid	(650,285)	(463,911)	(277,785)
Net cash provided by (used in) operating activities	(34,855,544)	25,236,497	7,320,636
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Maturity of investment in securities at amortized cost (Note 9)	35,694,898	1,997,712	35,000,000
Acquisition of:			
Investment in securities at amortized cost (Note 9)	(9,996,595)	–	(33,566,454)
Net cash provided by (used in) investing activities	25,698,303	1,997,712	1,433,546
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share redemptions	(3,554,879)	(20,565,907)	(7,605,197)
Proceeds from share issuances	999,999	246,292	3,708,347
Net cash used in financing activities	(2,554,880)	(20,319,615)	(3,896,850)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,712,121)	6,914,594	4,857,332
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,683,590	8,768,996	3,911,664
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱3,971,469	₱15,683,590	₱8,768,996
OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS			
Dividends received from equity securities	₱1,654,923	₱1,988,959	₱1,785,528
Interest received	3,085,966	2,397,437	1,865,608

See accompanying Notes to Financial Statements.



SOLIDARITAS FUND, INC.
(formerly Bahay Pari Solidaritas Fund Inc.) (An Open-End Investment Company)

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Solidaritas Fund, Inc. (the “Fund”) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on March 10, 2008 as an open-end investment company (or “Mutual Fund”) under the Philippine Investment Company Act. The corporate term for which the fund is to exist is 50 years from and after the date of its incorporation. The Fund is engaged in selling its shares to the public and investing the proceeds in a mix of high-quality debt and equity securities such as bonds, commercial papers and other money market instruments, and common and preferred shares. As an open-end investment company, it stands ready at any time to redeem its outstanding capital stock at net asset value (NAV) per share. The Fund subsequently commenced its operations on March 25, 2008.

On July 17, 2017, the Fund’s Board of Directors (BOD) and shareholders approved an amendment in the Articles of Incorporation to change the Fund’s name from Bahay Pari Solidaritas Fund, Inc. to Solidaritas Fund, Inc.

The SEC approved the change in company name on April 13, 2018.

The investment objective of the Fund is to provide long-term capital appreciation through investments in a diversified portfolio of equity and fixed-income securities. BPI Asset Management and Trust Corporation, doing business under the trade name and style of BPI Wealth employs an active management strategy for the Fund. To achieve returns that are aimed to outperform the chosen benchmark, BPI Wealth adopts active stock selection, asset allocation and market timing strategies.

The Fund’s principal place of business is located at 7th Floor, BPI Buendia Center, Sen Gil Puyat Ave., Makati City.

The accompanying financial statements were authorized for issue by the Board of Directors (BOD) on April 4, 2025.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), which have been measured at fair value. The financial statements are presented in Philippine Peso (₱ or “PHP” or “Peso”), the Fund’s functional currency. The amounts in the financial statements are rounded off to the nearest peso, unless otherwise stated.

Statement of Compliance

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



New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Fund.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued but not yet Effective

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*



Deferred Effectivity

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

Material Accounting Policy Information

Cash and Cash Equivalents

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

Financial Instruments

Date of recognition

The Fund recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Initial recognition of financial instruments

All financial instruments are initially recognized at fair value. Except for financial assets and liabilities at FVTPL, the initial measurement of financial assets and liabilities includes transaction costs.

Determination of fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions (that is, an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (that is, using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (that is, discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

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



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

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Fund recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Fund determines the appropriate method of recognizing the 'Day 1' difference amount.

Classification and Subsequent Measurement of financial instruments

Classification of financial assets

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

Contractual cash flows characteristics

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

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

Business model

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

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

As of December 31, 2024 and 2023, the Fund has no financial assets at FVOCI.

Financial assets at FVTPL

Debt financial assets that do not meet the amortized cost criteria, or that meet the criteria but the Fund has chosen to designate as at FVTPL at initial recognition, are measured at fair value through profit or loss.



Equity investments are classified as at FVTPL, unless the Fund designates an investment that is not held for trading as at FVOCI at initial recognition.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

As of December 31, 2024 and 2023, The Fund's financial assets at FVTPL include equity and government securities held for trading purposes.

Financial assets at FVTPL are recorded in the statement of financial position at fair value, with changes in the fair value included under the 'Unrealized gain (loss) on financial assets at FVTPL-net' account in profit or loss in the statement of comprehensive income. Interest earned is reported in the profit or loss under 'Interest income' while dividend income is reported in profit or loss in the statement of comprehensive income under 'Dividend income' when the right to receive payment has been established.

Financial assets at amortized cost

A debt financial asset is measured at amortized cost if both of the following conditions are met:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the EIR. The amortization is included in 'Interest income' in profit or loss in the statement of comprehensive income and is calculated by applying the EIR to the gross carrying amount of the financial asset. The Fund's financial assets at amortized cost consist of 'Cash and cash equivalents', 'Receivables', and 'Investment securities at amortized cost'.

Reclassifications of financial instruments

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

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated at FVTPL, are classified as financial liabilities at amortized cost. After initial measurement, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method.

Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. This policy applies to 'Accounts payable and other accrued expenses' of the Fund.



As of December 31, 2024 and 2023, the Fund has no financial liabilities at FVTPL.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

Where the Fund has transferred its rights to receive cash flows from an asset or has entered into a “pass-through” arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Fund’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Financial liability

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Fund assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event.

Impairment of Financial Assets

Expected credit loss

PFRS 9 requires the Fund to record expected credit losses (ECL) for all receivables and other debt financial assets not classified as FVTPL, together with loan commitments and financial guarantee contracts.

Expected credit loss methodology

ECL represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances will be measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition.



The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of the financial asset.

Definition of default

Generally, the Fund defines a financial asset as in default for purposes of calculating ECL when the contractual payments are past due for more than 30 days. As part of the qualitative assessment, the Fund also considers a variety of instances that may indicate unlikeliness to pay to determine if a counterparty has defaulted.

SICR

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Fund's aging information, the borrower becomes past due for over 30 days. Further, the Fund assumes that the credit risk of a financial asset, particularly on cash and equivalents, short-term investments, and investment securities at amortized cost, has not increased significantly since origination if the financial asset is determined to have "low credit risk" as of the reporting date. A financial asset is considered "low credit risk" when it has an external rating equivalent to "investment grade".

In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Fund shall revert to recognizing a 12-month ECL.

Staging assessment

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired debt financial assets which have not experienced a SICR since initial recognition. The criteria for determining whether a debt financial asset should be assessed under stage 1 are as follows: (i) borrower risk rating (BRR) is within the range of 1.1-6.2 based on the Fund's internal credit rating (i.e., equivalent to investment grade) as of reporting period; or (ii) external credit rating is investment grade as of cut-off date. The Fund recognizes a 12-month ECL for Stage 1 debt financial assets.
- Stage 2 is comprised of all non-impaired debt financial assets which have experienced a SICR since initial recognition. A SICR is generally deemed present in debt financial assets when: (i) their credit ratings have been migrated to BRR of 6.3 that is based on the Fund's internal credit rating (i.e., equivalent to non-investment grade); or (ii) their external credit rating has downgraded to non-investment grade as of cut-off date. The Fund recognizes a lifetime ECL for Stage 2 debt financial assets.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment.

ECL parameters and methodologies

For financial assets such as 'Cash and cash equivalents', receivables and private debt securities classified under 'Investment securities at amortized cost', the Fund applied the general approach in measuring ECL that considers assessment of significant increase in credit risk and adjustments for forward-looking information.

Forward looking information

A range of economic overlays are considered, and expert credit judgment is applied in determining the forward-looking inputs to the ECL calculation. A broad range of forward-looking information are considered as economic outputs such as G20 Real Gross Domestic Product (GDP), USD Treasury



Rates, DXY Dollar Index and CitiWorld Global Index. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Write-off policy

The Fund writes off its financial assets when it has been established that all efforts to collect and/or recover the loss has been exhausted. This may include the other party being insolvent, deceased or the obligation being unenforceable.

Revenue Recognition (under PFRS 15)

The Fund is primarily engaged in selling its shares to the public and investing the proceeds in a mix of high-quality debt and equity securities such as bonds, commercial papers and other money market instruments, and common and preferred shares.

To account for the revenues arising from contracts with customers, the Fund applies the following five step model:

- a. Identify the contract(s) with a customer.
- b. Identify the performance obligations in the contract.
- c. Determine the transaction price.
- d. Allocate the transaction price to the performance obligations in the contract.
- e. Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Fund expects to be entitled in exchange for those goods or services. The Fund has generally concluded that it is the principal in its revenue arrangements.

Revenue Recognition (outside the scope of PFRS 15)

Trading gain (loss) on financial assets at FVTPL - net

'Trading gain (loss) on financial assets at FVTPL- net' represent results arising from trading activities including all gains and losses from changes in fair value and disposals of financial assets at FVTPL.

Dividend income

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

Interest income

Interest income is recognized in profit or loss in the statement of comprehensive income as it accrues, taking into account the effective yield of the asset. Interest income includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an EIR basis.

Expense Recognition

Expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized when incurred.



Income Taxes

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the statement of financial position date.

Effective January 1, 2019, the Fund periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred taxes

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

Deferred tax assets are recognized for all deductible temporary differences and carryforward of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

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

Deferred tax assets and liabilities are measured at the tax rate applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Current tax and deferred tax relating to items recognized directly in equity are recognized directly in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same tax authority.

Net Asset Value (NAV) per Share

NAV per share is computed by dividing net assets (total assets less total liabilities) by the total number of outstanding redeemable shares as of the statement of financial position date.

Capital Stock Transaction

The Fund's redeemable shares have the following features, which qualify them as puttable instruments classified as equity instruments:

- The shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The shares are in the class of instruments that is subordinate to all other classes of instruments.
- All shares in the class of instruments that is subordinate to all other classes of instruments have identical features.



- The shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's right to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the shares over their life are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

Further, the Fund does not have other financial instruments or contracts that have:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund; and
- The effect of substantially restricting or fixing the residual return to the puttable instruments' holders.

The Fund continuously assesses the classification of the redeemable shares. If the redeemable shares cease to have all the features or meet the conditions stated above, the Fund will reclassify the shares as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in equity. If the redeemable shares subsequently have all the features and meet the above conditions, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of reclassification.

The issuance, acquisition and resale of redeemable shares are accounted for as equity transactions. Upon issuance of shares (or sale of treasury shares), the consideration received is included in equity. Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs. No gain or loss is recognized in the statement of comprehensive income on the purchase, sale or issuance or cancellation of the Fund's own equity instruments. Redemptions are recorded as charges against equity.

Transaction costs incurred by the Fund in issuing, acquiring or selling its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Retained Earnings

The amounts in retained earnings include accumulated investment income of previous periods reduced by excess of redemption cost over the original selling price of redeemed shares.

Dividend Distribution

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's shareholders is accounted for as a deduction from retained earnings. A proposed dividend is recognized as a liability in the period in which it is approved by the shareholders.

Earnings per Share (EPS)

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

Provisions

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



Contingencies

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

Events after the Reporting Period

Post year-end events that provide additional information about the Fund's financial position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting events, if any, are disclosed in the notes to financial statements when material.

3. Significant Accounting Judgment and Estimates

As of December 31, 2024, and 2023, the preparation of the Fund's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As of December 31, 2024, and 2023, the Fund has not made significant estimates in the preparation of the financial statements.

Judgments

In the process of applying Fund's accounting policies, the Fund has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

a. Testing the cash flow characteristics of financial assets

In determining the classification of financial assets under PFRS 9, the Fund assesses whether the contractual terms (e.g., substance of prepayment option, variability of interest, substance of extension option, etc.) of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding, other basic lending risks and costs as well as profit margin.

b. Evaluation of business model in managing financial instruments

The Fund developed business models which reflect how it manages its portfolio of financial instruments. The Fund's business models need not be assessed at entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Fund) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Fund evaluates in which business model a financial instrument, or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Fund.

c. Classification of shares as equity or liability

The Fund continuously assesses whether all of the conditions indicated in its accounting policy on Capital Stock and Redeemable Shares (Note 2) are met by the redeemable shares it issues to retain the classification of the shares as equity instruments.



In applying its judgment, management considers the rights and claims of each shareholder embedded in the shares issued, the type and features of issued shares including the terms of any contractual obligation, and the basis for the cash flows attributable to the entirety of the term of the shares.

4. Financial Risk Management

The Fund's activities are exposed to a variety of financial risks: credit risk, liquidity risk, and market risk, which includes currency risk, fair value interest rate risk, price risk and cash flow interest rate risk. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance.

The Fund is exposed to financial risks through its financial instruments. The principal financial assets of the Fund are cash and cash equivalents, short-term investments, financial assets at FVTPL, receivables and investment securities at amortized cost. These risks arise from open positions in interest rate and equity products, all of which are exposed to general and specific market movements.

Nature of Risks and Risk Management Objectives and Policies

The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of such unpredictability on the Fund's financial performance.

The Fund is governed by the provisions in its prospectus that incorporates relevant investment rules and regulations by regulators such as the Investment Company Act (ICA) and the SEC, among others.

Specifically, the Fund primarily invests in equity securities, however, as a tactical move, a portion of the Fund may also be invested in government securities and in SEC-registered commercial papers but taking precautions of the market conditions, the level of interest rates, and of liquidity needs.

Moreover, the Fund's investment activities are also guided by the following limits/conditions:

- Under ICA Rule 35-1, the maximum investment in any single enterprise shall not exceed an amount equivalent to fifteen percent (15.00%) of the Fund's NAV except obligations of the Philippine Government and its instrumentalities, nor shall the total investment of the Fund exceed ten percent (10.00%) of the outstanding securities of any one investee company.
- Investments to margin purchases of securities, commodity futures contracts, precious metals, unlimited liability instruments, and short selling of currencies and securities are not allowed.
- The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300.00%) for all borrowings of the Fund. Provided, however, that in the event that such asset coverage shall at any time fall below three hundred percent (300.00%), the Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300.00%).
- The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its Fund Manager, their managers or distributors or firms of which any of them are members, any security other than those of the Fund's own capital stock.



Credit Risk

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. This includes the risk that the Fund's investment in government and private debt securities will decline as the bond issuer may not be able to pay its debt upon interest payments and maturity.

Maximum exposure to credit risk

The Fund trades only with recognized, creditworthy third parties and monitors the creditworthiness of these counterparties by reviewing their credit ratings and financial statements on a regular basis. The Fund's maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements, equals the carrying values of financial assets.

Risk concentration of the maximum exposure to credit risk.

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

	2024				
	Cash and cash equivalents	Receivables	Financial Assets at FVTPL*	Investment securities at amortized cost**	Total
Financial intermediaries	₱3,971,469	₱102,374	₱-	₱9,895,223	₱13,969,066
Government	-	435,042	40,450,615	-	40,885,657
Energy	-	-	-	-	-
Holding firm	-	26,490	-	999,965	1,026,455
Property	-	37,924	-	4,997,058	5,034,982
Retail	-	-	-	-	-
Telecommunications	-	335,620	-	-	335,620
Industrial	-	-	-	-	-
Transportation	-	-	-	-	-
Food & Beverages	-	7,000	-	-	7,000
	₱3,971,469	₱944,450	₱40,450,615	₱15,892,246	₱61,258,780

*Excluding equity securities classified as at FVTPL

**Net of Allowance for Credit Losses

	2023			
	Cash and cash equivalents	Receivables	Investment securities at amortized cost**	Total
Financial intermediaries	₱15,683,590	₱84,430	₱10,597,079	₱26,365,099
Government	-	23,222	19,994,898	20,018,120
Energy	-	125,092	9,998,602	10,123,694
Holding firm	-	375,888	999.970	1,375,858
Property	-	642,877	-	642,877
Retail	-	-	-	-
Services	-	-	-	-
Transportation	-	-	-	-
Food & Beverages	-	8,556	-	8,556
Others	-	-	-	-
	₱15,683,590	₱1,260,065	₱41,590,549	₱58,534,204

*Excluding financial assets as at FVTPL

**Net of Allowance for Credit Losses

Credit risk is likewise minimized through diversification or by investing in a variety of investments belonging to different sectors or industries. A credit analysis is a standard operational procedure in order to assess the credit quality and the credit worthiness of the counterparty. Transactions may also be structured to include collateralization or various credit enhancements when necessary. Credit exposures are closely monitored so as to ensure that payments are made on time. No collateral was held against investment securities as of December 31, 2024 and 2023.



The Fund adopted the internal credit rating process of its Investment Advisor, BPI Wealth, in assessing the credit quality of the Fund's investments. In addition, BPI Wealth considers credit ratings by other agencies such as Standard & Poors, and Moody's and Fitch. The Fund Manager reviews the credit ratings and ensures that assets are of high quality to minimize this type of risk. Investments undergo a strict approval process especially for corporate issues.

Presented below is the mapping of the credit risk rating from external rating agencies to the Fund's internal risk rating for investment securities:

Agency	Prime	High Grade			Upper Medium Grade			Low Medium Grade		
S&P	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
Moody's	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
Fitch	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
PhilRatings	AAA	Aa+	Aa	Aa-	A+	A	A-	Baa+	Baa	Baa-
Agency	Non-investment Grade Speculative				Substandard Grade default			Substantial Risk to In		
S&P		BB+	BB	BB-	B+	B	B-	Below B-		
Moody's		Ba1	Ba2	Ba3	B1	B2	B3	Below B3		
Fitch		BB+	BB	BB-	B+	B	B-	Below B-		
PhilRatings		Ba+	Ba	Ba-	B+	B	B-	Below B-		

The tables below show the credit quality by class of financial assets of the Fund:

2024						
	Prime	High grade	Upper Medium Grade	Low Medium Grade	Unrated	Total
Cash and cash equivalents	P-	P3,971,469	P-	P-	P-	P3,971,469
Receivables	26,491	808,224	37,924	64,811	7,000	944,450
Financial Assets at FVTPL						
Government securities	-	40,450,615	-	-	-	40,450,615
Investment securities at amortized cost*	999,965	4,995,505	4,997,058	4,899,718	-	15,892,246
	P1,026,456	P50,225,813	P5,034,982	P4,964,529	P7,000	P61,258,780

*Net of Allowance for Credit Losses

2023						
	Prime	High grade	Upper Medium Grade	Low Medium Grade	Unrated	Total
Cash and cash equivalents	P-	P9,683,590	P-	P6,000,000	P-	P15,683,590
Receivables	1,143,587	58,538	-	49,836	7,843	1,260,065
Investment securities at amortized cost*	10,998,572	27,893,427	-	2,698,550	-	41,590,549
	P12,142,429	P37,635,555	P-	P8,748,386	P7,843	P58,534,204

*Net of Allowance for Credit Losses

The internal credit rating ranges from '1' to '10', with '1' being the highest. An internal credit rating of '1' means that there is a low probability of going into default in the coming year, high degree of stability and diversity. Cash and cash equivalents and accrued interest receivable are considered low-risk investments since counterparties of the Fund as of December 31, 2024, and 2023 are limited only to banks in the Philippines with good standing. All financial assets above are assessed as Stage 1 financial assets.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with the financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated. This risk also includes the risk that the investments of the Fund cannot be sold or converted into cash within a reasonable time or in instances where sale or conversion is possible but not at a fair price.



To mitigate this risk, the Fund observes existing rules and regulations related to maintaining a certain percentage of the Fund's assets in liquid assets.

The Fund's policy prescribes that at least ten percent (10.00%) of its total assets is invested in any of the following:

- Treasury notes or bills, Bangko Sentral ng Pilipinas (BSP) Certificates of Indebtedness which are short-term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines.
- Savings or time deposits with government-owned banks or commercial banks; provided that in no case shall any such savings or time deposits account be accepted or allowed under a 'bearer', 'numbered' account or other similar arrangement.

The Fund shall submit a liquidity contingency plan to the SEC before it implements a decrease investment of less than ten percent (10%) but not less than five percent (5%) in liquid/ semi- liquid assets. The Fund is also exposed to daily cash redemptions of its redeemable shares. It therefore invests majority of its assets in investments that are traded in an active market and can be readily disposed of. Further, payment for shares so redeemed shall be credited to the shareholder's settlement account with the receiving bank within seven (7) business days reckoned from the date the redemption request is received by the Fund. Due to the inherent nature of the Fund, however, where redemptions are funded by selling equity investments held by the Fund, there may be instances when the Fund may take longer to credit the proceeds of the redemptions especially in the absence of a liquid trading market for such index shares.

The Fund may suspend redemption or postpone the date of payment for redemptions in such cases when (i) normal trading is suspended on the Philippine Stock Exchange (PSE), or (ii) with the consent of the SEC. The Fund, however, shall not suspend the right of redemption or not postpone the date of payment or satisfaction upon redemption of any redeemable security for more than 7 banking days after the tender of such security to the Fund, except in the following cases:

- For any period during which banks are closed other than customary weekend and holiday closings; or
- For any period during which an emergency exists as a result of which (a) disposal by the Fund of securities owned by it is not reasonably practicable, or (b) it is not reasonably practicable for the Fund to determine the value of its net assets; or
- For such other period as the SEC may, by order, permit for the protection of security holders of the Fund.

Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the statement of financial position date to the contractual maturity date.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the statement of financial reporting date to the contractual maturity date. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.



The following tables show the maturity profile of the financial instruments, based on contractual undiscounted cash flows:

	2024						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
Financial assets							
Cash and cash equivalents*	₱411,469	₱3,560,870	₱-	₱-	₱-	₱-	₱3,972,339
Financial assets at FVTPL							
Quoted equity securities	-	60,384,682	-	-	-	-	60,384,683
Government securities*	-	13,569	40,939,546	-	-	-	40,953,115
Receivables	49,500	589,317	305,633	-	-	-	944,450
Investment securities at amortized cost							
Private securities – net*	-	-	91,965	1,191,551	1,077,455	14,773,269	17,134,240
	₱460,969	₱64,548,439	₱41,337,144	₱1,191,551	₱1,077,455	₱14,773,269	₱123,388,827
Financial liabilities							
Accounts payable and accrued expenses**	₱-	₱83,892	₱-	₱225,311	₱-	₱-	₱309,203

*Includes future interest, net of tax

**Excluding withholding tax payable amounting to ₱11,738

	2023						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
Financial assets							
Cash and cash equivalents*	₱543,590	₱15,142,888	₱-	₱-	₱-	₱-	₱15,686,478
Financial assets at FVTPL:							
Quoted equity securities	-	61,112,580	-	-	-	-	61,112,580
Receivables	-	1,211,789	48,276	-	-	-	1,260,065
Investment securities at amortized cost							
Private securities – net*	-	5,738,922	10,197,211	66,281	132,561	6,488,288	22,623,263
Government securities*	-	-	20,067,713	-	-	-	20,067,713
	₱543,590	₱83,206,179	₱30,313,200	₱66,281	₱132,561	₱6,488,288	₱120,750,099
Financial liabilities							
Accounts payable and accrued expenses**	₱-	₱128,633	₱-	₱292,612	₱-	₱-	₱421,245

*Includes future interest, net of tax

**Excluding withholding tax payable amounting to ₱22,700

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity risk.

To properly manage price risk, various risk management methodologies are utilized to quantify the potential changes in the portfolio resulting from changes in security prices. Risk is, then, monitored and controlled through the establishment of equity exposure limits and tracking error. Investment portfolios are also subject to price risk stress testing on a periodic basis.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. It is the risk that the value of the Fund's investments in government and private debt securities will decline as interest rates rise. The Fund's market risk policy requires it to manage interest rate risk by managing the maturities of interest-bearing financial assets and monitoring the fluctuation of interest rates in the market. To mitigate this risk, the Fund Manager closely monitors movements in interest rates and takes advantages of opportunities to sell in order to realize market gains.



The following table demonstrates the sensitivity of the Fund’s net investment income before tax to a reasonably possible change in interest rates, with all variables held constant, for the year ended December 31, 2024 (through the impact of changes in fair value of debt financial assets at FVTPL as of December 31, 2024):

Change in Interest Rates (in Basis Points)

Change in Interest Rates (in Basis Points)		
2024		
Change in net investment income	+100 (₱736,044)	-100 ₱768,079

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund monitors exchange rates, and any trends and changes. Measures are adopted by the Fund to protect its financial assets and financial liabilities in the event there would be significant fluctuations in exchange rates. The Fund’s exposure to the risk of changes in foreign exchange rates relates primarily to each entity’s financial instruments denominated in currencies other than its functional currency. The Fund’s foreign exchange risk results from movements of the PHP against the United States Dollar (\$) or “USD”) of its financial assets and liabilities.

The Fund’s exposure to foreign currency risk as of December 31, 2024, and 2023 is considered immaterial due to the minimal amount of cash held denominated in USD, totaling \$811.

Equity price risk

The Fund’s equity price risk emanates from its securities in proprietary account which are financial assets classified as at FVTPL as of December 31, 2024 and 2023, respectively. The Fund measures the sensitivity of its investment securities by using PSE index (PSEi) fluctuations. The impact of the reasonably possible changes in the PSEi on the Fund’s income before income tax is as follows (amounts in millions):

	2024		2023	
	Percentage increase/decrease in PSEi	Effect on income before income tax	Percentage increase/decrease in PSEi	Effect on income before income tax
Increase	+15.34%	₱9.26	+14.04%	₱8.58
Decrease	-15.34%	(9.26)	-14.04%	(8.58)

5. Fair Value Measurement

As of December 31, 2024, and 2023, the carrying value of the Fund’s financial assets and liabilities as reflected in the statements of financial position and related notes approximate their fair values as of the statement of financial position date except investment securities at amortized cost.



The following tables summarize the carrying amount and fair values of financial assets by level of fair value hierarchy of the Fund's financial assets that are measured at fair value and those for which fair values are required to be disclosed:

2024					
	Carrying Values	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	₱60,384,682	₱60,384,682	₱-	₱-	₱60,384,682
Government securities	40,450,616	40,450,616			40,450,616
Assets where fair value is disclosed					
Investment securities at amortized cost	15,892,246	15,757,664	-	-	15,757,664
	₱116,727,544	₱116,592,962	₱-	₱-	₱116,592,962
2023					
	Carrying Values	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Financial assets at FVTPL					
Quoted equity securities	₱61,112,580	₱61,112,580	₱-	₱-	₱61,112,580
Assets where fair value is disclosed					
Investment securities at amortized cost	41,590,549	41,316,883	-	-	41,316,883
	₱102,703,129	₱102,429,463	₱-	₱-	₱102,429,463

As of December 31, 2024 and 2023, there were no transfers made among the three levels in the fair value hierarchy.

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

Financial assets at FVTPL – fair values are based on quoted market prices. For the Fund's equity, fair value is determined based on published closing prices at the Philippine Stock Exchange (PSE). For investments in government securities, fair values are based on yields within the bid-ask spread from PHP BVAL reference rates published by Philippine Dealing System Group (PDS).

Investment securities at amortized cost – fair values are generally based on their quoted market prices. For corporate bonds, fair values are based on yields within the bid-ask spread from Corporate Bond Summary reference rates published by Philippine Dealing System Group (PDS)

6. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash in bank	₱411,469	₱543,590
Short-term placements	3,560,000	15,140,000
	₱3,971,469	₱15,683,590

Cash in bank consists of noninterest-bearing demand deposit account.



Short-term placements consist of investment in time deposit accounts with a local bank. These bear annual interest rates of 5.50% in 2024, from 2.80% to 4.80% in 2023, and from 0.38% to 1.00% in 2022.

Interest income from short-term placements recognized in profit or loss amounted to ₱0.30 million, ₱0.54 million and ₱0.16 million in 2024, 2023 and 2022, respectively (see Note 13).

Unrealized foreign exchange gain (loss) from cash in bank and short-term placements amounted to ₱2,007 in 2024, (₱312) in 2023, and ₱911 in 2022.

Realized foreign exchange gain (loss) from cash in bank and short-term placements amounted to nil in 2024 and 2023 and ₱11,580 in 2022.

7. Financial Assets at Fair Value Through Profit or Loss

This account consists of investments in:

	2024	2023
Quoted equity securities	₱60,384,683	₱61,112,580
Government Securities	40,450,615	-
	₱100,835,298	₱61,112,580

Quoted equity securities pertain to publicly traded common and preferred shares of listed entities.

Dividend income earned from quoted equity securities amounted to ₱1.66 million, ₱1.98 million and ₱1.78 million in 2024, 2023 and 2022, respectively.

Interest income earned from government securities classified as at FVTPL amounted to ₱2.13 million in 2024 and nil in 2023 and 2022.

In 2024, 2023 and 2022, net trading gain (loss) on financial assets at FVTPL are as follows:

	2024	2023	2022
Trading gain (loss) from sold financial assets at FVTPL	₱1,218,640	₱1,132,680	(₱5,191,422)
Changes in fair value of outstanding financial assets at FVTPL	1,577,138	(202,591)	(1,900,270)
	₱2,795,778	₱930,089	(₱7,091,692)

As of December 31, 2024 and 2023, there are no investments under financial assets at FVTPL in a single enterprise that exceeded an amount equivalent to 15.00% of the Fund's net asset value, except obligations of the Philippine Government and instrumentalities.



8. Receivables

This account consists of:

	2024	2023
Securities sold receivables	₱335,620	₱989,762
Accrued interest receivable	536,304	204,142
Dividend receivables	72,526	66,161
	₱944,450	₱1,260,065

Securities sold receivables pertain to equity securities sold by the Fund. This will be settled after three (3) working days from the trade date.

9. Investment Securities at Amortized Cost

This account consists of investments in:

	2024	2023
Private debt securities	₱15,900,000	₱21,600,000
Government Securities	-	19,994,898
	15,900,000	41,594,898
Allowance for Credit Losses	(7,754)	(4,349)
	₱15,892,246	₱41,590,549

Investment securities at amortized cost with total face amount of ₱35.69 million and ₱2.00 million matured in 2024 and 2023, respectively.

Investment securities at amortized cost with total face amount of ₱10.00 million and nil was acquired in 2024 and 2023, respectively.

Investment securities at amortized cost bear annual interest rates ranging from 4.45% to 6.32% in 2024, and from 1.90% to 6.25% in 2023 and 2022.

Interest income earned from investments in securities at amortized cost amounted to ₱0.99 million, ₱1.80 million and ₱1.67 million in 2024, 2023 and 2022, respectively (see Note 13).

10. Accounts Payable and Accrued Expenses

This account consists of:

	2024	2023
Accrued management and professional fees (Note 15)	₱309,203	₱421,245
Withholding tax payable	11,738	22,700
	₱320,941	₱443,945



11. Maturity Profile

All of the Fund's assets and liabilities are due to be realized and settled within one year from the respective reporting dates, except for investments in securities at amortized cost with carrying amount of ₱14.17 million and ₱5.90 million as of December 31, 2024 and 2023, respectively. These investment securities have average maturities of two (2) and three (3) years as of December 31, 2024 and 2023, respectively.

12. Equity

As of December 31, 2024 and 2022, the Fund's capital stock consists of:

	2024	2023
Capital stock - ₱1 par value		
Authorized - 141,000,000 shares		
Issued and outstanding		
57,692,364 shares in 2024	₱57,692,364	
58,921,506 shares in 2023		₱58,921,506

The total expected cash outflow on redemption of all shares equals the Fund's equity. Issuance and resale of redeemable shares are based on NAV per share attributable to holders of redeemable shares.

On October 5, 2012, the stockholders approved the increase in authorized capital stock from ₱112.40 million divided into 112.40 million redeemable shares with par value of ₱1.00 per share to ₱500.00 million divided into 500 million redeemable shares with par value of ₱1.00 per share. On August 2, 2013, the BOD approved to amend the first tranche of the increase in authorized capital stock of 28,600,000 shares.

The additional shares which was previously approved by the stockholders will increase the Fund's existing authorized capital stock from 112,400,000 shares to 141,000,000 shares. In January 2014, the Fund filed with the Philippine SEC for the increase its authorized capital stock.

Out of the proposed increase in authorized capital stock, 7,150,000 shares or 25% have been subscribed and paid at the total subscription amount of ₱13.98 million in 2013. On April 11, 2014, the Philippine SEC approved the increase in authorized capital stock. In 2015, the Fund has applied with the Philippine SEC for its authority to sell the additional shares of stock.

On June 28, 2018, the SEC granted the Fund the authority to sell the additional shares of stocks. Thus, the deposit for future stock subscription amounting to ₱13.98 million was reclassified to capital stock at par and additional paid-in capital for the excess of subscription price over the par value.

The following presents the operational NAV per share:

	2024	2023	2022
Total equity	₱121,322,522	₱119,202,839	₱137,310,196
Number of shares outstanding	57,692,364	58,921,506	69,119,453
NAV per share	₱2.1029	₱2.0231	₱1.9866



Capital Management

The Fund's objective is to achieve long-term capital appreciation through investments in a diversified portfolio of equity and fixed income securities. The Fund seeks to provide a high level of current income as is consistent with the preservation of capital and liquidity.

The capital of the Fund is represented by total equity as shown in the statements of financial position. The Fund's total equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders. As a mutual fund, the Fund stands ready to redeem shares from shareholders at any time upon the request of the latter at the prevailing NAV per share.

The Fund's objectives when managing capital are as follow:

- Safeguard the Fund's ability to continue as a going concern in order to provide returns for stakeholders;
- Maintain a strong capital base to support the development of the investment activities of the Fund; and
- Comply with the minimum subscribed and paid-in capital of ₱50.00 million required for investment companies under the Investment Company Act of 1960.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within seven (7) days; and
- Redeem and issue new shares in accordance with the Fund's prospectus, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

All securities investments present a risk of loss of capital. The Investment Advisor, BPI Wealth, moderates this risk through a careful selection of securities and other fixed-income financial instruments within specified limits. The Fund's overall market positions are monitored on a daily basis by the Fund Manager and are reviewed on a quarterly basis by the BOD.

Minimum Capital Requirement

Pursuant to the Investment Company Act of 1960, the Fund's minimum capital requirement is ₱50.00 million. As of December 31, 2024 and 2023, the Fund is in compliance with the capital requirement. The Fund's capital, as provided in the statements of changes in equity, comprises its capital stock, additional paid-in capital and retained earnings.

Regulatory Framework

The operations of the Fund are subject to the regulatory requirements of the SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions.

Pursuant to the governing rules and regulations of the SEC, the Fund shall not invest in any of the following:

- Margin purchases of securities;
- Commodity futures contracts;
- Precious metals;
- Unlimited liability instruments;



13. Interest Income

This account consists of:

	2024	2023	2022
Investment securities at FVTPL (Note 7)	₱2,131,580	₱-	₱-
Investment securities at amortized cost (Note 9)	985,005	1,801,881	1,670,789
Short-term placements (Note 6)	301,543	546,121	159,775
	₱3,418,128	₱2,348,002	₱1,830,564

14. Income Taxes

Provision for income tax pertains to the 15% final withholding tax on gross interest income from foreign currency denominated unit (FCDU) bank deposits, short-term placements and investments and 20.00% final withholding tax on gross interest income from peso-denominated bank deposits, short-term placements and investment securities at amortized cost.

The provision for income tax consists of final tax amounting to ₱0.65 million, ₱0.46 million and ₱0.28 million in 2024, 2023 and 2022, respectively.

Unrecognized deferred tax assets on NOLCO amounted to ₱4.48 million and ₱3.84 million as of December 31, 2024 and 2023, respectively. Management believes that the benefits from the temporary differences may not be realized, thus, the non-recognition of deferred tax assets.

On September 30, 2020, the BIR issued Revenue Regulations No. 25- 2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2024, the Fund has incurred NOLCO which can be claimed as deduction from the regular taxable income. For those incurred in 2020 and 2021, they can be claimed for the next five (5) consecutive taxable years, while for those incurred beginning 2022, these can be claimed for the next three (3) consecutive taxable years.

Details of the Fund’s NOLCO follow:

Inception Year	Amount	Expired	Balance	Expiry Year
2020	₱2,619,533	₱-	₱2,619,533	2025
2021	3,393,594	-	3,393,594	2026
2022	6,782,662	-	6,782,662	2025
2023	2,576,850	-	2,576,850	2026
2024	2,545,313	-	2,545,313	2027
	₱17,917,952	₱-	₱17,917,952	



A reconciliation of the statutory income tax to effective income tax follows:

	2024	2023	2022
Statutory income tax	₱1,331,212	₱669,043	(₱1,695,665)
Tax effects of:			
Non-deductible expenses	851	-	-
Movement in unrecognized deferred taxes	636,328	644,212	712,967
Tax-exempt income	(415,322)	(493,810)	(445,943)
Income subjected to final tax, net of tax paid	(162,571)	(123,090)	(66,269)
Non-taxable income	(740,213)	(232,444)	1,772,695
Effective income tax	₱650,285	₱463,911	₱277,785

15. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

The following parties are considered related parties of the Fund:

Fund manager and investment advisor – BPI Wealth

The assets of the Fund are being managed by BPI Wealth as the Fund Manager and Investment Advisor in accordance with the Investment Company Act (R.A. No. 2629) set by SEC and its investment policy approved by the BOD of the Fund.

As Investment Advisor, BPI Wealth shall provide the Fund with investment research, advice, assistance and investment recommendations as required by the Fund and deemed helpful in the formulation of the Fund's investment strategies and guidelines. Unless sooner terminated in writing by parties, the Agreement with BPI Wealth shall remain in full force and effect for a period of two (2) years and shall be deemed automatically renewed for the succeeding year on each anniversary date unless expressly terminated at the instance of either party upon the service of at least thirty (30) days prior written notice by one party to the other.

Accordingly, BPI Wealth are entitled to a management and advisory fee of not more than two percent (2.00%) per annum based on the average NAV of the Fund, or a minimum annual fee of ₱0.10 million, whichever is higher.

The Fund's transactions with related parties in 2024, 2023 and 2022 and the related outstanding balances follow:

Related Party	Account	Elements of Transactions				
		Statements of Financial Position		Statements of Comprehensive Income		
		2024	2023	2024	2023	2022
BPI Wealth	Accrued expenses*	₱37,616	₱128,633	₱-	₱-	₱-
	Management fees	-	-	1,838,996	1,942,465	2,627,433

**Due the following month, non-interest bearing and unsecured*



Transactions with related parties are done at arm's length and are normally settled in cash.

BOD

The members of the Board will each receive a fee amounting to ₱3,000 for every regular meeting and ₱1,200 for every special meeting attended. There are no other standards or consulting arrangements nor any compensatory plan relating to resignation/retirement by which directors and officers are to be compensated other than that previously stated. The BOD members received total remuneration of ₱51,000, ₱43,538 and ₱34,155 in 2024, 2023 and 2022, respectively.

The Fund Manager does not have any existing arrangement with the Fund for the right to designate or nominate members of the Board.

16. Basic Income (Loss) Per Share

Earnings (loss) per share for the years ended December 31, 2024, 2023 and 2022 is computed as follows:

	2024	2023	2022
Net investment income (loss)	₱4,674,563	₱2,212,258	(₱7,060,447)
Weighted average number of shares outstanding	57,969,303	64,686,566	69,944,341
Basic income (loss) per share	₱0.0806	₱0.0342	(₱0.1009)

As of December 31, 2024, 2023 and 2022, there were no outstanding dilutive potential shares.

17. Notes to Statements of Cash Flows

There are no significant non-cash transactions of the Fund as of December 31, 2024, and 2023.

18. Supplementary Information Required Under Revenue Regulations (RR) 15-2010

The Fund reported and/or paid the following types of taxes for the year:

Taxes and Licenses

This includes all other taxes, documentary stamp tax, and local tax, including licenses and permit fees lodged under 'Taxes and licenses' account in the Fund's statement of comprehensive income:

Business permit	₱23,986
Community tax certificate	2,229
Other fees	5,201
	₱31,416

Withholding Taxes

Expanded withholding taxes in 2024 amounted to ₱258,534 and outstanding balance amounted to ₱25,343 as of December 31, 2024.

Tax Assessments and Cases

The Fund has no on-going tax assessments and cases as of December 31, 2024.





Building a better
working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Solidaritas Fund, Inc.
7th Floor, BPI Buendia Center,
Gil Puyat Ave., Makati City

We have audited the financial statements of Solidaritas Fund, Inc. (an Open-End Investment Company) (the Fund), for the year ended December 31, 2024, on which we have rendered the attached report dated April 4, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Fund has a total number of one hundred ninety-six (196) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Redginald G. Radam

Redginald G. Radam

Partner

CPA Certificate No. 118866

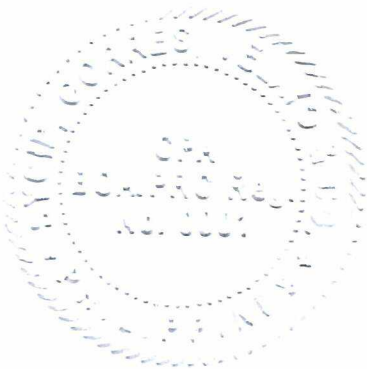
Tax Identification No. 249-000-259

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-141-2024, April 26, 2024, valid until April 25, 2027

PTR No. 10465364, January 2, 2025, Makati City

April 4, 2025



SOLIDARITAS FUND, INC.
Index to the Financial Statements
December 31, 2024

Schedule 1 Reconciliation of Retained Earnings Available for Dividend Declaration

Schedule 2 Supplementary Schedules Required Under Annex 68- E

Schedule A. Financial Assets

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Schedule C. Amounts receivable from Related Parties which are Eliminated during the consolidation of financial statements

Schedule D. Long-term Debt

Schedule E. Indebtedness to Related Parties

Schedule F. Guarantees of Securities of Other Issuers

Schedule G. Capital Stock

Schedule 3 Supplementary Schedules Required Under SEC MC No. 18-2024

Schedule I
SOLIDARITAS FUND, INC.
Schedule of Retained Earnings Available for Dividend Declaration
December 31, 2024

Unappropriated Retained Earnings, Beginning		₱19,208,357
Less: Items that are directly debited to Unappropriated Retained Earnings		
Redemption of shares during the year	(674,599)	(674,599)
Unappropriated Retained Earnings, as adjusted		18,533,758
Add/Less: Net Income (Loss) for the current year		4,674,563
Less: Unrealized Income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized fair value adjustment (mark to market gains) of financial instruments at fair value through profit or loss (FVTPL)	(1,577,138)	(1,577,138)
Adjusted Net Income/Loss		21,631,183
Add/Less: Other adjustments		–
<hr/>		
Total Retained Earnings, end of the reporting period available for dividend declaration		₱21,631,183
<hr/>		

SOLIDARITAS FUND, INC.

As at December 31, 2024

Schedule A - Financial Assets

Name of issuing entity	Number of shares or principal amount of bonds and note	Amount shown in the balance sheet (in PhP)	Value based on market quotation (in PhP)	Income received and accrued (in PhP)
Cash and Cash Equivalents				
<i>Cash in bank</i>				
Bank of the Philippine Islands	411,469	411,469	411,469	-
<i>Short-term placements</i>				
Bank of the Philippine Islands	3,560,000	3,560,000	3,560,000	1,740
Total	3,971,469	3,971,469	3,971,469	1,740
Financial Assets at Fair Value through Profit or Loss				
<i>Quoted Equity Securities</i>				
AYALA CORP	5,500	3,294,500	3,294,500	-
AC ENERGY PHILIPPINES, INC	160,000	640,000	640,000	-
ABOITIZ EQUITY VENTURES	50,450	1,732,958	1,732,958	-
AYALA LAND INC	137,500	3,602,500	3,602,500	-
AREIT INC	20,000	759,000	759,000	-
BANCO DE ORO	42,500	6,120,000	6,120,000	-
BANK OF THE PHILIPPINE ISLANDS	45,000	5,490,000	5,490,000	-
CENTURY PACIFIC FOOD INC	10,000	419,500	419,500	-
CONVERGE ICT SOLUTIONS INC	50,000	807,000	807,000	-
GLOBE TELECOMS	1,000	2,184,000	2,184,000	-
GTCAP CAPITAL	1,000	658,000	658,000	-
INTERNATIONAL CONTANER				
TERMINAL	15,250	5,886,500	5,886,500	-
JOLLIBEE FOOD CORP	8,100	2,178,900	2,178,900	-
JG SUMMIT HOLDINGS	10,000	205,500	205,500	-
METROPOLITAN BANK & TRUST	50,000	3,600,000	3,600,000	-
MANILA ELECTRIC CO	5,250	2,562,000	2,562,000	-
MONDE NISSIN CORP	50,000	430,000	430,000	-
PUREGOLD PRICE CLUB INC	14,000	431,900	431,900	-
RL COMMERCIAL REIT INC	25,000	146,250	146,250	-
ROBINSONS LAND CORP	16,000	212,800	212,800	-
SM INVESTMENTS CORP	9,500	8,540,500	8,540,500	-
SM PRIME HOLDINGS	192,500	4,841,375	4,841,375	-
PLDT, INC.	2,500	3,237,500	3,237,500	-
UNIVERSAL ROBINA CORP	25,000	1,975,000	1,975,000	-
WILCON DEPOT INC.	30,000	429,000	429,000	-
Total	976,050	60,384,683	60,384,683	-
<i>Government Securities</i>				
FXTN20-2620440228800	5,000,000	5,076,395	5,076,395	85,417
FXTN20-2720440523880	5,000,000	5,282,250	5,282,250	29,028
FXT3-3020270104800	5,000,000	5,007,793	5,007,793	118,000
FXT7-7120310118800	5,000,000	4,997,130	4,997,130	110,931
RTBOND51820290228800	20,000,000	20,087,047	20,087,047	91,667
Total	40,000,000	40,450,615	40,450,615	435,042
Investment Securities at Amortized Cost				
AC-BOND20250526888	1,000,000	999,965	988,663	3,464
BPI-BOND20260209888	5,000,000	4,995,506	5,003,825	35,822
FDC-BOND20260807888	5,000,000	4,997,057	4,963,850	37,924
RLC-BOND20250826888	720,000	719,959	713,303	3,012
RLC-BOND20270826888	4,180,000	4,179,759	4,088,023	19,300
Total	15,900,000	15,892,246	15,757,664	99,522

SOLIDARITAS FUND, INC.

As at December 31, 2024

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written-off	Current	Non-current	Balance at end of period
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NOTHING TO REPORT

SOLIDARITAS FUND, INC.

As at December 31, 2024

**Schedule C - Amounts Receivable from Related Parties which are Eliminated
during the Consolidation of Financial Statements**

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written-off	Current	Non-current	Balance at end of period
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NOT APPLICABLE

SOLIDARITAS FUND, INC.
As at December 31, 2024
Schedule D - Long-Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in the related statement of financial position	Amount shown under caption "long-term debt" in related statement of financial position
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NOTHING TO REPORT

SOLIDARITAS FUND, INC.

As at December 31, 2024

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Parties)
(All amounts in Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
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NOTHING TO REPORT

SOLIDARITAS FUND, INC.

As at December 31, 2024

Schedule F - Guarantees of Securities of Other Issuers

Name of Issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
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NOTHING TO REPORT

SOLIDARITAS FUND, INC.
As at December 31, 2024
Schedule G - Capital Stock

Title of issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related caption in the statement of financial position	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares	141,000,000	57,692,364	–	–	40,000	57,652,364

SOLIDARITAS FUND, INC.
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2024

	2024	2023
Total Audit Fees	₱261,261.00	₱237,510.00
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Non-Audit Fees		
Total Audit and Non-Audit Fees	₱261,261.00	₱237,510.00

SOLIDARITAS FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

TOTAL ASSETS- January 1 to December 31, 2024 121,643
NET ASSET VALUE- January 1 to December 31, 2024 121,323

SECURITY NAME	MARKET VALUE (in thousands)	TOTAL INVESTMENTS OF THE FUND TO NET ASSET VALUE	TOTAL INVESTMENTS OF THE FUND TO TOTAL ASSETS	NO. OF SHARES (in thousands)	OUTSTANDING SECURITIES OF AN INVESTEE CO. (in thousands)	PERCENTAGE TO OUTSTANDING SECURITIES OF AN INVESTEE CO.	
CASH IN BANK	411	0.34%	0.34%	n/a	n/a	n/a	
CASH EQUIVALENTS							
BPIC-XTDT20250102940	3,560	2.93%	2.93%	3,560	n/a	n/a	
TOTAL CASH AND CASH EQUIVALENTS	3,971						
FAIR VALUE THROUGH PORFIT OR LOSS							
LISTED STOCKS - COMMON							
AYALA CORP	AC	3,295	2.72%	2.71%	6	363,556,920	0.00%
AC ENERGY PHILIPPINES, INC	ACEN	640	0.53%	0.53%	160	150,774,100	0.00%
ABOITIZ EQUITY VENTURES	AEV	1,733	1.43%	1.42%	50	186,052,469	0.00%
AYALA LAND INC	ALI	3,603	2.97%	2.96%	138	370,977,431	0.00%
AREIT INC	AREIT	759	0.63%	0.62%	20	133,690,918	0.00%
BANCO DE ORO	BDO	6,120	5.04%	5.03%	43	773,440,243	0.00%
BANK OF THE PHILIPPINE ISLANDS	BPI	5,490	4.53%	4.51%	45	622,634,436	0.00%
CENTURY PACIFIC FOOD INC	CNPF	420	0.35%	0.34%	10	156,390,717	0.00%
CONVERGE ICT SOLUTIONS INC	CNVRG	807	0.67%	0.66%	50	116,991,826	0.00%
GLOBE TELECOMS	GLO	2,184	1.80%	1.80%	1	327,743,358	0.00%
GTCAP CAPITAL	GTCAP	658	0.54%	0.54%	1	127,663,760	0.00%
INTERNATIONAL CONTANER TERMINAL	ICT	5,887	4.85%	4.84%	15	795,073,803	0.00%
JOLLIBEE FOOD CORP	JFC	2,179	1.80%	1.79%	8	285,368,105	0.00%
JG SUMMIT HOLDINGS	JGS	206	0.17%	0.17%	10	145,305,404	0.00%
METROPOLITAN BANK & TRUST	MBT	3,600	2.97%	2.96%	50	319,766,246	0.00%
MANILA ELECTRIC CO	MER	2,562	2.11%	2.11%	5	545,512,774	0.00%
MONDE NISSIN CORP	MONDE	430	0.35%	0.35%	50	136,920,820	0.00%
PUREGOLD PRICE CLUB INC	PGOLD	432	0.36%	0.36%	14	82,947,963	0.00%
RL COMMERCIAL REIT INC	RCR	146	0.12%	0.12%	25	92,715,228	0.00%
ROBINSONS LAND CORP	RLC	213	0.18%	0.17%	16	61,320,318	0.00%
SM INVESTMENTS CORP	SM	8,541	7.04%	7.02%	10	1,019,167,481	0.00%
SM PRIME HOLDINGS	SMPH	4,841	3.99%	3.98%	193	687,325,714	0.00%
PLDT, INC.	TEL	3,238	2.67%	2.66%	3	279,576,173	0.00%
UNIVERSAL ROBINA CORP	URC	1,975	1.63%	1.62%	25	161,149,261	0.00%
WILCON DEPOT INC.	WLCON	429	0.35%	0.35%	30	43,047,103	0.00%
TOTAL STOCKS		60,385					
GOVERNMENT SECURITIES							
FXTN20-2620440228800		5,076	4.18%	4.17%	5,000	9,786,718,357	0.00%
FXTN20-2720440523800		5,282	4.35%	4.34%	5,000	9,786,718,357	0.00%
FXT3-3020270104800		5,008	4.13%	4.12%	5,000	9,786,718,357	0.00%
FXT7-7120310118800		4,997	4.12%	4.11%	5,000	9,786,718,357	0.00%
RTBOND51820290228800		20,087	16.56%	16.51%	20,000	9,786,718,357	0.00%
TOTAL GOVERNMENT SECURITIES		40,451					

SOLIDARITAS FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

TOTAL ASSETS- January 1 to December 31, 2024 121,643
NET ASSET VALUE- January 1 to December 31, 2024 121,323

SECURITY NAME	MARKET VALUE (in thousands)	TOTAL INVESTMENTS OF THE FUND TO NET ASSET VALUE	TOTAL INVESTMENTS OF THE FUND TO TOTAL ASSETS	NO. OF SHARES (in thousands)	OUTSTANDING SECURITIES OF AN INVESTEE CO. (in thousands)	PERCENTAGE TO OUTSTANDING SECURITIES OF AN INVESTEE CO.
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PR	100,835					
INVESTMENT AT SECURITIES AT AMORTIZED COST						
AC-BOND20250526888	1,000	0.82%	0.82%	1,000	73,388,800,000	0.00
BPI-BOND20260209888	5,000	4.12%	4.11%	5,000	92,805,200,000	0.00
FDC-BOND20260807888	5,000	4.12%	4.11%	5,000	10,000,000,000	-
RLC-BOND20250826888	720	0.59%	0.59%	720	30,000,000,000	0.00
RLC-BOND20270826888	4,180	3.45%	3.44%	4,180	30,000,000,000	0.00
TOTAL INVESTMENT IN SECURITIES AT AMORTIZED COS	15,900					
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSS	(8)					
NET INVESTMENT IN SECURITIES AT AMORTIZED COST	15,892					
INVESTMENT IN LIQUID AND SEMI LIQUID ASSETS						
INVESTMENT IN GOVERNMENT SECURITIES (See above)	40,451	33.34%	33.25%	n/a	n/a	n/a
CASH EQUIVALENT - TIME DEPOSITS	3,560	2.93%	2.93%	n/a	n/a	n/a
CASH IN BANK	411	0.34%	0.34%	n/a	n/a	n/a
	<u>44,422</u>					

SOLIDARITAS FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

TOTAL ASSETS- January 1 to December 31, 2024 121,643
NET ASSET VALUE- January 1 to December 31, 2024 121,323

SECURITY NAME	MARKET VALUE (in thousands)	TOTAL INVESTMENTS OF THE FUND TO NET ASSET VALUE	TOTAL INVESTMENTS OF THE FUND TO TOTAL ASSETS	NO. OF SHARES (in thousands)	OUTSTANDING SECURITIES OF AN INVESTEE CO. (in thousands)	PERCENTAGE TO OUTSTANDING SECURITIES OF AN INVESTEE CO.
NO BORROWINGS FOR THE YEAR 2024						

TOTAL OPERATING EXPENSES

AVERAGE NET ASSET VALUE- January 1 to December 31, 2024 122,605

AMOUNT	PERCENTAGE TO NET ASSET VALUE
--------	-------------------------------

Management and professional fees	2,355	1.92%
Taxes and licenses	31	0.03%
Directors' Fees	51	0.04%
Other Expenses	115	0.09%
	<u>2,552</u>	

SOLIDARITAS FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

TOTAL ASSETS- January 1 to December 31, 2023 119,647
NET ASSET VALUE- January 1 to December 31, 2023 119,203

SECURITY NAME	MARKET VALUE (in thousands)	TOTAL INVESTMENT OF THE FUND TO NET ASSET VALUE	TOTAL INVESTMENTS OF THE FUND TO TOTAL ASSETS	NO. OF SHARES (in thousands)	OUTSTANDING SECURITIES OF AN INVESTEE CO. (in thousands)	PERCENTAGE TO OUTSTANDING SECURITIES OF AN INVESTEE CO.	
CASH IN BANK	544	0.46%	0.45%	n/a	n/a	n/a	
CASH EQUIVALENTS							
BPIC-XTDT20240102940	9,140	7.67%	7.64%	9,140	n/a	n/a	
RCBC-TD20240102940	6,000	5.03%	5.01%	6,000	n/a	n/a	
TOTAL CASH AND CASH EQUIVALENTS	15,684						
FAIR VALUE THROUGH PORFIT OR LOSS							
LISTED STOCKS - COMMON							
AYALA CORP	AC	4,229	3.55%	3.53%	6	439,753,368	0.00%
AC ENERGY PHILIPPINES, INC	ACEN	575	0.48%	0.48%	131	169,819,250	0.00%
ABOITIZ EQUITY VENTURES	AEV	2,473	2.07%	2.07%	55	277,898,406	0.00%
AYALA LAND INC	ALI	4,634	3.89%	3.87%	135	514,010,845	0.00%
BANCO DE ORO	BDO	5,580	4.68%	4.66%	43	682,779,107	0.00%
BANK OF THE PHILIPPINE ISLANDS	BPI	4,886	4.10%	4.08%	47	545,379,173	0.00%
CENTURY PACIFIC FOOD INC	CNPF	588	0.49%	0.49%	19	108,570,226	0.00%
GLOBE TELECOMS	GLO	1,806	1.52%	1.51%	1	248,505,885	0.00%
GTCAP CAPITAL	GTCAP	1,189	1.00%	0.99%	2	129,601,321	0.00%
INTERNATIONAL CONTANER TERMINAL	ICT	4,803	4.03%	4.01%	19	504,745,969	0.00%
JOLLIBEE FOOD CORP	JFC	2,818	2.36%	2.36%	11	283,113,571	0.00%
JG SUMMIT HOLDINGS	JGS	1,951	1.64%	1.63%	51	304,599,838	0.00%
METRO BANK AND TRUST CORP	MBT	2,064	1.73%	1.72%	40	240,611,732	0.00%
MANILA ELECTRIC CO	MER	2,394	2.01%	2.00%	6	440,695,594	0.00%
MONDE NISSIM CORP	MONDE	597	0.50%	0.50%	71	155,608,176	0.00%
SM INVESTMENTS	SMIC	8,757	7.35%	7.32%	10	1,085,767,754	0.00%
SM PRIME HOLDINGS	SMPH	6,770	5.68%	5.66%	206	971,786,147	0.00%
PLDT INC	TEL	2,219	1.86%	1.85%	2	275,687,169	0.00%
UNIVERSAL ROBINA CORP	URC	2,550	2.14%	2.13%	22	265,210,118	0.00%
WILCON DEPOT INC	WLCON	230	0.19%	0.19%	11	95,113,599	0.00%
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PR		61,113					

SOLIDARITAS FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

TOTAL ASSETS- January 1 to December 31, 2023 119,647
NET ASSET VALUE- January 1 to December 31, 2023 119,203

SECURITY NAME	MARKET VALUE (in thousands)	TOTAL INVESTMENT OF THE FUND TO NET ASSET VALUE	TOTAL INVESTMENTS OF THE FUND TO TOTAL ASSETS	NO. OF SHARES (in thousands)	OUTSTANDING SECURITIES OF AN INVESTEE CO. (in thousands)	PERCENTAGE TO OUTSTANDING SECURITIES OF AN INVESTEE CO.
INVESTMENT AT SECURITIES AT AMORTIZED COST						
CORPORATE BONDS						
AC-BOND20250526888	1,000	0.84%	0.84%	1,000	5,000,000	0.00%
BPI-BOND20240131888	2,999	2.52%	2.51%	3,000	27,000,000	0.00%
PCOR-BOND20240419888	9,999	8.39%	8.36%	10,000	13,200,000	0.08%
RLC-BOND20250826888	720	0.60%	0.60%	720	6,000,000	0.02%
RLC-BOND20270826888	4,180	3.51%	3.49%	4,180	9,000,000	0.02%
SECB-BOND20240120888	2,699	2.26%	2.26%	2,700	16,000,000	0.01%
TOTAL	21,596					
GOVERNMENT SECURITIES						
RTBOND31120240309888	19,995	16.77%	16.71%	20,000	463,318,000	0.00%
TOTAL	19,995					
TOTAL INVESTMENT IN SECURITIES AT AMORTIZED COS	41,591					
INVESTMENT IN LIQUID AND SEMI LIQUID ASSETS						
INVESTMENT IN GOVERNMENT SECURITIES (See above)	19,995	16.77%	16.71%	n/a	n/a	n/a
CASH EQUIVALENT - TIME DEPOSITS	15,140	12.70%	12.65%	n/a	n/a	n/a
CASH IN BANK	544	0.46%	0.45%	n/a	n/a	n/a
	35,679					

SOLIDARITAS FUND, INC.
ATTACHMENT TO FINANCIAL STATEMENTS

TOTAL ASSETS- January 1 to December 31, 2023 119,647
NET ASSET VALUE- January 1 to December 31, 2023 119,203

SECURITY NAME	MARKET VALUE (in thousands)	TOTAL INVESTMENT OF THE FUND TO NET ASSET VALUE	TOTAL INVESTMENTS OF THE FUND TO TOTAL ASSETS	NO. OF SHARES (in thousands)	OUTSTANDING SECURITIES OF AN INVESTEE CO. (in thousands)	PERCENTAGE TO OUTSTANDING SECURITIES OF AN INVESTEE CO.
NO BORROWINGS FOR THE YEAR 2023						

TOTAL OPERATING EXPENSES

AVERAGE NET ASSET VALUE- January 1 to December 31, 2023 129,448

	AMOUNT	PERCENTAGE TO NET ASSET VALUE
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Management and professional fees	2,443	1.89%
Taxes and licenses	27	0.02%
Directors' Fees	44	0.03%
Other Expenses	64	0.05%
	<u>2,577</u>	

SOLIDARITAS FUND, INC
Financial Statement Ratios
As at December 31, 2024 and 2023
(All amounts in thousands of Philippine Peso)

	January 1 to December 31, 2024	January 1 to December 31, 2023
Current Asset	105,751	78,056
Current Liabilities	321	444
Current /Liquidity Ratio	329	176
Total Liabilities	321	444
Total Equity	121,323	119,203
Debt-to-Equity Ratio	0.0026	0.0037
Total Assets	121,643	119,647
Total Equity	121,323	119,203
Asset-to-Equity Ratio	1.0026	1.0037
Earnings Before Income Tax	5,325	2,676
Interest Expense	-	-
Interest Rate Coverage Ratio	n.a.	n.a.
Net Income	4,675	2,212
Total Equity	121,323	119,203
Return on Investment	0.04	0.02

SOLIDARITAS FUND, INC.
MANUAL ON CORPORATE GOVERNANCE
(Revised July 2020)

Solidaritas Fund, Inc.

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ARTICLE 1: CORPORATE GOVERNANCE PHILOSOPHY

The Board of Directors of the Solidaritas Fund, Inc. (the “Fund”), working closely with the Fund’s Investment Manager, and in compliance with the recommendations by the Securities and Exchange Commission (“SEC”),¹ hereby commit itself to the principles and best practices contained in this Manual (“Manual”), and acknowledge that the same shall guide the attainment of the Fund’s corporate goals.

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Shareholders believe that corporate governance is a necessary component of what constitutes sound strategic business management and will, therefore, undertake every effort necessary to create awareness within the organization as soon as possible. Compliance with the principles of good corporate governance starts with the Board of Directors.

ARTICLE 2: DEFINITION OF TERMS

1. **Affiliate** – an entity that holds directly or indirectly at least ten percent (10%) or more of the total number of issued shares in the Fund, Fund Manager, or vice versa, or have a common Shareholder that holds directly or indirectly 10% or more of the total number of the issued share capital of the Fund or the Fund Manager.
2. **Annual Corporate Governance Report** – or “ACGR” is a comprehensive report containing all of the Fund’s pertinent corporate governance information.
3. **Audio Conferencing** – a conference in which people at different locations speak to each other via telephone or Internet connections.
4. **Corporate Governance** – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations thereby creating sustainable value for its Shareholders, Stakeholders, and the nation.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board of Directors and Senior Management accountable for ensuring ethical behavior and reconciling long-term customer satisfaction with Shareholder value to the benefit of all Stakeholders and the society.

5. **Board of Directors** – or the “Board” is the governing body elected by the Shareholders that exercises the corporate powers of the Fund, conducts all its business, and controls its properties.
6. **Board Risk Oversight Committee** – or the “BRO” is a committee responsible for the oversight of the Fund’s Enterprise Risk Management System to ensure its functionality and effectiveness.
7. **Computer Conferencing** – is teleconferencing supported by one or more computers.
8. **Enterprise Risk Management** – or “ERM” is a process, effected by the Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives. ERM is integral to an effective corporate governance process and the achievement of a company’s value creation objectives.

¹ SEC Memorandum Circular No. 24; series of 2019 on the Manual of Corporate Governance for Public Companies and Registered Issuers

9. **Management** – a group of Executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Fund;
10. **Manual on Corporate Governance** – or “MCG” is a reference document containing all the policies, programs, and procedures that would ensure transparency and better protection of Shareholders and Stakeholders.
11. **Independent Director** – a person who is independent of Management and the controlling Shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director;
12. **Executive Director** – or “ED” is a Director who has executive responsibility of day-to-day operations of a part or the whole of the Fund;
13. **Non-executive Director** – or “NED” is a Director who has no executive responsibility and does not perform any work related to the day-to-day operations of the Fund;
14. **Internal control** – a process designed and effected by the Board of Directors, Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management of corporate information; and compliance with applicable laws, regulations and the organization’s policies and procedures.
15. **Independent Oversight Entity or Committee** – or “IOE” is an impartial entity or committee tasked to monitor the transactions and functions carried out by the Fund Manager.²
16. **Related parties** – covers the Fund’s Directors, Officers, substantial Shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, and other persons if these persons have control, joint control or Significant Influence over the Fund. It also covers the Fund’s parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.
17. **Related Party Transactions** – or “RPT” is a transfer of resources, services or obligations between a reporting entity and related party, regardless of whether a price is charged. It shall be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered with an unrelated party that subsequently becomes a related party;
18. **Remote Communication** – the transfer of data between two or more devices not located at the same site³.
19. **Significant Influence** – the power to participate in the financial and operating policy decisions of the Fund but has no control or joint control of those policies
20. **Stakeholders** – any individual, organization or society at large who can either affect and/or be affected by the Fund’s strategies, policies, business decisions and operations, in general. This includes, among others, non-proprietary certificate holders, customers, creditors, employees, suppliers, investors, as well as the government and the community in which the Fund operates.

² SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications or Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

³ SEC Memorandum Circular No. 6; series of 2020 on the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication

21. **Teleconferencing** – the holding of a conference among people remote from one another by means of telecommunication devices such as telephone or computer terminals. It refers to an interactive group communication between three (3) or more people in two (2) or more locations through an electronic medium. In general terms, teleconferencing can bring people together under one roof even though they are separated by hundred miles.
22. **Videoconferencing** – the holding of a conference among people in remote locations by means of transmitted audio and video signals.

ARTICLE 3: RULES OF INTERPRETATION

All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.

All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the Shareholders and investors of the Fund.

ARTICLE 4: BOARD GOVERNANCE

The Board is primarily responsible for the governance of the Fund. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions, and responsibilities.

It must ensure the Fund's ability to satisfy the needs of its customers, sustain its leadership and competitiveness, and uphold its reputation in order to maintain the Fund's long-term success and viability as a business entity. Its mandate consists of setting the strategic business directions of the Fund, appointing its Senior Executive Officers, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring the financial results, and generating a reasonable investment return to Shareholders.

Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Fund and all Shareholders and all other Stakeholders.

A) Composition of the Board

The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Fund's industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction

The Fund as covered by this Manual shall have at least two (2) IDs or such number of Independent Directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

The membership of the Board may be a combination of EDs and NEDs, which include IDs, in order that no Director or small group of Directors can dominate the decision-making process.

NEDs shall not concurrently serve as Directors to more than ten (10) public companies and/or registered issuers. However, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers if the NED also sits in at least three (3) publicly-listed companies. NEDs shall possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

There shall be diversity in the composition of the Board in order to avoid groupthink and ensure that optimal decision-making is achieved and the efficiency of collective problem solving within such group

B) The Chairperson and Chief Executive Officer / President

The Board shall be headed by a competent and qualified Chairperson (“Chair”).

The roles of Chair and Chief Executive Officer (“CEO”) shall, as much as practicable, be separate to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions shall be made between the Chair and CEO upon their election.

If the positions of Chair and CEO are unified, the proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The Board shall designate a lead director among the IDs if the Chairperson of the Board is not independent, including if the positions of the Chair and CEO or its equivalent are held by one (1) person.

The duties and responsibilities of the Chair in relation to the Board may include, among others, the following:

1. Makes certain that the meeting’s agenda focuses on strategic matters, including the overall risks appetite of the Fund, taking into account the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
2. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
3. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors;
4. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
5. Assures the conduct of proper orientation for first-time Directors and continuing training opportunities for all Directors; and
6. Makes sure that performance of the Board is evaluated at least once a year and discussed or followed up on if necessary.

C) Qualifications of Directors

In addition to the qualifications for membership in the Board provided for in the Revised Corporation Code (“RCC”)⁴, the Securities Regulation Code (“SRC”), and other relevant laws, a Director must have the following additional qualifications:

⁴ Republic Act No. 11232 or the Revised Corporation Code of 2018

1. Holds at least PhP 5,000.00 worth of shares at cost of stock of the Fund;
2. At least twenty-five (25) years old;
3. At least a college graduate or its equivalent or adequate competence and understanding of the fundamentals of doing business or membership in good standing in relevant industry, and membership in business or professional organizations or sufficient experience and competence in managing a business to substitute for such formal education;
4. Possesses integrity, probity and shall be diligent and assiduous in the performance of his functions;
5. Has adequate physical health and mental stamina to withstand the rigors of his responsibilities;
6. Has no potential conflict of time and attention due to competing Officerships, Directorships, or memberships in other companies/Funds;
7. Has attended or will attend an accredited corporate governance seminar, as required by the SEC;
8. Possesses no disqualifications as provided for in the RCC, Bangko Sentral ng Pilipinas ("BSP") Circulars, and SEC rules and regulations;
9. Has practical understanding of the business of the Fund;
10. A member in good standing in relevant industry, business, or professional organizations; and
11. Has previous business experience.

D) Qualifications of Independent Directors

The IDs shall possess a good general understanding of the industry that the Fund engages in, qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.

An ID refers to a person who:

1. Shall not or has not been a Senior Officer or employee of the Fund unless there has been a change in the controlling ownership therein;
2. Is not, and has not been in the two (2) years immediately preceding the election, a director of the Fund; a Director, Officer, employee of the Fund's subsidiaries, associates, affiliates or related companies; or a director, Officer, employee of the Fund's substantial Shareholders and its related companies;
3. Has not been appointed in the Fund, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" Director/Officer of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;
4. Is not an owner of more than two percent (2%) of the outstanding shares of the Fund, its subsidiaries, associates, affiliates, or related companies;
5. Is not a relative of a director, Officer, or substantial Shareholder of the Fund or any of its related companies or of any of its substantial Shareholders;

6. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister; and
7. Is not acting as a nominee or representative of any Director of the Fund or any of its Related Companies.

Related companies, as used in this section, refer to:

1. The Fund's holding/parent company;
2. Its subsidiaries; and
3. Subsidiaries of its holding/parent company.

IDs shall serve for a maximum cumulative term of nine (9) years. After which, the ID shall be perpetually barred from reelection as such, but may continue to qualify for nomination and election as a non-independent director.

In the instance that Fund seeks to retain an ID who has served for nine (9) years, the Board shall provide meritorious justification and seek Shareholders approval during the annual Shareholders' meeting.

E) Disqualification of Directors

1. Permanent Disqualification

The following shall be grounds for the permanent disqualification of a Director:

1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures SEC merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as Director or Officer of a bank, quasibank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities. The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the RCC, SRC, or any other law administered by the SEC or BSP, or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;
3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, *estafa*, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

4. Any person who has been adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Fund Code, Securities Regulation Manual or any other law administered by the SEC or BSP, or any of its rule, regulation or order;
5. Any person judicially declared as insolvent;
6. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct similar to any of the acts, violations, or misconduct enumerated above;
7. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the RCC and SRC committed within five (5) years prior to the date of his election or appointment; and
8. Other grounds as the SEC may provide pursuant to the provisions of the RCC, SRC, and other related laws.

2. Temporary Disqualification

The Board may provide for the temporary disqualification of a Director for any of the following reasons:

1. Refusal to comply with the disclosure requirements of the SRC and its implementing rules and regulations. The disqualification shall be in effect as long as the refusal persists;
2. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;
3. Dismissal or termination for cause as Director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal, termination, or removal;
4. If the beneficial equity ownership of an ID in the Fund or its affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an ID shall be lifted if the limit is later complied with; and
5. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified Director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

F) Nomination of Directors

The Board shall have a formal and transparent board nomination and election process that shall include how it accepts nominations from its Shareholders and reviews the qualifications of nominated candidates ("Candidates"). The process shall be assessed according to its

effectiveness in the proper nomination, election, or replacement/removal of a Director. The process shall be aligned with the strategic direction of the Fund.

1. Process of Nomination

1. All Shareholders, regardless of their shareholdings, shall have the right to nominate, elect, remove and replace Directors and vote on certain corporate acts in accordance with the RCC.
2. The Nomination Committee itself may likewise identify and recommend qualified individuals for nomination and election to the Board. For this purpose, the Committee may make use of professional search firms or other External sources of Candidates to search for qualified Candidates to the Board.
3. All written nominations for election of Directors by the Shareholders are to be received by the Nominations Committee not later than the date prescribed by law, rules, and regulations or at such earlier or later date as the Board of Directors may fix before the date of the next annual meeting of the Shareholders. All recommendations shall be signed by the nominating Shareholders together with the written acceptance and conformity of the would-be nominees. No nominee shall qualify to be elected as Director unless this requirement is complied with.
4. The Committee shall screen and shortlist qualified individuals for election as Directors to ensure that only those that possess all the qualifications and none of the disqualifications from Directorship as provided in the Fund's By-Laws, this Manual and relevant laws, rules and regulations may be elected to the Board.
5. In case of a vacancy in the Board other than removal of a Director or expiration of term, the Committee shall determine and identify the qualified nominee and recommend to the Board, if the remaining Directors still constitute a quorum, to elect such qualified nominee to fill the vacancy.
6. The Committee shall prepare a final list of qualified nominees, recommend for final approval of the Board such final list, and recommend to the Shareholders the qualified nominees included in the final list for election in the annual meeting of Shareholders.
7. The final list of Candidates shall contain all the information about all the nominees and shall be made available to the SEC and to all Shareholders through the filing and distribution of the Information Statement, or in such other reports the Fund is required to submit to SEC. The name of the person or group of persons who recommended the nomination of the Director shall also be identified in such report including any relationship with the nominee.
8. Only nominees whose names appear on the final list of Candidates shall be eligible for election as a Director. No other nominations shall be entertained after the final list of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual Shareholders' meeting.
9. The aforementioned process and requirements shall also apply to nominations for IDs.

G) Responsibilities, Duties and Functions of the Board

It shall likewise be the Board's responsibility to foster the long-term success of the Fund and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interests of the Fund, its Shareholders, and Stakeholders.

The Board shall formulate the Fund's vision, mission, and strategic objectives that shall guide the Investment Manager's activities, including the means to effectively monitor the latter's performance.

To ensure a high standard of best practices for the Fund, its Shareholders and its Stakeholders, the Board, in close coordination with the Fund's duly registered Investment Manager, shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

1. Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Fund and all Shareholders and all other Stakeholders;
2. Oversee the development of and approve the Fund's business and strategy, and monitor its implementation, in order to sustain the company's long-term viability and strength;
3. Ensure and adopt an effective succession planning program for Directors, key Officers, and Management to ensure the continuous and consistent growth of the Fund. This should include adopting a retirement policy for Directors and key Officers;
4. Align the remuneration of key Officers and Board members with the long-term interests of the Fund. In doing so, it should formulate and adopt a policy specifying the relationship between remuneration and performance;
5. Install a process of selection to ensure a mix of competent Directors and Officers who can add value and contribute independent judgment to the formulation of sound corporate strategies;
6. Appoint competent, professional, honest and highly-motivated management Officers;
7. Ensure that the Fund complies with all relevant laws, regulations and codes of best business practices;
8. Establish and maintain an investor relations program that will keep the Shareholders informed of important developments in the Fund. If feasible, the Fund's President or Treasurer shall exercise oversight responsibility over this program;
9. Identify the Fund's major and other Stakeholders and formulate a clear policy on communicating or relating with them through an effective investor-relations program;
10. Ensure that the Fund has an adequate internal control system with proper checks and balances, to be carried out by its management directly or through its duly appointed Investment Manager;
11. Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable its duly appointed Investment Manager to anticipate and prepare for possible threats to its operational and financial viability;
12. Constitute an Audit Committee and such other Committees it deems necessary to assist the Board in the performance of its duties and responsibilities;
13. Establish and maintain an alternative dispute resolution system in the Fund that can amicably settle conflicts or differences between the Fund and its Shareholders, and the Fund and third parties, including the regulatory authorities;
14. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly recorded in the minutes;
15. Keep Board authority within the powers of the Fund as prescribed in the Articles of Incorporation, By-Laws, and existing laws, rules and regulations;

16. Appoint a Compliance Officer who shall have the rank of at least Senior Vice President or an equivalent position with adequate stature and authority in the Fund;
17. Conduct an annual self-assessment of its performance, including the performance of the Chair, individual members and Committees;
18. Establish a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual Directors, Committees and such system should allow for a feedback mechanism from the Shareholders;
19. Adopt a Code of Business Conduct and Ethics ("Code of Ethics"), which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the Board. The Code of Ethics shall be properly disseminated to all the members of the Board and be made available to the public through the Fund's website;
20. Ensure the proper and efficient implementation and monitoring of compliance with the Code of Ethics; and
21. Approve the selection and assessing the performance of the Management led by the CEO or his equivalent, and control functions led by their respective heads of the internal audit, compliance and risk functions, as may be applicable.

H) Specific Duties and Responsibilities of Directors

A Director's office is one of trust and confidence. A Director shall act in the best interest of the Fund in a manner characterized by transparency, accountability and fairness. He shall also exercise leadership, prudence and integrity in directing the Fund towards sustained progress.

A Director shall observe the following norms of conduct:

1. To conduct fair business transactions with the Fund and to ensure that personal interest does not bias Board decisions and does not conflict with the interest of the Fund;
2. To devote time and attention necessary to properly and effectively perform his duties and responsibilities;
3. To act judiciously;
4. To exercise independent judgment;
5. To have a working knowledge of the statutory and regulatory requirements affecting the Fund, including the contents of its Articles of Incorporation and By-Laws, the rules and regulations of the SEC, and where applicable, the requirements of other regulatory agencies;
6. To observe confidentiality;
7. To ensure the continuing soundness, effectiveness, and adequacy of the Fund's internal control environment;
8. Notify the Board before accepting a directorship in another company; and
9. To fully disclose his adverse interest, abstain from taking part in the deliberations for the same and recuse from voting on the approval of the transaction in case there is material or potential interest in any transaction affecting the Fund.

I) Specific Duties and Responsibilities of Non-Executive Directors

The NEDs shall have separate periodic meetings with the External Auditor and heads of the internal audit, compliance and risk functions, without any EDs present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead ID director, if applicable.

J) Orientation and Continuing Training Program

An orientation program and annual continuing training for first-time Directors shall be in place to promote effective Board performance and continuing qualification of the Directors in carrying out their duties and responsibilities. The orientation program ensures that new Directors are appropriately apprised of their duties and responsibilities, before beginning their directorships, and throughout their tenure. The orientation program shall cover SEC-mandated topics on corporate governance and shall include an introduction to the Fund's business, Articles of Incorporation and By-Laws, and Code of Ethics. The orientation program shall be for at least eight (8) hours.

The annual continuing training program shall ensure that Directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Fund. The training can be on any matter relevant to the Fund, which may include training on audit, internal controls, risk management, sustainability, and strategy. Training for corporate governance shall be conducted by SEC-accredited institutional training providers. The annual continuing training shall be for at least four (4) hours.

K) Internal Control Responsibilities of the Board

The control environment of the Fund consists of:

1. The Board which ensures that the Fund is properly and effectively managed and supervised;
2. Management that actively manages and operates the Fund in a sound and prudent manner;
3. The organizational and procedural controls supported by effective management information and risk management reporting systems; and
4. An independent audit mechanism to monitor the adequacy and effectiveness of the Fund's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations, and contracts.

The minimum internal control mechanisms for the performance of the Board's oversight responsibility includes:

1. The definition of the duties and responsibilities of the CEO/President who is ultimately accountable for the Fund's organizational and operational controls; and
2. The selection of the person who possesses the ability, integrity, and expertise essential for the position of CEO/President;

L) Board Meetings and Quorum Requirement

The members of the Board shall attend and actively participate in its regular and special meetings in person or through teleconferencing, computer conferencing, audio conferencing, video conferencing, and other remote or electronic means of communication conducted in accordance with the rules and regulations of the SEC⁵, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent them from doing so.

In Board and Committee meetings, the Directors shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

The IDs shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) ID in all its meetings.

To monitor the Directors' compliance with the attendance requirements, the Fund shall submit to the SEC, on or before January 30 of the following year, a sworn certification on the Directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing.

M) Remuneration of Directors and Officers

The levels of remuneration of the Fund shall be sufficient to be able to attract and retain the services of qualified and competent Directors and Officers. The Board shall align the remuneration of key Officers and Board members with the long-term interests of the Fund.

The Board shall have a formal and transparent procedure for the development of a policy on executive remuneration or determination of remuneration levels for individual Directors and Officers depending on the particular needs of the Fund.

No Director shall participate in the determination of his own per diem or compensation.

The Fund's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its Directors and top four (4) management Officers during the preceding fiscal year.

To protect the Fund, the SEC may, in exceptional cases, e.g., when a Fund is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits to its Directors and Officers.

ARTICLE 5: BOARD COMMITTEES

The Board may carry out its various responsibilities through Committees that shall be set up to support the effective performance of the Board's functions.

The Committees shall be composed only of Board members.

All Committees shall have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters should provide the standards for evaluating the performance of the Committees and its members.

⁵ SEC Memorandum Circular No. 6; series of 2020 on the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication

A) Nomination Committee

The Board shall create a Nomination Committee which shall consist of at least three (3) members of the Board, one of whom must be an ID.

Duties and Responsibilities of the Nomination Committee

1. Determine the nomination and election process for the Directors and defines the general profile of Board members that the Fund may need, and ensures that appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election;
2. Establishes a formal and transparent procedure for determining the remuneration of Directors and Officers that is consistent with the Fund's culture and business strategy as well as the business environment in which it operates.
3. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors;
4. In consultation with the Executive or Management Committees, re-define the role, duties and responsibilities of the CEO/President by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.
5. Consider the following guidelines in the determination of Directorship in the Board:
 1. The nature of the business of the Fund;
 2. Age of the Director;
 3. Number of Directorships and active memberships and Officerships in other Funds or organizations; and
 4. Possible conflict of interest.

B) Audit Committee

The Board should establish an Audit Committee to enhance its oversight capability over the Fund's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

The Committee shall be composed of at least three (3) appropriately qualified NEDs, the majority of whom, including the Chair, shall be IDs. All of the members of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance. The Chair of the Committee shall not be the Chair of the Board or of any other committees.

In order to ensure independence and prevent conflict of interest, the members of the Audit Committee shall not be allowed to hold interlocking directorships in other entities involved in the operation of the Fund such as the Fund Manager, Fund Distributor, Fund Advisor, Transfer Agent, and Custodian.

Duties and Responsibilities of the Audit Committee

1. Ensure a reliable and strong internal audit control system with the duly appointed / registered Investment Manager's own internal corporate set-up. A well-designed internal audit control system provides a system of checks and balances in order to:
 1. Safeguard the Fund's resources and ensure their effective utilization;
 2. Prevent occurrence of fraud and other irregularities;
 3. Protect the accuracy and reliability of the company's financial data; and
 4. Ensure compliance with applicable laws and regulations;
2. Monitor Management's responsiveness to the internal auditor's findings and recommendations;
3. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one (1) audit firm is involved in the activity to identify proper coverage and minimize duplication of efforts;
4. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and the corporation's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Fund's Annual Report and ACGR;
5. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 1. Any change/s in accounting policies and practices;
 2. Areas where a significant amount of judgment has been exercised;
 3. Significant adjustments resulting from the audit;
 4. Going concern assumptions;
 5. Compliance with accounting standards; and
 6. Compliance with tax, legal and regulatory requirements;
6. Review the recommendations in the External Auditor's management letter;
7. Perform oversight functions over the Fund's Internal and External Auditors and ensures their independence and unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions taking into consideration relevant Philippine professional and regulatory requirements;
8. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
9. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the Shareholders;
10. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are

monitored, the Related Party Registry is updated to capture subsequent changes in relationships with counterparties from non-related to related and vice versa;

11. Perform the functions of the IOE Committee, as provided under, in the absence thereof;
12. Perform the functions of the Corporate Governance Committee, as provided under, in the absence thereof;
13. Perform the functions of the RPT Committee, as provided under, in the absence thereof;
14. Perform the functions of the BRO Committee, as provided under, in the absence thereof; and
15. Meets internally and with the Board at least once every quarter without the presence of the CEO/President or other Management team members, and periodically meets with the head of the Independent Audit.

C) Independent Oversight Committee

The Fund shall perform oversight over its Fund Manager. Pursuant to this, the Audit Committee shall also function as an impartial Committee or IOE, as recommended by SEC regulation⁶, to monitor the transactions and functions carried out by the Fund Manager.

Duties and Responsibilities of the Independent Oversight Committee

1. Exercise care and diligence when monitoring the transactions and functions of the Fund Manager;
2. Oversee the transactions and functions of the Fund Manager to ensure compliance with the disclosures made in the Registration Statement, prospectus, the ICA, SRC, and their implementing rules and regulations. For cross-border offerings or transactions, in addition to the abovementioned, oversee the transactions of the Fund Manager in order to ensure that it also complies with the standards and requirements of bilateral or multilateral agreements allowing cross-border offerings and transactions that the Philippines is a party to;
3. Oversee the subscription and redemption of shares or units facilitated by the Fund Manager and to approve the request of the Fund Manager in the case of suspension of redemption of shares or units whenever necessary for the protection of investors subject to the rules on Suspension of Redemption provided under Rule 10.4 of the ICA implementing rules and regulations;
4. Oversee the activities of the Fund Manager in order to ensure that it complies with the rules on investment restrictions and limitations, liquidity requirements, and other regulations involving the operationalization of the investment objectives, investment policy or strategy of the Fund;
5. Oversee the transactions of the Fund Manager to ensure that delegation will not result in unnecessary fees to be paid by the Fund and ensure that it will not delegate its function to the extent that it becomes a letter box such as when it no longer has the power to take decisions in the implementation of the investment policy and strategies nor retain the suitable process to monitor, control the activities and evaluate the performance of the delegatee;

⁶ SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications or Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

6. If, in the reasonable opinion of the IOE, the Fund Manager has not complied with any of the laws, rules or regulations applicable to the Fund, and/or it failed to report to the SEC the said non-compliance, notify the SEC of its opinion, including particulars of the non-compliance, not later than five (5) business days after forming the opinion or upon knowledge of the non-compliance. The notification shall be done by filing an SEC Form 17-C. It shall notify, without delay, the members of the Board of its opinion so that the Board can apprise the Fund Manager of the said non-compliance and address any resulting breach;
7. Report to the SEC any act of the Fund Manager, which in its opinion may be detrimental to the interests of the shareholders even if the said act is not in violation of any law, rule or regulation, not later than five (5) business days from knowledge thereof; and
8. If necessary, recommend to the Board that the Fund Manager be removed due to its inability to fulfill its functions.

D) Corporate Governance Committee

The Corporate Governance Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

Duties and Responsibilities of the Corporate Governance Committee

1. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Fund's size, complexity of operations and business strategy, as well as its business and regulatory environment;
2. Oversee the periodic performance evaluation of the Board and its Committees as well as the executive management, and conducts an annual evaluation of the said performance;
3. Ensure that the results of the Board evaluation are discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
4. Recommend the continuing education/training programs for Directors, assignment of tasks/projects to Committees, succession plan for the Board members and Senior Officers, and remuneration packages for and individual performance;
5. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance; and
6. Propose and plan relevant trainings for the members of the Board.

E) Related Party Transactions Committee

Duties and Responsibilities of the RPT Committee

1. Evaluate all RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied;

2. Determine any potential reputational risk issues that may arise as a result of or in connection with RPTs. In evaluating RPTs, the Committee takes into account, among others, the following:
 1. The related party's relationship to the Fund and interest in the transaction;
 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 3. The benefits to the Fund of the proposed RPT;
 4. The availability of other sources of comparable products or services; and
 5. An assessment of whether the proposed RPT is undertaken on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Fund should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
3. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Fund's RPT exposures, and policies on potential and/or actual conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
4. Report to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
5. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

F) Board Risk Oversight Committee

The BRO Committee shall be responsible for the oversight of the Fund's ERM System to ensure its functionality and effectiveness. The BRO Committee should be composed of at least three (3) directors, the majority of whom should be IDs, including the Chairperson. At least one (1) member of the committee must have relevant thorough knowledge and experience on risk and risk management.

The BRO Committee has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place in order that the Board and Senior Management will be in a position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.

Duties and Responsibilities of the BRO Committee

1. Develop a formal ERM plan which contains the following:
 1. Common language or register of risks,
 2. Well-defined risk management goals and objectives,
 3. Uniform processes of assessing risks and developing strategies to manage prioritized risks,
 4. Designing and implementing risk management strategies, and
 5. Continuing assessments to improve risk strategies, processes and measures;

2. Oversee the implementation of the ERM plan and conduct regular discussions on the Fund's prioritized and residual risk exposures based on regular risk management reports and assessing how these risks are addressed or managed;
3. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, looks for emerging or changing material exposures, and keeps abreast of significant developments that seriously impact the likelihood of harm or loss;
4. Advise the Board on its risk appetite levels and risk tolerance limits;
5. Review at least annually the Fund's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and major events which may have occurred affecting the Fund;
6. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Funds and its Stakeholders;
7. Oversee the Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Fund. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
8. Report to the Board on a regular basis, or as deemed necessary, the Fund's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

ARTICLE 6: RELATED PARTY TRANSACTIONS

The Board should have the overall responsibility in ensuring that there is a policy and system governing RPTs and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy should include the appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.

Ensuring the integrity of RPTs is an important fiduciary duty of the Director. It is the Board's role to initiate policies and measures geared towards promotion of transparency, prevention of abuse, and protection of the interest of all Shareholders by:

1. Requiring material RPTs to be approved by at least two-thirds (2/3) of the Board, with majority of the IDs approving the transaction, in accordance with the provisions of the RCC, SEC issuances, and other related laws; and
2. Ensuring that transactions occur at market prices, at arm's-length basis and under conditions that protect the rights of all shareholders.

An RPT Policy shall be in place, which shall contain:

1. Identification of related parties;
2. Coverage of RPT policy;
3. Guidelines in ensuring arm's-length terms;

4. Identification and prevention or management of potential or actual conflicts of interest which may arise;
5. Adoption of materiality thresholds, as well as internal limits for individual and aggregate exposures;
6. Approval of material RPTs based on the Fund's materiality threshold;
7. Disclosure requirement of material RPTs;
8. Self-assessment and periodic review of policy;
9. Whistle-blowing mechanisms; and
10. Restitution of losses and other remedies for abusive RPTs.

The Fund may set its materiality threshold at a level where omission or misstatement of the transaction could pose a significant risk to the Fund and influence its economic decision.

Depending on the materiality threshold, the approval of Management, the Board, or the Shareholders may be required. In cases where the Board and/or Shareholders' approval is required, the interested Directors and/or Shareholders, respectively, shall abstain and let the disinterested parties decide.

ARTICLE 7: ACCOUNTABILITY AND AUDIT

The Board is primarily accountable to the Shareholders. It shall provide them with a balanced and comprehensible assessment of the Fund's performance, position and prospects on a regular basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the Shareholders.

A) Internal Auditor

Due to the nature of an Investment Fund set-up where the Fund does not have any employees of its own and where all the daily business transactions are undertaken by the Fund's Investment Manager, the Fund does not intend to employ its own Internal Auditor but in return, the Board shall ensure a reliable and strong internal audit control system with the duly appointed / registered Investment Manager's own internal corporate set-up.

Functions of the Internal Auditor

1. Provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in:
 1. Promoting the right values and ethics,
 2. Ensuring effective performance management and accounting in the Fund,
 3. Communicating risk and control information, and
 4. Coordinating the activities and information among the Board, External and Internal auditors, and Management,

2. Perform regular and special audit as contained in the annual audit plan and/or based on the Fund's risk assessment;
3. Perform consulting and advisory services related to governance and control as appropriate for the organization;
4. Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
5. Review, audit and assess the efficiency and effectiveness of the internal control system of all areas of the Fund;
6. Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
7. Evaluate specific operations at the request of the Board or Management, as appropriate; and
8. Monitor and evaluate governance processes.

B) External Auditor

An External Auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Fund. The Board, after consultations with the Audit Committee, shall recommend to the Shareholders an External Auditor duly accredited by the SEC who shall undertake an independent audit of the Fund, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the Shareholders.

Dismissal / Resignation / Cessation from Service

If the External Auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Fund's annual and current reports. The report shall include a discussion of any disagreement between him and the Fund on accounting principles or practices, financial disclosures or audit procedures which the former Auditor and the Fund failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Fund to the External Auditor before its submission.

The Audit Committee should have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the External Auditor should be recommended by the Audit Committee and approved by the Directors and the Shareholders. For the removal or change in the External Auditor, the reasons for removal or change should be disclosed to the SEC, the shareholders, and the public through the Fund website and other required disclosures.

Limitations of the Functions of the External Auditor

The External Auditor shall not, at the same time, provide internal audit services to the Fund. Non-audit work may be given to the External Auditor, provided it does not conflict with his duties as an Independent Auditor, or does not pose a threat to his independence.

The Fund should disclose the nature of non-audit services performed by its External Auditor in the Annual Report in the interest of managing potential conflict of interest cases. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or

policies on non-audit services, which could be viewed as impairing the External Auditor's objectivity.

Duration / Term of Service

The External Auditor shall be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Fund, shall be changed with the same frequency.

Duty to Report Incorrect or Incomplete Statements on Report, etc.

If the External Auditor believes that any statement made in an annual report, information statement or any report filed with the SEC or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

The Audit Committee Charter should include the Audit Committee's responsibility on assessing the integrity and independence of External Auditors and exercising effective oversight to review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the External Auditor's suitability and effectiveness on an annual basis.

C) INDEPENDENT NET ASSET VALUE CALCULATION

The Fund shall engage an independent entity, as required by SEC regulation⁷, to calculate or cross-check its Net Asset Value every dealing day. The entity shall be duly licensed by the BSP, provided that it does not hold directly or indirectly ten percent (10%) or more of the total number of issued shares in the Fund, Fund Manager, or vice versa, nor have a common shareholder that holds directly or indirectly ten percent (10%) or more of the total number of issued share capital of the Fund or Fund Manager; and the entity shall not be the same as the one auditing the Fund and Fund Manager.

ARTICLE 8: CORPORATE SECRETARY

The Board should ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors and should annually attend a training on corporate governance.

Qualifications of the Corporate Secretary

1. The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines;
2. Considering his varied functions and duties, he must possess administrative and interpersonal skills, and if he is not the general counsel, then he must have adequate legal skills; and

⁷ SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications or Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

3. He must also have a working knowledge of the operations of the Fund.

Duties and Responsibilities of the Corporate Secretary

1. Assists the Board and the Committees in the conduct of their meetings (i.e. agenda setting, preparation of annual schedule of meetings and board calendar);
2. Safekeeps and preserves the integrity of the minutes of the meetings of the Board, Committees and Shareholders, as well as other official records of the Fund;
3. Keeps abreast of relevant laws, regulations, all governance issuances, industry developments and operations of the Fund, and advises the Board and the Chairperson on all relevant issues as they arise;
4. Works fairly and objectively with the Board, Management and Shareholders and contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and its Shareholders as well as other Stakeholders;
5. Advises on the establishment of Committees and their terms of reference;
6. Informs members of the Board, in accordance with the By-Laws, of the agenda of their meetings at least five (5) working days before the date of the meeting, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
7. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
8. Performs all required administrative functions;
9. Oversees the drafting of the By-laws and ensures that they conform with regulatory requirements; and
10. Performs such other duties and responsibilities as may be provided by the Board and the SEC.

ARTICLE 9: COMPLIANCE OFFICER

The Compliance Officer is a member of the Fund's Management team in charge of the compliance function. Similar to the Corporate Secretary, he is primarily liable to the Fund and its shareholders and not to the Chair or President.

The appointment of the Compliance Officer shall be immediately disclosed to the SEC on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to said Officer.

Duties and Responsibilities of the Compliance Officer

1. Ensures proper onboarding of new Directors (i.e., orientation on the Fund's business, charter, Articles of Incorporation and By-Laws, among others);
2. Monitors, reviews, evaluates and ensures the compliance by the Fund, its Officers and Directors the relevant laws, this Manual, rules and regulations and all governance issuances of regulatory agencies;

3. Reports to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
4. Ensures the integrity and accuracy of all documentary and electronic submissions as may be allowed under SEC rules and regulations;
5. Appears before the SEC when summoned in relation to compliance with this Manual and other relevant rules and regulations;
6. Collaborates with other departments within the Fund to properly address compliance issues, which may be subject to investigation;
7. Identifies possible areas of compliance issues and works towards the resolution of the same; and
8. Ensures the attendance of Directors and key Officers to relevant trainings;

ARTICLE 10: ADEQUATE AND TIMELY INFORMATION

To enable the members of the Board to properly fulfill their duties and responsibilities, the Investment Manager shall provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information furnished by Investment Manager may not be sufficient in all circumstances and further inquiries may be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the Directors shall be given independent access to Investment Manager and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents.

The Directors, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Fund's expense.

ARTICLE 11: DISCLOSURE AND TRANSPARENCY

The essence of corporate governance is transparency. The more transparent the internal workings of the Fund are, the more difficult it will be for Management and dominant Shareholders to mismanage the Fund or misappropriate its assets.

It is therefore essential that all material information about the Fund which could adversely affect its viability or the interests of its Shareholders and other Stakeholders shall be publicly and timely disclosed. Such information shall include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, RPTs, and direct and indirect remuneration of members of the Board and Management. All such information shall be disclosed through the appropriate Exchange mechanisms and submissions to the SEC.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information and submissions to the SEC for the interest of its Shareholders and other Stakeholders.

The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to Shareholders and other Stakeholders that gives a fair and complete picture of a Fund's financial condition, results, and business operations.

The Fund should have a policy requiring all Directors and Officers to disclose/report to the Fund any dealings in the Fund's shares by the said Directors and Officers within five (5) business days.

The Fund should disclose all relevant information on its corporate governance policies and practices in the ACGR, which shall be submitted to the SEC, and continuously updated and posted on the Fund's website.

Contents of the ACGR

1. A policy on disclosure of all relevant and material information on Directors and key Officers to evaluate their experience and qualifications, and assess any potential and/or actual conflicts of interest that might affect their judgment.⁸
2. Board and Executive remuneration, as well as the level and mix of the same;
3. Accurate disclosure to the public of every material fact or event that occurs in the Fund, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its Shareholders and other Stakeholders, which includes policy on the appointment of an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets;
4. The non-audit work, if any, of the External Auditor, the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Fund's overall consultancy expenses;
5. The attendance record of the Fund's directors for the previous year; and
6. Other information that the SEC or other regulatory agencies, may, from time to time require disclosure of.

This Manual shall be submitted to and made available at the SEC. It shall also be available for inspection by any Shareholder of the Fund at its principal office during reasonable hours on a business day. The Manual shall, likewise, be posted on the Fund's website.

Reportorial or Disclosure System of the Fund's Corporate Governance Policies

1. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC by the responsible Committee or Officer through the Fund's Compliance Officer.
2. All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, Board changes, related party transactions, shareholdings of Directors, and changes to ownership.
3. Other information that shall always be disclosed includes remuneration (including stock options) of all Directors and Senior Management, corporate strategy, and off-balance sheet transactions.
4. All disclosed information shall be released through announcements and annual reports.
5. The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the Stakeholders.

⁸ "Annex C", as amended, SRC Rule 12 on Non-Financial Disclosure Requirements

ARTICLE 12: SHAREHOLDERS' RIGHTS AND PROTECTION

The Fund recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and External parties concerned, as governance covenant between the Fund and all its investors:

Rights of Shareholders

The Board shall be committed to respect the rights of the Shareholders, namely:

1. Voting Rights

1. Shareholders shall have the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the RCC.
2. Cumulative voting shall be used in the election of Directors.
3. A Director shall not be removed without cause if it will deny minority Shareholders representation in the Board.
4. Right to vote on all matters that require Shareholders' consent or approval

2. Pre-emptive Rights

All Shareholders shall have pre-emptive rights, unless the same is denied in the Articles of Incorporation or amendments thereto. They shall have the right to subscribe to the capital stock of the Fund. The Articles of Incorporation shall lay down the specific rights and powers of Shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the RCC.

3. Power of Inspection

All Shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Manual and shall be furnished with annual reports, including financial statements, without costs or restrictions.

4. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the Directors and Officers and certain other matters such as their holdings of the Fund's shares, dealings with the Fund, relationships among Directors and key Officers, and the aggregate compensation of Directors and Officers.
2. The minority Shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
3. The minority Shareholders shall have access to any and all information relating to matters for which Management is accountable for and to those relating to matters for which Management shall include such information and, if not included, then the minority Shareholders shall be allowed to propose to include such matters in the agenda of Shareholders' meetings, being within the definition of "legitimate purposes."

5. Right to Dividends

The Fund shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except when:

1. Justified by definite corporate expansion projects or programs approved by the Board;
2. The Fund is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or
3. When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Fund, such as when there is a need for special reserves for probable contingencies.

6. Appraisal Right

The Shareholders' shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 81 of the RCC, under any of the following circumstances:

1. In case of any amendment to the Articles of Incorporation which has the effect of changing or restricting the rights of any Shareholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Fund's property and assets as provided in the RCC;
3. In case of merger or consolidation; and
4. In case of investment of corporate Funds for any purpose other than the primary purpose of the Fund.

The Board shall be transparent and fair in the conduct of the Annual and Special Shareholders' Meetings. The Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the Shareholder's favor.

It is the duty of the Board to promote the rights of the Shareholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

Remedies For Infringement of Shareholders' Rights

The Board shall encourage the exercise of Shareholders' voting rights and the solution of collective action problems through appropriate mechanisms or alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.

Management shall ensure constant engagement and communication with Shareholders through a designated investor or customer relations officer. The Officer shall be present in Annual or Special Shareholders' Meetings and have a designated email address and telephone number to receive feedback, complaints, and queries.

Meetings of Shareholders

The Board shall take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the Shareholders' meaningful participation in meetings, whether in person or by proxy. In furtherance thereof, poll voting shall be highly encouraged as opposed to the show of hands. Proxy voting may be considered, including the electronic distribution of

proxy materials. The right to vote may also be exercised through remote communication or *in absentia*⁹.

In cases where the Shareholders cannot physically attend Shareholders' meetings, they may do so through remote communications or other alternative modes of communication. If the Shareholder intends to participate in a meeting through remote communication, he shall notify the Corporate Secretary

Although all Shareholders shall be treated equally or without discrimination, the Board shall give minority Shareholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Fund. However, to prevent the abuse of this right, the Fund may require that the proposal be made by Shareholders holding a specified percentage of shares or voting rights. To ensure that minority Shareholders are not effectively prevented from exercising this right the degree of ownership concentration shall be considered in determining the threshold.

All Shareholders shall be given the opportunity to nominate candidates to the Board, and/or cause the removal of any member thereof in accordance with the existing laws. The procedures of the nomination and removal process shall be discussed clearly by the Board. The Fund shall fully and promptly disclose all information regarding the expertise, experience and background of the candidates to enable the shareholders to study and conduct their own background check as to the candidates' qualification and credibility.

The result of the votes on matters taken during the most recent Annual or Special Shareholders' Meeting shall be made publicly available on the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting shall be available on the website.

Notice to Shareholders

Accurate and timely information shall be made available to the Shareholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval at least 21 days before the meeting. The Directors shall pave the way for the electronic filing and distribution of Shareholder information necessary to make informed decisions subject to legal constraints. In order for the Shareholders to plan their participation in the meeting, the notice shall also be posted on the Fund's website.

ARTICLE 13: STAKEHOLDERS' RIGHTS AND PROTECTION

The Board shall identify the Fund's various Stakeholders and promote cooperation in creating wealth, growth and sustainability. These Stakeholders shall include, among others, the Fund's customers, resource providers, creditors, holders of proprietary and non-proprietary rights. and the community in which it operates.

The Board shall ensure that fair, professional, and objective dealings, as well as clear, timely and regular communication with the Stakeholders ensure fair treatment and protection of their rights.

Clear policies and programs shall be in place to provide a mechanism on the fair treatment, protection, and enforcement of the rights of Stakeholders.

ARTICLE 14: COMPREHENSIVE AND COST-EFFICIENT ACCESS TO INFORMATION

⁹ SEC Memorandum Circular No. 6; series of 2020 on the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication

The Fund shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, Stakeholders and other interested users.

Contents of the Website:

1. Manual on Corporate Governance;
2. Annual Corporate Governance Report;
3. Board Charter;
4. Committee Charters, and
5. The Code of Business Conduct and Ethics.

ARTICLE 15: LIQUIDATION OF ASSETS AND WINDING UP OF THE FUND¹⁰

The Fund Manager shall carry out the liquidation of assets on behalf of the Fund. In all cases of revocation of the Registration Statement and Certificate of Permit to Offer Securities for Sale, the Fund Manager must liquidate the assets within a period of six (6) months from the receipt of the Fund of the Order revoking the Registration Statement or Certificate. The Fund shall wind up or amend its business purposes within one (1) year from receipt of the same.

The Fund or the Fund Manager shall inform the SEC of the status of the redemption of securities every 30th of January until all the shares have been fully redeemed¹¹.

ARTICLE 16: ADMINISTRATIVE SANCTIONS

1. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Fund's Directors, Officers, staff, and affiliates and their respective Directors, Officers and staff in case of violation of any of the provisions of this Manual:
 1. In case of first violation, the subject person shall be reprimanded.
 2. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.
 3. For the third violation, the maximum penalty of removal from office shall be imposed.
2. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman the imposable penalty for such violation, for further review and approval of the Board.

ARTICLE 17: ADOPTION AND EFFECTIVITY OF REVISED MANUAL

¹⁰ SEC Memorandum Circular No. 21; series of 2019 on the Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications or Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies

¹¹ Rule 13.1.8 of the ICA IRR on the Residual Obligation of the Investment Company with a Revoked Registration Statement.

Pursuant to the requirement of the SEC under Memorandum Circular No. 24; s. 2019, this amended Manual on Corporate Governance is signed on behalf of the registrant by the undersigned, thereunto duly authorized.

- Signature Page Follows -

SIGNATURES

REV. MSGR. DANIEL B. STA. MARIA
President

ATTY. PAOLO JOHN D. PURGANAN
Compliance Officer

Board Self-Assessment Form

Rating Scale: 1. Needs Improvement 2. Satisfactory 3. Good 4. Very Good 5. Excellent
 (Director to check (✓) the box that corresponds to the selected rating and provide comments, if any)

EVALUATION FACTOR	RATINGS					COMMENTS
	1	2	3	4	5	
A. Strategic Foresight						
1. The Board evaluates the financial results periodically vis-à-vis its investment objectives to assess the Solidaritas Fund Inc. as well as Management’s performance, considers new opportunities and responds promptly to industry trends and external developments.						
2. The Board reviews and evaluates changes in fund features, major investment movements, significant expenses, including key assumptions, major risks and critical issues before approval and monitors outcomes.						
B. Board Structure and Committee Effectiveness						
1. Solidaritas Fund Inc. has an appropriate board size and structure that promotes efficiency, allows critical discussion of issues and thorough review of matters, and proper discharge of its functions, taking into account the nature and complexity of operations, and size and types of risks to which Solidaritas Fund Inc. are exposed.						
2. The Board is guided by a Manual of Corporate Governance.						
3. The composition of the Board has the right mix of expertise, diversity, and independence, allowing it to add value, critical thinking and judgment to effectively govern Solidaritas Fund Inc.’ formulation and implementation of sound corporate strategies and policies.						
4. The Board has appropriately constituted the committees necessary to heighten efficiency of board operations and assist in exercising its authority for oversight of internal control, risk management and performance monitoring of Solidaritas Fund Inc., with well-defined charters and board reporting requirements.						

EVALUATION FACTOR	RATINGS					COMMENTS
	1	2	3	4	5	

C. Board Meetings and Procedures

1. The number of board meetings during the year is adequate. The schedule of matters is up to date and regularly reviewed.						
2. Board members receive accurate minutes and board packs; written agendas and meeting notices; and relevant material to prepare in advance of meetings and enable full and proper consideration to be given to important issues.						
3. Board meetings are conducted with sufficient time and management presence, as well as in a manner that encourages open communication and meaningful participation.						
4. All board decisions, other than those that have been properly delegated are made in the board room.						
5. The level of support from the Corporate Secretary that is placed at the Board's disposal is satisfactory.						
6. There is a proper level of follow-up on outstanding actions arising from board meetings.						

D. Board and Management Relations

1. The relationship between the Board and the Fund Manager and Principal Distributor strikes the right balance between challenge and mutuality.						
2. The Board's discussions enhance the quality of Fund Manager's decision making (e.g., engaging them in dialogue that stimulates and enhances their thinking and performance).						
3. The Board sets the overall tone and direction of Solidaritas Fund Inc. and establishes guidelines on the nature and amount of risk that the Funds may take.						
4. The Board has approved comprehensive policies and procedures for all material activities and risks in the organization. The Board is kept fully informed on all material matters between meetings (e.g., appropriate external information on emerging risks, regulatory changes, etc).						

EVALUATION FACTOR	RATINGS					COMMENTS
	1	2	3	4	5	

E. Induction and Continuing Education

1. The continuing education program, special briefings by external advisors, formal courses and conferences and focused seminars received by the Board and new members are timely and appropriate (e.g., regulatory matters, cyber risks, industry developments) and assist Board members in the execution of their duties.						
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F. Performance Evaluation

1. The Board has in place an appropriate process for regular board, committee and individual board member evaluation.						
2. The Board’s performance assessment process enhances Board effectiveness.						

G. Value Creation

1. The Board has good key relationships with Solidaritas Fund Inc.’ major stakeholders and there is respect for what the Board does.						
2. The Board makes well-informed and high quality decisions based on a clear line of sight into the business that creates stakeholder value.						
3. The Board creates a performance culture that drives value creation without exposing Solidaritas Fund Inc. to excessive risk of value destruction.						
4. The Board holds executive or private sessions as often as needed to discuss sensitive matters.						

OVERALL RATING OF BOARD PERFORMANCE	Excellent	Very Good	Good	Satisfactory	Needs Improvement

OTHER COMMENTS/ SUGGESTIONS
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Name of Director: Signature: _____ Date: _____