

FINAL PROSPECTUS

Ekklesia Mutual Fund

*19/F, BPI Buendia Center,
Sen. Gil J. Puyat Ave.,
Makati City 1209
Tel No. (02) 580-3566 / 580-3569*

(An open-end investment company organized under Philippine Laws)

**An Offer of up to the Number of Authorized Shares of
Ekklesia Mutual Fund at an Offer Price of Net Asset Value per Share
on the date of subscription**

	EKKLESIA MUTUAL FUND
Number of Authorized Shares	245,000,000
Minimum Initial Investment	PHP 5,000.00
PAR value	PHP 1.00

**Securities will be traded over the counter through
SEC Certified Investment Solicitor (CISol) or via online facility**

BPI Investment Management, Inc.

Fund Manager

*19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City
Tel No. (02) 580-3566 / 580-3569*

BPI Investment Management, Inc., Tel No. (02) 580-3566 / 580-3569

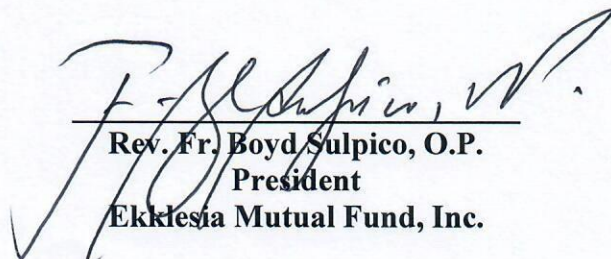
19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City

Principal Distributor

The date of this PROSPECTUS is September 26, 2019.

THESE SECURITIES SHALL BE SOLD AND REDEEMED ONLY THROUGH THE FUND'S DISTRIBUTORS. THE FUND'S SHARES SHALL NOT BE LISTED NOR TRADED ON THE PHILIPPINE STOCK EXCHANGE. SHARES OF THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY FINANCIAL INSTITUTION, AND ARE NOT INSURED WITH THE PHILIPPINE DEPOSIT INSURANCE CORPORATION.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL
INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.


Rev. Fr. Boyd Sulpico, O.P.
President
Ekklesia Mutual Fund, Inc.


MAKATI CITY

OCT 03 2019

SUBSCRIBED AND SWORN TO before me this ____ day of ____ 20__. Affiant,
Rev. Fr. Boyd Sulpico, O.P., exhibiting to me his Tax Identification No. 218-353-
309.

NOTARY PUBLIC

Doc. No. 174
Page No. 40
Book No. 4
Series of 2019


ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-J7- UN TIL DEC. 31, 2020
ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. VI-0022250/4-4-2019
IBP O.R No. 706762-LIFETIME MEMBER JAN. 29, 2007
PTR No. 7333020- JAN 03, 2019- MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST
MAKATI CITY

EKKLESIA MUTUAL FUND, INC.

SUMMARY OF FEES TO BE DEDUCTED FROM THE FUND	
Management, Distribution, Advisory and Transfer Agent Fee based on the average daily trading NAV of the Fund	1.75% p.a.
Management Fee	0.85% p.a.
Distribution Fee	0.85% p.a.
Transfer Agent Fee	0.05% p.a.
Safekeeping Fees based on face/nominal value of the securities at month end for fixed income securities and based on the market value of the portfolio at month end for local equities	
Scripless Securities / Book Entry	
Asset Size: USD 0 – USD 250 Mn	1.50 bps p.a.
Above USD 250 Mn to USD 750 Mn	1.25 bps p.a.
Above USD 750 Mn	1.00 bps p.a.
Physical Securities	PhP 10,000 per month
2018 External Audit Fee	PhP 215,600.00

OTHER FEES	
Maximum Sales Load, if any, to be collected from the subscribers based on amount invested by an applicant or Shareholder	1.5%
Early Redemption Fee based on the amount redeemed	
180 days or less	1.00% flat
more than 180 days	none

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THE OFFER

Ekklesia Mutual Fund

(The Fund is incorporated under the laws of the Republic of the Philippines)

The following summary about the Fund and the Offer is qualified by detailed information appearing elsewhere in this Prospectus. Cross references in this summary are to headings in the Prospectus.

This document relates to an Offer for subscription to the shares of common stock of the Ekklesia Mutual Fund.

This is an Offer of up to 245,000,000 shares of common stock of par value PhP1.00 each (the “Offer Shares” in the capital stock of Ekklesia Mutual Fund, Inc. (“EMFI” or the “Fund”) at the Fund’s prevailing Net Asset Value (“NAV”) per share, plus any applicable sales load, on the date of sale of the shares. The Fund may terminate the Offer at any time or when the number of Shares subscribed and paid for has reached 245,000,000.

The Fund was incorporated on October 28, 2003, with an authorized capitalization of PHP245,000,000 divided into 245,000,000 shares with par value of PhP1.00 each.

The investment objective of the Fund is growth through income derived from medium- to long-term fixed income instruments denominated in Philippine Peso or major foreign currencies. Due to the moderately conservative nature of the Fund, the Fund shall best cater to investors who seek a relatively stable return on investment that is slightly higher than traditional term deposit and who are willing to take minor negative fluctuations in returns. 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.

The Fund’s shares shall be made available to the public primarily through accredited mutual fund distributor or authorized distributors and sales agents of BPI Investment Management, Inc. (“BPI Investment”). BPI Investment is licensed by the Securities and Exchange Commission to distribute securities to the public. As required under the Investment Company Act, a Custodian Bank has been appointed by the Fund for the purpose of holding relevant securities of the Fund.

USE OF PROCEEDS

The total proceeds from the sale of the 245,000,000 shares is estimated at PHP 539,955,500.00 (using PHP2.2039 NAVPS as of September 25, 2019), which shall be used to purchase fixed-income securities in accordance with the investment objective, policies, and limitations of the Fund such as government securities of the Republic of the Philippines and other sovereign issuers, other evidences of indebtedness that enjoy the full guaranty of the sovereign state, to some extent time deposit or special savings accounts of private and government-owned banks, and prime corporate debt issues, denominated in Philippine Peso or major foreign currencies. Corporate debt issues go through a rigorous evaluation and approval process that start with credit investigation of all credit proposals. Evaluation is done based on external credit risk ratings as well as the fund manager’s own internal credit risk rating model. Recommended exposures go through various approval levels and existing exposures undergo monitoring and regular credit reviews.

The Fund has entered into a Management and Distribution Contract with BPI Investment Management, Inc. authorizing BPI Investment to purchase and sell investment securities for the account of the Fund. Services include the investment and re-investment of the cash and other assets and the purchase and sale of securities which will form part of the investment portfolio of the Fund, in accordance with the investment policies or guidelines which the Board of Directors of the Fund may from time to time prescribe and in conformity with the Fund’s Articles of Incorporation and By-Laws as may be amended from time to time, the Investment Company Act, and other applicable laws and regulations.

The Custodian Bank shall hold the relevant securities of the Fund including subscription payments or proceeds from the sale of this security, until they can be invested in marketable securities consistent with the Fund’s objectives. No other funds outside the proceeds of this offer shall be needed to accomplish the Fund’s investment objective. There is no material amount out of the proceeds of the offer that is to be used to discharge debt, acquire assets or finance the acquisition of other business, or to reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned or advanced.

Total expenses paid out or projected to be paid out of the gross proceeds are PHP9.45 Mn for management, distribution, advisory, transfer agent fees/other professional fees and filing fee & business registration license of PHP49 Th.

THE OFFER SHARES

All of the Shares in issue or to be issued pursuant to the Offer have, or upon issue will have, identical rights and privileges. These are outlined in the section on Description of Capital Stock. The Offer Shares shall be owned primarily by religious orders, corporations, congregations or associations, stock or non-stock, for profit or non-profit, educational institutions owned by, managed by, or affiliated with the religious orders, corporations, congregations and associations, or by individual members of the Roman Catholic diocesan clergy. (see subsection on “Eligible Investors” under the section headed “Terms and Conditions of the Offer”). The liability of the shareholders is limited to their investment to the company.

Prospective investors in the Fund should carefully consider the matters addressed under “Risk Factors and Risk Monitoring and Management” before making an investment. These risks include, but are not limited to, market risk, interest rate risk, liquidity risk, credit risk, inflation risk, reinvestment risk, foreign exchange risk, and the risk that the value of the Fund is not guaranteed and not insured with the Philippine Deposit Insurance Corporation.

REDEMPTIONS

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. Unless redeemed earlier than the minimum holding period of 180 days when an Early Redemption Fee of 1% will apply, there is no redemption fee.

TOTAL EXPENSES OF THE FUNDS

The total expenses paid out or projected to be paid out of the gross proceeds of the Offer are for filing fees, registration fees, legal research fees, business registration licenses, notarial fees, legal opinion and assistance fees, external auditor’s fees, and management, distribution advisory and transfer agent fees.

RESTRICTIONS ON THE USE OF PROCEEDS

No other funds outside the proceeds of this Offer shall be needed to accomplish the Fund’s investment objective. There is no material amount out of the proceeds of the Offer that is to be used to discharge debt, acquire assets or finance the acquisition of other business, or to reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned or advanced.

PRICE DETERMINATION OF THE FUND’S ASSETS

The Calculation Agent obtains closing prices of underlying securities each day from Philippine Dealing & Exchange Corp. (PDEX) used for calculation of the Fund’s assets.

OFFERING PRICE

The offering price of the shares is the Fund’s prevailing NAV per Share computed as of end-of-day on the date of purchase of the Shares, plus any applicable sales load, to a maximum of 1.5%.

DIVIDEND POLICY

The Corporation Code generally requires a Philippine corporation with surplus profits in excess of 100% of its paid-up capital to declare and distribute such surplus to its shareholders in the form of dividends. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus when (i) justified by definite expansion plans approved by its Board of Directors; (ii) the required consent of any financing institution or creditor to such distribution is not forthcoming; or (iii) it can be clearly shown that such retention is necessary under special circumstances. The Board of Directors may declare cash and stock dividends at such time and in such percentage as they may deem proper after considering the Fund’s unrestricted

retained earnings, cash flow and financial condition, and other legal requirements. Please refer to the Section on Dividends under “Description of Capital Stock” for a more detailed discussion.

FUND MANAGER, PRINCIPAL DISTRIBUTOR, INVESTMENT ADVISOR AND TRANSFER AGENT

The Investment Manager (or “Fund Manager”), Principal Distributor, Investment Advisor and Transfer Agent of the Fund is BPI Investment Management, Inc. (or “BPI Investment”). For its services, BPI Investment shall charge a fee of not more than the rate stipulated below, based on the average daily trading Net Asset Value of the Fund.

Name of Fund	Ekklesia Mutual Fund
Management Fee	0.85% p.a.
Distribution Fee	0.85% p.a.
Transfer Agent Fee	0.05% p.a.

DISTRIBUTORS

The Fund’s Shares shall be made available to the public primarily through the Fund’s distributor, BPI Investment Management, Inc., as well as other authorized and accredited distribution firms. The foregoing companies were licensed by the Securities and Exchange Commission to distribute mutual fund securities to the public.

SALES LOADS

Sales Agents of the Fund’s Distributors shall be entitled to collect a front-end Sales Load, based on each amount invested by an applicant or Shareholder in the Fund, in such percentages but not exceeding the rates stipulated below.

Name of Fund	Amount Invested	Maximum Sales Load
Ekklesia Mutual Fund	Any amount	1.5%

There are no other incidental charges incurred in purchasing the Fund’s shares aside from the applicable sales load fees, if not waived, as stated in this prospectus.

CUSTODIAN BANK

As required under the Investment Company Act, a custodian bank, Citibank, N.A., has been appointed by the Fund for the purpose of holding relevant securities of the Fund, including (if applicable) subscription payments or proceeds from the sale of the Shares, until they can be invested in the appropriate securities consistent with the Funds’ objectives. The custodian bank charges the following safekeeping fees which is billed monthly based on face/nominal value of the securities at month end for fixed income securities and based on the market value of the portfolio at month end for local equities:

Scripless Securities / Book Entry

Asset Size: USD 0 – USD 250 Mn	1.50 bps p.a.
Above USD 250 Mn to USD 750 Mn	1.25 bps p.a.
Above USD 750 Mn	1.00 bps p.a.

Physical Securities PhP 10,000 per month

Minimum Monthly Relationship Fee of USD 1,000 per month

The custodian bank also charges the following transaction fees per transaction.

Scripless Securities

	Formatted Instructions	Unformatted/ Manual Instructions
0 – 1,000 transactions per month	PhP 50	PhP 300
Above 1,000 – 2,000 transactions per month	PhP 35	
Above 2,000 transactions per month	PhP 25	

RECEIVING BANKS

The Bank of the Philippine Islands and BPI Family Savings Bank have been designated by the Fund as Receiving Banks where payments for Shares purchased may be made.

INDEPENDENT AUDITOR

Sycip, Gorres, Velayo & Co. (SGV & Co.) has been appointed by the Fund as its External Auditor.

INFORMATION SUPPLIED BY THE FUND

Unless otherwise stated, the information contained in this document has been supplied by the Fund which accepts full responsibility for the accuracy of the information and confirms, having made all reasonable inquiries, that to the best of its knowledge and belief, there are no other material facts, the omission of which would make any statement in this document misleading in any material respect. Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date hereof.

No dealer, salesman or other person has been authorized by the Fund or the Distributors to issue any advertisement or to give any information or make any representation in connection with the offering or sale of the Offer Shares other than those contained in this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Fund or the Distributors.

This document does not constitute an offer or solicitation by any one in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make any such offer or solicitation. Each investor in the securities offered hereby must comply with all applicable laws and regulations in force in the jurisdiction in which it purchases, offers or sells such securities and must obtain the necessary consent, approval or permission for its purchase, offer or sale of such securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchase, offer or sale, and neither the Fund nor the Distributors shall have any responsibility thereof. Foreign investors interested in subscribing to the Offer Shares should inform themselves as to the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile and as to any relevant tax or foreign exchange control laws and regulations which may affect them.

This Prospectus sets forth concisely the information about the Fund that prospective investors will find helpful in making an investment decision. Investors are encouraged to read this Prospectus carefully and retain it for future reference. Additional information about the Fund has been filed with the Securities and Exchange Commission ("SEC") and is available upon request.

SUMMARY OF FINANCIAL INFORMATION

The following information was lifted from the Interim Financial Statements of the Fund for the period ended March 31, 2019 and Audited Financial Statements for the years ending December 31, 2018 and December 31, 2017. The latest financial reports Audited by the Fund's external auditor, SGV & Co., as of December 31, 2018, appear at the end of this Prospectus. The information set out below should be read in conjunction with the financial statements and related notes that are found in this Prospectus, starting on page 50.

EKKLESIA MUTUAL FUND, INC.

As of March 31, 2019 (Interim) – Balance Sheet		Income Statement	
Total Assets	PhP 246,142,565	Revenues	PhP 4,583,744
Total Liabilities	373,220	Expenses	1,053,493
		Income Before Tax	3,530,251
		Provision for Income Tax	-
Total Equity	245,769,345	Net Income	3,530,251

Net Asset Value per Share as of March 31, 2019: PhP 2.1592

As of December 31, 2018 (Audited) Balance Sheet		Income Statement	
Total Assets	PhP 253,862,851	Revenues	PhP 10,526,993
Total Liabilities	598,977	Expenses	4,985,138
		Income Before Tax	5,541,855
		Provision for Income Tax	2,246,005
Total Equity	253,263,874	Net Income	3,295,850

Net Asset Value per Share as of December 31, 2018: PhP 2.1292

As of December 31, 2017 (Audited) Balance Sheet		Income Statement	
Total Assets	PhP 279,337,360	Revenues	PhP 11,214,243
Total Liabilities	636,333	Expenses	5,415,777
		Income Before Tax	5,798,466
		Provision for Income Tax	2,800,671
Total Equity	278,701,027	Net Income	2,997,795

Net Asset Value per Share as of December 31, 2017: PhP 2.1022

RISK DISCLOSURE STATEMENT

GENERAL RISK WARNING

- The prices of the securities can and do fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- Past performance is not a guide to future performance.
- There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying price and the selling price of these securities.
- An investor deals in a range of investments each of which may carry a different level of risk.

PRUDENCE REQUIRED

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

PROFESSIONAL ADVICE

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

RISK FACTORS AND RISK MONITORING AND MANAGEMENT

The NAVPS of the Fund may fluctuate due to various risk 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 (ie. 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 monitors 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, Fund 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 Fund 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 Fund 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 Fund 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 Fund Manager, caused by the Fund Manager's ability or failure to "read the market" accurately. The Fund 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 is likewise kept abreast of current market conditions through various trainings and seminars on fund management techniques as well as close coordination with various counterparties and regulators.

PRINCIPAL PARTIES TO THE OFFER

Issuer	EKKLESIA MUTUAL FUND, INC. 19/F, BPI Buendia Center Sen. Gil J. Puyat Ave., Makati City
Fund Manager	BPI INVESTMENT MANAGEMENT, INC. 19/F, BPI Buendia Center Sen. Gil J. Puyat Ave., Makati City
Distributor	BPI INVESTMENT MANAGEMENT, INC. 19/F, BPI Buendia Center Sen. Gil J. Puyat Ave., Makati City
Investment Advisor	BPI INVESTMENT MANAGEMENT, INC. 19/F, BPI Buendia Center Sen. Gil J. Puyat Ave., Makati City
Receiving Banks	BANK OF THE PHILIPPINE ISLANDS BPI Building, Ayala Avenue corner Paseo de Roxas Makati City BPI FAMILY SAVINGS BANK BPI Family Savings Bank Building, Paseo de Roxas cor. dela Rosa St., Makati City
Transfer Agent	BPI INVESTMENT MANAGEMENT, INC. 19/F, BPI Buendia Center Sen. Gil J. Puyat Ave., Makati City
Custodian Bank	CITIBANK, N.A., PHILIPPINE BRANCH Citibank Tower, Citibank Plaza 8741 Paseo De Roxas Makati City
External Auditor	SYCIP, GORRES, VELAYO & CO. (SGV & CO.) 6760 Ayala Avenue, Makati City

DEFINITION OF TERMS

BFSB	BPI Family Savings Bank				
Bn	Billion				
BPI	Bank of the Philippine Islands				
BPI Investment	BPI Investment Management, Inc.				
BSP	Bangko Sentral ng Pilipinas				
Corporation	Ekklesia Mutual Fund, Inc.				
Certified Investment Solicitor (CISol)	An individual, employed by a Distributor, who shall have taken and passed the mutual fund sales agents' licensing examination given by the SEC				
Corporation Code	The Corporation Code of the Philippines (<i>Batas Pambansa Blg. 68</i>)				
Credit Authority	The redemption slip or the Fund Order Form for the Fund's Shares, signed by a Shareholder, authorizing the Receiving Bank to credit the proceeds from the sale of said Shares into the Shareholder's Settlement Account				
Customer Referral Sheet	The application for subscription to the Offer Shares in the form prescribed				
Debit Authority	The Payment Slip or the Fund Order Form for the Fund's Shares, signed by an applicant, authorizing the Receiving Bank to debit said applicant's Settlement Account for the full payment of the Shares applied for				
Distributor	BPI Investment Management, Inc.				
Early Redemption Fee	The redemption fee of 1.0% imposed on redemptions made by Shareholders during the minimum holding period, which accrues to the Fund				
Fund	Ekklesia Mutual Fund, Inc.				
Fund Manager	BPI Investment Management, Inc.				
Investment Advisor	BPI Investment Management, Inc.				
Investment Company Act	The Investment Company Act of 1960 (Republic Act No. 2629)				
Minimum Holding Period	The period during which a 1.0% early redemption fee is charged for redemptions made, as follows:				
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Name of Fund</th><th style="text-align: left;">Minimum Holding Period</th></tr> </thead> <tbody> <tr> <td>Ekklesia Mutual Fund</td><td>180 days</td></tr> </tbody> </table>	Name of Fund	Minimum Holding Period	Ekklesia Mutual Fund	180 days
Name of Fund	Minimum Holding Period				
Ekklesia Mutual Fund	180 days				
Mn	Million				
NAV	Net Asset Value, defined as the value of the assets of the Fund, less the value of the liabilities				
NAV per Share	NAV divided by the total number of Shares outstanding including deposits for subscription if there are pending application to increase Authorized Capital Stock				

Offer The Offer to the public for subscription to the maximum number of unclassified and voting common shares of the Fund at the Offer Price, as follows:

Name of Fund	Maximum Number of Shares
Ekklesia Mutual Fund	245,000,000

Offer Price The Fund's prevailing NAV per Share as of end-of-day on the date of purchase of the Shares, plus the applicable sales load, if any.

Offer Shares The unclassified and voting common shares of the Fund

Name of Fund	Maximum Number of Shares
Ekklesia Mutual Fund	245,000,000

Par Value The par value of the Shares, as shown below:

Name of Fund	Par Value (in PhP)
Ekklesia Mutual Fund	1.00

PAS Philippine Accounting Standards

PDEx Philippine Dealing and Exchange Corporation

Peso or PHP Philippine peso, the lawful currency of the Republic of the Philippines

PIFA Philippine Investment Funds Association

Redemption Fee A fee charged to a Shareholder for selling Shares within one hundred and eighty (180) days from the date of purchase of said Shares

Redemption Price The Fund's prevailing NAV per Share as of end-of-day on the date of sale of the Shares, less the applicable Early Redemption Fee, if any

Registration Statement The registration statement filed by the Fund with the SEC in compliance with the Securities Regulation Code and the Investment Company Act.

Regular Subscription Plan (RSP) The automated periodic purchase (i.e., monthly or quarterly) of the Fund's shares in a pre-determined fixed amount

Sales Load The sales commission, if any, collected from the subscribers of the Shares and paid to the Distributors or their Certified Investment Solicitor (CISol)

SEC or Commission The Securities and Exchange Commission of the Philippines

Securities Regulation Code Republic Act No. 8799

Servicing Agent A Certified Investment Solicitor (CISol) of the Fund with whom a Shareholder shall transact all purchases and redemptions of the Shares

Settlement Account A BPI or BFSB current account or savings account required to be opened and maintained by each person or entity transacting the Shares against which all payments for Shares purchased shall be debited and into which all proceeds of Shares sold shall be credited

Shareholder	An owner of Ekklesia Mutual Fund, Inc. shares
Shares	The unclassified and voting common stock of the Ekklesia Mutual Fund, issued out of the Fund's authorized capital stock or, when the context requires, the Fund's outstanding capital stock including the Offer Shares
Transaction Advice	The evidence of ownership of a Shareholder's holdings in the Fund
Valuation Day	A trading day when the Fund is made available for buying or selling and on which date the Fund Manager shall determine the NAV of the Fund

TERMS AND CONDITIONS OF THE OFFER

Eligible Investors

The Shares of the Fund shall be held primarily by religious orders, corporations, congregations or associations and stock or non-stock, for profit or non-profit educational institutions owned by, managed by, or affiliated with the religious orders, corporations, congregations and associations, or by individual members of the Roman Catholic diocesan clergy. The Fund will be a company owned by the Religious for the Religious. It is organized and incorporated to issue and offer its securities for sale in order to provide a safe and profitable investment to Religious Institutions.

Any applicant for subscription to the Offer Shares shall declare and warrant that he is of legal age or, in the case of a corporate applicant, that there are no legal restrictions prohibiting its acquisition of the Shares applied for and that such applicant is otherwise eligible to remain a Shareholder of the Fund throughout the duration of the period that it owns Shares of the Fund.

The Offer

The Fund is offering to the public its unclassified and voting common shares at the Offer Price. The Shares shall be made available for sale until the earlier of: (i) the date the Fund terminates the Offer, or (ii) the date when the number of Shares subscribed and paid for has reached the Authorized Capital Stock indicated below:

Name of Fund	Authorized Capital Stock
Ekklesia Mutual Fund	245,000,000

The Offer Price

The Shares shall be offered at an Offer Price based on the NAV per Share computed by the end-of-day of each valuation date, plus the applicable Sales Load (to a maximum percentage of 1.5%). Shares applied for after the Cut-off Time shall be offered at an Offer Price based on the NAV per share calculated as of the next valuation day, plus the applicable Sales Load, to a maximum of 1.5%.

Cut-off Time

12:00 n.n. of a valuation day

Minimum Subscription

A minimum subscription amount or worth of Shares shall be considered for each new application. The Fund, subject to the approval of its Board of Directors, may change such initial subscription amount and minimum additional subscription amount, including that of the Regular Subscription Plan (RSP). Securities sold shall be on cash basis. Installment sales are hereby expressly prohibited. In a Regular Subscription Plan, the investor purchases share in a periodic frequency (i.e., monthly or quarterly) and at a fixed amount, the minimum of which is similar to the minimum additional subscriptions.

Name of Fund	Minimum Initial Subscription Amount	Minimum Additional Subscription (including for RSP)
Ekklesia Mutual Fund	PhP 5,000.00	PhP 1,000.00

Minimum Maintaining Balance

At any time, Shareholders should have holdings in the Fund worth at least:

Name of Fund	Minimum Maintaining Balance
Ekklesia Mutual Fund	PhP 5,000.00

Minimum Partial Redemption

Redemptions by Shareholders from the Fund should be worth at least:

Name of Fund	Minimum Partial Redemption
Ekklesia Mutual Fund	PhP 1,000.00

Should a partial redemption result in the investment falling below the required Minimum Maintaining Balance, the entire shareholdings of the Shareholder, multiplied by the applicable NAV per Share as of the date of the partial redemption, shall be paid to the said Shareholder via a credit to his Settlement Account, without need of prior notice to the Shareholder, unless the shareholder redeems before the Minimum Holding Period, there will be no redemption fee; otherwise, the Early Redemption Fee of 1% will be applied.

Payment for the Shares

Shares applied for shall be paid in full via a Debit Authority against the applicant's Settlement Account signed by the applicant on the date of application. The Purchase Order should be received before the Fund's cut-off time. Purchase orders received after the cut-off time shall be considered as orders for the next valuation day. The applicant's Settlement Account shall be earmarked in real-time for the subscription amount and the actual debit shall be done at end-of-day after the Offer Price for the day shall have been determined.

Registration of Investments

The registration of foreign investments in the Offer Shares with the proper Philippine Government authorities or authorized agents shall be the responsibility of the affected foreign investor.

COMPANY BACKGROUND

The Ekklesia Mutual Fund, Inc. (“EMFI” or the “Fund”) is a domestic corporation duly authorized to operate as an open-end investment company. The Fund was incorporated on October 28, 2003 with an authorized capitalization of PHP245,000,000.00 consisting of 245,000,000 common shares of par value PHP1.00 per share. 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 medium- to long-term fixed-income securities denominated in Philippine Peso or major foreign currencies.

The Fund is best suited for moderately conservative investors who seek a relatively stable return on investment that is slightly higher than traditional term deposit and who are willing to take minor negative fluctuations in returns. The Fund’s Shares shall be made available to the public primarily through Certified Investment Solicitor (CISol) of the Fund’s Distributors. The Fund has also entered into a Management & Distribution Agreement with BPI Investment Management, Inc. authorizing BPI Investment to purchase and sell investment securities for the account of the Fund. The Fund does not have employees of its own since the management and administration functions are already being handled by BPI Investment. The Fund has adopted a Manual of Corporate Governance and an Anti-Money Laundering Operating Manual. The Fund does not own any property *such as* real estate, plant and equipment, mines, patents, etc. required to be disclosed under Annex C of SRC Rule 12.

There are currently eleven (11) peso bond funds available in the market with total net asset value of PHP 61.22 Bn as of August 31, 2019. The Fund shall be positioned distinctly as a mutual fund by the Religious for the Religious. It shall not endeavor to compete with the ten other bond mutual funds in the market dominated by ALFM, Philam, and Sunlife, and similar bond unit investment trust funds as it shall focus primarily in serving the financial requirements of a niche market. The principal method of competition in this industry is the fund performance or fund return measured as the NAV per share appreciation over time. The Fund will rely on the active management of its appointed Fund Manager to provide investment returns that shall allow its investors to achieve their investment objective as well as participate actively in this shared advocacy by the religious. The wide distribution network of its appointed distributor shall provide the necessary convenience and access to the investors to carry out their transactions.

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

Fund Manager, Investment Advisor and	
Transfer Agent:	BPI Investment Management, Inc.
Fund Distributor:	BPI Investment Management, Inc.

REGULATORY ENVIRONMENT

Investment companies are regulated by the Securities and Exchange Commission and are registered under the Investment Company Act of 1960 and the Securities Regulation Code (“SRC”) of 2000. Prior to the SRC, investment companies were registered under the Revised Securities Act. Any amendments to these or their implementing rules and other applicable laws may have their effects on the operations of investment companies. Moving forward, market and regulatory developments such as the proposed Collective Investments Schemes Law and the Asian Region Fund Passporting, will further drive and shape the mutual fund landscape.

LEGAL PROCEEDINGS

The Fund, the Fund Manager and their Directors and Officers were not involved in any material legal proceeding during the past five (5) years.

ANNUAL MEETING OF THE SHAREHOLDERS

The annual meeting of the shareholders shall be held on the third Monday of June of each year, unless such day is a legal holiday, in which case, it shall be held on the next business day following.

DESCRIPTION OF CAPITAL STOCK

I. Capital Structure

The Ekklesia Mutual Fund's authorized capital stock is shown in the table below:

Name of Fund	Number of Authorized Shares	Par Value (in PhP)	Authorized Capital Stock (in PhP)
Ekklesia Mutual Fund	245,000,000	1.00	245,000,000

II. Rights and Privileges

A. Voting Rights

The Fund shall issue only one (1) class of common shares. The Shares have identical rights and privileges, including voting rights. Each Share entitles the holder thereof to one vote at any meeting of Shareholders of the Fund. Shareholders shall have cumulative voting rights for the election of the Fund's directors.

B. Preemptive Rights

The Corporation Code confers preemptive rights to shareholders of a Philippine corporation and entitles them to subscribe to all issues or other dispositions of shares by the corporation in proportion to their respective shareholdings, regardless of whether the shares proposed to be issued or otherwise disposed of are identical in all respects to the shares held. However, a Philippine corporation may provide for the exclusion of these preemptive rights in its Articles of Incorporation and By-Laws.

The Fund's Articles of Incorporation denies preemptive rights to the Shareholders. Therefore, Shareholders of the Fund do not have the preemptive right to subscribe to any new issue of shares nor the right to purchase any disposition by the Fund of any of its treasury shares. Furthermore, no Shareholder shall have a preemptive or other right to purchase, subscribe for, or take any part of any stock or any other securities convertible into or carrying options or warrants to purchase stock of the Fund. Any part of such stock or other securities may at any time be issued, optioned for sale, and sold or disposed of by the Fund pursuant to the resolution of its Board of Directors, to such persons and upon such terms as may, to such Board, seem proper, without first offering such stock or securities or any part thereof to existing Shareholders.

C. Appraisal Right

Under the Corporation Code, Shareholders who dissent from certain corporate actions (including the merger or sale of all or substantially all of the assets of the Fund) may demand payment of the fair market value (net asset value) of their Shares in certain circumstances. The fair value at which the shares of a dissenting shareholder may be sold to the corporation may be agreed upon by the parties. If they cannot reach agreement, it shall be determined by an independent committee. Payment of the shares of a dissenting shareholder may be made only if the corporation has unrestricted retained earnings to purchase the shares.

Rights of the Shareholders in case of Dissolution of the Investment Company and the Dissolution Plan

The Fund may be dissolved by a majority vote of the Board of Directors and by a resolution duly adopted by the affirmative vote of the investors owning at least two-thirds (2/3) of the outstanding capital stock of the Fund. Investors shall continue to possess all existing rights as shareholders of the Fund.

The Fund will liquidate its assets within six (6) months from receipt of the Order revoking the registration statement of the Fund. During such time, the Fund will no longer accept additional subscriptions and will only allow redemptions of shares based on the prevailing NAVPS. The daily NAVPS of the Fund will continuously be computed and published, as long as practicable.

Other than the foregoing, there are no other material rights for common shareholders of the Fund.

III. Dividends

The Corporation Code generally requires a Philippine corporation with surplus profits in excess of 100% of its paid-up capital to declare and distribute such surplus to its shareholders in the form of dividends. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus when (i) justified by definite expansion plans approved by its Board of Directors; (ii) the required consent of any financing institution or creditor to such distribution is not forthcoming; or (iii) it can be clearly shown that such retention is necessary under special circumstances.

Dividends payable out of the surplus profits of the Fund shall be declared at such time as the Board of Directors shall determine. No dividend shall be declared which shall impair the capital of the Fund. Stock dividends may be declared in accordance with law. The Fund may pay dividends in cash, property or in additional shares, or in some combination of the foregoing. To date, there were no distributions of dividends to stockholders. The Board has no plans of declaring dividends, given the Fund's objective. Declaration of cash dividends is limited to the declaration made by the Fund's Board of Directors subject to the restriction that no dividends will be declared that will impair the capital stock of the company.

IV. Interests of Named Experts and Independent Counsel

The Fund has not hired an expert or independent counsel on a contingent basis.

V. Other Provisions

There are also no provisions in the Articles of Incorporation or By-Laws that would delay, deter or prevent a change in control of the Fund.

MARKET FOR THE FUND'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

Principal Market

The Shares of the Fund are available for purchase primarily by religious orders, corporations, congregations or associations and stock or non-stock, for profit or non-profit educational institutions owned by, managed by, or affiliated with the religious orders, corporations, congregations and associations, or by individual members of the Roman Catholic diocesan clergy, through Certified Investment Solicitor (CISol) of the Fund's Distributors. Investors who have a moderately conservative risk profile are the primary target market of the Fund. The shares of the Fund are not traded publicly on an exchange since the Fund stands ready to redeem or buy back the Shares from the Shareholders any time.

Shares of the Fund may be purchased from the Distributors or their Sales Agents at an Offer Price based on the Fund's NAV per Share any time before Cut-Off, plus the applicable sales load, if any. Shares applied for after the Cut-off Time shall be considered as applied for on the next valuation day.

Stated below are the NAV per Share of the Fund at the end of the quarters from 2009 to 2019.

1. Market Information

Market Price (NAVPS in Pesos)	2014	2013	2012	2011	2010	2009
Quarter ending March 31	1.9777	2.0761	1.7575	1.5497	1.4877	1.4080
Quarter ending June 30	1.9908	2.0096	1.7685	1.5872	1.5026	1.4409
Quarter ending September 30	1.9955	2.0077	1.8068	1.6397	1.5200	1.4665
Quarter ending December 31	2.0187	1.9931	1.8524	1.7309	1.5683	1.4755

Market Price (NAVPS in Pesos)	2019	2018	2017	2016	2015
Quarter ending March 31	2.1592	2.1064	2.0934	2.0839	2.0390
Quarter ending June 30	2.1863	2.1177	2.1053	2.1207	2.0456
Quarter ending September 30	-	2.1211	2.1221	2.1117	2.0529
Quarter ending December 31	-	2.1292	2.1022	2.0803	2.0382

Source: Daily Price and NAVPS schedule

Stated below are the High and Low Net Asset Value Per Share (NAVPS) for the indicated quarters:

Ekklesia Mutual Fund	2013		2012		2011		2010		2009	
	High	Low	High	Low	High	Low	High	Low	High	Low
Jan-Mar	2.0761	1.8505	1.7906	1.7231	1.5706	1.5357	1.4877	1.4744	1.4273	1.3928
Apr-Jun	2.1073	2.0083	1.7685	1.7488	1.5872	1.5487	1.5028	1.4939	1.4490	1.4054
Jul-Sept	2.0342	1.9881	1.8095	1.7687	1.6618	1.5587	1.5193	1.5023	1.4704	1.4416
Oct-Dec	2.0504	1.9858	1.8550	1.8043	1.7331	1.6362	1.5786	1.5200	1.4764	1.4593

Ekklesia Mutual Fund	2018		2017		2016		2015		2014	
	High	Low	High	Low	High	Low	High	Low	High	Low
Jan-Mar	2.1141	2.1007	2.1048	2.0724	2.0839	2.0281	2.0601	2.0191	1.9937	1.9508
Apr-Jun	2.1176	2.1053	2.1086	2.0879	2.1207	2.0699	2.0464	2.0325	2.0002	1.9695
Jul-Sept	2.1248	2.1173	2.1226	2.0973	2.1387	2.1112	2.0610	2.0367	1.9984	1.9880
Oct-Dec	2.1311	2.1127	2.1246	2.0959	2.1209	2.0531	2.0595	2.0203	2.0293	1.9984

Ekklesia Mutual Fund	2019	
	High	Low
Jan-Mar	2.1589	2.1309
Apr-Jun	2.1865	2.1556
Jul-Sept	-	-
Oct-Dec	-	-

Number of Shareholders

The table below shows the Fund's total number of shareholders as of August 31, 2019:

Name of Fund	Number of Shareholders
Ekklesia Mutual Fund	94

Share Options and Treasury Shares

None of the Shares of the Fund are covered by options.

Issue of Shares

The Fund may issue additional Shares to any person, subject to restrictions as may be stated in its Articles of Incorporation and/or By-Laws, and for a consideration based on Net Asset Value per Share.

Stock Certificates

In the interest of economy and convenience, definitive stock certificates representing the Fund's Shares shall not be issued unless requested by a Shareholder in writing addressed directly to the Fund through the Fund's Sales Agents. In lieu of stock certificates, the Fund shall issue Transaction Advice.

In case a stock certificate is issued, such certificate shall be returned to the Fund in the event of full or partial redemption by the holder thereof. The stock certificate shall be cancelled and no new certificate shall be issued until the cancelled certificate shall have been returned to its original place in the stock certificate transfer book. The necessary expenses for each certificate of stock issued or transferred shall be borne by the Shareholder who requested such issuance or transfer.

Share Register

The Fund's official share register shall be maintained by the Corporate Secretary, through the Fund's Service Administrator, who shall likewise be principally responsible for the maintenance of the official stock and transfer book of the Fund.

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

Not applicable. The shares of the Fund are registered under the Investment Company Act (ICA) and the Securities Regulation Code (SRC).

DIRECTORS AND OFFICERS

The following, who are all Filipino citizens, are the Fund's Directors and Officers as of the date of this Prospectus:

- 1. Jose M. Diokno (Filipino Citizen – 65 years old)**
Chairman and Director
Term of Office as Director: December 2003 to present

Mr. Jose M. Diokno was the Vice-President of Multinational Investment Bancorporation and has been servicing the finance related needs of the religious community for the past 20 years. He is currently the Chairman of the Board and President of Center for Small Entrepreneurs, a non-governmental organization funded by Belgium which provides financial assistance to micro and small entrepreneurs. He is also currently the Chairman of the Board and President of Social Action Foundation for Rural Development (SAFRUDI), a non-government organization. Mr. Diokno is also a member of the Rotary Club of Makati-North (1993 – present) and of the European Chamber of Commerce. He was a member of Canadian Chamber of Commerce. Mr. Diokno earned his Bachelor's of Science degree in Business Administration from the Philippine School of Business Administration in 1980.

- 2. Fr. Boyd R. Sulpico O.P. (Filipino Citizen – 51 years old)**
President and Director
Term of Office as Director (July 30, 2013 - Present)

Fr. Boyd R. Sulpico, O.P. was ordained to the Order of Priesthood in the Dominican Order last May 14, 1995. Currently, he is a member / Chairman of the Phil Dominican Media Board, Phil Dominican Personnel Board, and Phil Dominican Economic Council; Chairman of Search Committee for the election of the President of Marikina Polytechnic Institute (delegated by CHED); Founding Director of Tourism Educators and Movers (TEAM Phils.); Spiritual Director of the League of Tourism Educators and Movers (TEAM Phils.); and member of SKAL Makati. He also became a member of Order of Preachers Economic Council (ROME) (2010-2013). He was the Chaplain and Treasurer of Santo Domingo Convent (1995-1998). He was the Asst. Syndic (Treasurer) of the Dominican Headquarters in Sta. Sabina Convent, Rome (1998-2000). He served the Dominican Province of the Philippines as Syndic (Treasurer) (2001-2004). He is the Chaplain of Colegio de San Juan de Letran, Manila (2004-present). He was a Faculty member of Colegio de San Juan de Letran, Bataan (2005-2007) and Treasurer of Colegio de San Juan de Letran, Manila and Bataan (2007-2015). Fr. Boyd is the EVP / VP Admin of Colegio de San Juan de Letran, Manila (2015-2017).

- 3. Rev. Fr. Gilbert B. Sales, CICM (Filipino Citizen – 57 years old)**
Director
Term of Office as Director: September 2015 to present

Fr. Gilbert B. Sales is the seventh and current President of Saint Louis University, Baguio City, upon his formal installation on 15 August 2015. Fr. Sales is a missionary priest of the Congregation of the Immaculate Heart of Mary (popularly known in the Philippines as CICM missionaries). Fr. Sales joined the CICM in 1979, took his religious vows in 1984, and was ordained to the priesthood on 25 April 1992. Born in Tuguegarao City, Cagayan on 5 August 1962, Fr. Sales received Catholic formation for most of his formal education years, from Saint Paul College (Tuguegarao City) for his basic education, Saint Louis University (Baguio City) for his bachelor's degree, and Maryhill School of Theology (Quezon City) for a master's in theology. In 2013, Fr. Sales obtained a doctorate in educational management from Saint Louis University (Baguio City), with "Magna cum Laude" honors. In addition to his educational profile, Fr. Sales also had special studies and training from various universities and institutes in Hong Kong, Mongolia, Singapore, Israel, Thailand, New York, USA, and Chicago, USA, respectively. Fr. Sales' prominent work as a CICM priest includes his assignment in the year of his ordination when he was chosen by Pope John Paul II (now Saint John Paul II) to be a pioneer missionary to Mongolia in 1992. From 1992 until 2006, Fr. Sales took on a number of positions that made an impact on the Catholic Church and on the Mongolian society. In 2007, Fr. Sales received "Ghengis Khan Honor Medal of the Great Mongolia State", the highest award conferred by the Mongolian government on a foreigner, in recognition of his immense contribution to the development of the people of Mongolia, especially the poor, through the many social projects he

founded and managed. In 2007, Fr. Sales returned to the Philippines from Mongolia to assume new assignments, mostly covering schools, as president and member of the various CICM school boards, as well as national boards of school associations like the Catholic Educational Association of the Philippines (CEAP) and the Association of Catholic Universities of the Philippines (ACUP). At present, Fr. Sales is concurrently the president of Saint Louis College (San Fernando, La Union) and a member of the CICM Provincial Government, which is the highest policy-making body of the CICM Philippines.

4. Rev. Fr. Bonifacio U. Flordeliza, C.Ss.R. (Filipino Citizen – 86 years old)

Director

Term of Office as Director: December 2003 to August 2011, and July 2012 to Present

Fr. Bonifacio U. Flordeliza, CSsR is currently a member of the Redemptorist Baclaran Community (May 2015 – present). He took up his Philosophical and Theological studies in Victoria, Australia.

5. Rev. Fr. Paul Lovell G. Javier, OP. (Filipino Citizen – 38 years old)

Treasurer and Director

Term of Office as Director: March 2017 to present

Fr. Paul Lovell G. Javier, OP made his profession on May 15, 2004 and was ordained on November 7, 2012. He obtained degrees in Economics and Sacred Theology at the Royal and Pontifical Catholic University of Santo Tomas, Manila. He is also a licensed teacher. Fr. Javier is pursuing M.A. in Educational Management at UST. Currently, he is the Vice President for Religious Affairs of the Colegio de San Juan de Letran, Intramuros Manila. He is the former Treasurer of the Dominican Province of the Philippines and Chairman of the Provincial Economic Council. He is formerly a member of the Board of Trustees of UST, Colegio de San Juan de Letran in Manila and Calamba, Angelicum College Quezon City and Angelicum School Iloilo and Aquinas University Legazpi. He is a former school director of St. Bartholomew Academy, Babuyan Group of Island, Cagayan Valley.

6. Sr. Maria Cora P. Sastre, ICM (Filipino Citizen – 48 years old)

Director

Term of Office as Director: July 2018 to present

An educator by training, Sr. Maria Cora P. Sastre, ICM is the Area Directress of the Immaculate Heart of Mary (ICM) schools of Cebu, St. Theresa's College of Cebu and St. Francis Academy of Balamban since 2014 up to the present. She is a member of the Board of Trustees of the six (6) ICM schools in the Philippines. She is also the District Superior of Missionary Sisters of the Immaculate Heart of Mary (ICM) Philippines.

7. Rev. Fr. Antonio Cecilio T. Pascual (Filipino Citizen – 60 years old)

Director

Term of Office as Director: June 20, 2017 - present

Fr. Anton Pascual 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 Simbayanang 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.

8. Mabini L. Juan (Filipino Citizen – 74 years old)

Independent Director

Term of Office as Director: December 2003 to present

Mr. Mabini Juan is currently President and Chief Executive Officer (CEO) of the Manila Bankers' Life Insurance Corporation (July 2008 – 2018) and Manor Management Corporation (1997 – 2018). He has also been serving as the Chairman and CEO of Actuarial Advisers, Inc. (AAI) (1997 – present). In the past, he

also served as the Senior Executive Vice President and CEO for Insular Life (1994 – 1996), Insurance Consultant for Insular Life (1990 – 1993), and Executive Vice President for Philamlife (1981 – 1989). He is a member of the Management Association of the Philippines (Since 1988 to present), the American Chamber of Commerce (Since 1997 to present), the Actuarial Society of the Philippines (Since 1970 to present), the American Academy of Actuaries and International Institute of Actuaries (both since 1976 to present). Mr. Juan earned his M.S. in Mathematics (Major in Actuarial Science) from the University of Michigan in 1968. He took his Graduate Studies in Statistics in 1967 at the University of the Philippines and earned his Bachelor's Degree in Mathematics from the same school in 1965.

9. Percival A. Evaristo (Filipino Citizen – 73 years old)

Independent Director

Term of Office as Director: March 2005 to present

Mr. Percival Evaristo is currently a partner at the EV & Associates (2002 – present), and was a Director and Treasurer for Cagayan De Oro Plastic Innovation, Inc. (2004 - 2012). He has more than 39 years experience in Finance and Treasury from corporations both local and abroad. He is a member of the Financial Executives Institute of the Philippines (FINEX) (1976 – present). He took his Executive Development Program in the University of Michigan in 1983. He earned his Masters in Business Administration (Corporate Finance and Investments) in New York University in 1976 and earned his bachelor's degree in Accounting in De La Salle University in 1966. He became a Certified Public Accountant in 1967.

Other Officers of the Fund

1. Atty. Sabino B. Padilla IV

Corporate Secretary and Compliance Officer

Atty. Sabino B. Padilla IV, born in 1960, 59 years old, is the Corporate Secretary and Compliance Officer of the Fund. 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 various religious orders, societies and congregations for men and women as well as educational institutions and hospitals operated by them, and to BPI and its subsidiaries. Atty. Padilla is also the Corporate Secretary and Compliance Officer of other mutual funds, namely, Solidaritas Fund, ALFM Money Market Fund, ALFM Peso Bond Fund, ALFM Euro Bond Fund, ALFM Dollar Bond Fund, ALFM Growth Fund, ALFM Global Multi-Asset Income Fund, and Philippine Stock Index Fund.

Additional Information required under Annex C of SRC Rule 12:

- ☐ The incorporators of the Fund are: Fr. Jessie M. Hechanova, C.I.C.M.; Fr. Noel Vasquez, S.J.; Fr. Edwin Lao, O.P.; Fr. Bonifacio U. Flordeliza, C.Ss.R.; Sr. Emelina A. Villegas, I.C.M.; Fr. Boyd Sulpico, O.P.; Mabini L. Juan; Percival A. Evaristo; and Jose M. Diokno.
- ☐ 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. Other than this, the Fund has no existing employment contract with any of the Fund's directors.
- ☐ Mr. Mabini Juan and Mr. Percival Evaristo 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.
- ☐ The members of the Board will receive compensation amounting PhP3,000.00 for every regular meeting and PhP1,200.00 for every special meeting attended. The Board of Directors reserves the right to change the compensation schedule in the future.
- ☐ There are no other standard 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.

- ❑ No current member of the Board of Directors of EMFI, its fund manager, its service administrator, or any one of the its distributors is related to each other up to the fourth civil degree either by consanguinity or affinity and no member of the Board of EMFI has been the subject of any legal/criminal proceedings for the past five years.
- ❑ 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
Fr. Boyd Sulpico O.P.	Director / President	2010	-	-	-
		2011	-	-	-
		2012	-	-	-
		2013	P5,100.00	-	-
		2014	P7,650.00	-	-
		2015	P3,570.00	-	-
		2016	P6,120.00	-	-
		2017	P3,570.00	-	-
		2018	P5,460.00	-	-
		2019 (estimated)	P12,000.00	-	-
Mr. Jose M. Diokno	Director / Chairman	2010	*	-	-
		2011	P8,970.00	-	-
		2012	P8,670.00	-	-
		2013	P7,140.00	-	-
		2014	P9,690.00	-	-
		2015	P9,690.00	-	-
		2016	P4,845.00	-	-
		2017	P3,570.00	-	-
		2018	P7,620.00	-	-
		2019 (estimated)	P12,000.00	-	-
Mr. Percival A. Evaristo	Independent Director	2010	*	-	-
		2011	P5,250.00	-	-
		2012	P9,690.00	-	-
		2013	P9,690.00	-	-
		2014	P9,690.00	-	-
		2015	P7,140.00	-	-
		2016	P5,100.00	-	-
		2017	P4,845.00	-	-
		2018	P6,270.00	-	-
		2019 (estimated)	P12,000.00	-	-

Mr. Mabini L. Juan	Independent Director	2010	*	-	-
		2011	P5,350.00	-	-
		2012	P3,570.00	-	-
		2013	P9,690.00	-	-
		2014	P7,140.00	-	-
		2015	P7,140.00	-	-
		2016	P7,395.00	-	-
		2017	P4,845.00	-	-
		2018	P7,350.00	-	-
		2019 (estimated)	P12,000.00	-	-
Rev. Fr. Bonifacio U. Flordeliza, C.Ss.R.	Director	2010	*	-	-
		2011	P3,570.00	-	-
		2012	P0.00	-	-
		2013	P1,020.00	-	-
		2014	P2,550.00	-	-
		2015	P0.00	-	-
		2016	P6,120.00	-	-
		2017	P1,020.00	-	-
		2018	P3,840.00	-	-
		2019 (estimated)	P12,000.00	-	-
Rev. Fr. Antonio Cecilio T. Pascual	Director (Since June 20, 2017)	2010	*	-	-
		2011	P0.00	-	-
		2012	P0.00	-	-
		2013	P0.00	-	-
		2014	P0.00	-	-
		2015	P0.00	-	-
		2016	P0.00	-	-
		2017	P0.00	-	-
		2018	P2,700.00	-	-
		2019 (estimated)	P12,000.00	-	-
Rev. Fr. Gilbert B. Sales, CICM	Director (Since September 2015)	2010	*	-	-
		2011	P0.00	-	-
		2012	P0.00	-	-
		2013	P0.00	-	-
		2014	P0.00	-	-
		2015	P5,100.00	-	-
		2016	P0.00	-	-
		2017	P0.00	-	-
		2018	P0.00	-	-
		2019 (estimated)	P12,000.00	-	-
Fr. Paul Lovell G. Javier, OP	Director (Since March 2017)	2010	-	-	-
		2011	-	-	-
		2012	-	-	-
		2013	-	-	-
		2014	-	-	-
		2015	-	-	-
		2016	-	-	-
		2017	P3,570.00	-	-
		2018	P3,780.00	-	-
		2019 (estimated)	P12,000.00	-	-
Sr. Maria Cora P. Sastre, I.C.M.	Director (Since July 2018)	2010	-	-	-
		2011	-	-	-
		2012	-	-	-
		2013	-	-	-
		2014	-	-	-
		2015	-	-	-
		2016	-	-	-
		2017	-	-	-

		2018	P1,080.00	-	-
		2019 (estimated)	P12,000.00	-	-
Atty. Sabino Padilla IV	Corporate Secretary and Compliance Officer	2010	*	-	-
		2011	P8,670.00	-	-
		2012	P8,670.00	-	-
		2013	P9,690.00	-	-
		2014	P8,670.00	-	-
		2015	P9,690.00	-	-
		2016	P7,395.00	-	-
		2017	P2,295.00	-	-
		2018	P7,350.00	-	-
		2019 (estimated)	P12,000.00	-	-

* Details of 2010 per diems are unavailable due to the transfer from MIB to BIMBI

Each Director and Officer is compensated the amount of PhP3,000.00 for every attendance in every regular meeting and P1,200.00 for every special meeting attended. P27,600.00, P33,000.00, P73,740.00, P33,000.00, P45,390.00, P59,670.00, P63,750.00, P63,750.00, P48,195.00, P26,265.00 and P45,450.00 was paid as Directors' Fee for the years 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 respectively. The estimated aggregate Directors and Officers fee for the year 2019 is PhP120,000.00.

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 August 31, 2019

Name	Position	No. of Shares	Percentage
Fr. Boyd R. Sulpico, O.P.	President	5,000 (beneficial)	0.0045%
Mr. Jose M. Diokno	Chairman	5,000 (beneficial)	0.0045%
Rev. Fr. Paul Lovell G. Javier, OP.	Director/Treasurer	5,000 (beneficial)	0.0045%
Rev. Fr. Gilbert B. Sales, CICM	Director	5,000 (beneficial)	0.0045%
Rev. Fr. Bonifacio Flordeliza, CSsR	Director	5,000 (beneficial)	0.0045%
Rev. Fr. Antonio Cecilio T. Pascual	Director	5,000 (beneficial)	0.0045%
Sr. Maria Cora P. Sastre, I.C.M.	Director	5,000 (beneficial)	0.0045%
Mr. Percival A. Evaristo	Independent Director	5,000 (beneficial)	0.0045%
Mr. Mabini L. Juan	Independent Director	5,000 (beneficial)	0.0045%

Corporate Governance

The Fund has adopted a Manual of Corporate Governance to institutionalize the principles of good corporate governance in the entire organization. To measure or determine the level of compliance of the Board of Directors and Officers with the Fund's Manual of Corporate Governance, the Fund shall establish a review or evaluation system and shall submit the required Certification on the Fund's Compliance with its Manual of Corporate Governance. The company continuously evaluates the level of compliance of the Board of Directors and top level management with its Manual on Corporate Governance through a self-rating and peer evaluation system complemented by 180 degrees feedback mechanism. There has been no deviation from the Fund's Manual of Corporate Governance as of the date of this Prospectus. Other measures being undertaken by the Fund to fully comply with the adopted leading practices on good corporate governance are: (i) strict compliance on the appointment of Independent Directors; (ii) separation of the functions of the Chairman and the President; and (iii) the creation of an Audit Committee chaired by an Independent Director.

Anti-Money Laundering, FATCA and Counter-Terrorist Financing Policies

The Fund has adopted BPI Investment's Money Laundering and Terrorist Financing Prevention Program (MLPP). BPI Investment's MLPP is based on Republic Act No. 9160 or the "Anti-Money Laundering Act of 2011", as amended, and the Securities and Exchange Commission's ("SEC") Memorandum Circular No. 2 Series of 2010 on the Revised Guidelines in the Preparation of the Anti-Money Laundering Operating Manual for SEC Covered Institutions.

Investors of the Fund, including their beneficial owners, are required to undergo Customer Due Diligence (CDD), also known as Know-Your-Customer (KYC) for identity verification. In case of corporate and juridical entities, the legal existence and organizational structure, as well as the authority and identification of all persons purporting to act on their behalf, shall also be verified.

Investor transactions may be reported to the Anti-Money Laundering Council (AMLC) if they fall under the parameters provided by law or the MLPP.

The Fund has also adopted BPI Investment's policy on the Foreign Account Tax Compliance Act. Based on the information provided by the investor, BPI Investment will determine the FATCA status of the investor. The name, address, and U.S. TIN of identified U.S. Persons will be reported to the Bureau of Internal Revenue (BIR) or Internal Revenue Service (IRS) of the United States, as the case may be, including all other information required under the relevant FATCA regulations.

Procedures to Ensure Compliance with Relevant Laws and Regulation

To ensure the Fund's compliance with relevant laws and regulation, the Fund has appointed a Compliance Officer while the Fund Manager has its own Compliance Officer. The Compliance Officer is tasked to monitor and assess the overall implementation of the Compliance Program.

The Fund Manager's Compliance Program is designed to: (1) identify relevant laws and regulations affecting the Fund and the corresponding effects of non-compliance; (2) conduct periodic compliance testing and subsequent reporting of findings or exceptions noted to appropriate levels of management; and (3) provide for annual specific action plan or activities aimed at developing and maintaining a strong compliance culture and discipline within the entire organization.

The Compliance Officer, in coordination with management or the Board of Directors, shall take the initiative to update the Compliance Program to ensure compliance with new laws and regulations that are enacted or issued and to formulate new control processes in response to regulatory changes. To this end, the Fund Manager shall develop and maintain a constructive working relationship with various regulatory agencies through continuing dialogues and/or consultations geared towards a uniform understanding of laws and regulations, prompt resolution of issues and concerns.

Certain Relationships and Related Transactions

There were no transactions (or series of similar transactions) with or involving the company in which a director, executive officer, or stockholder owning ten percent (10%) or more of the Fund's total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

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 to the Fund:

Fund manager and investment advisor – BIM I

The assets of the Fund are being managed by BIM I as the Fund Manager/Principal Distributor 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, which started on June 18, 2010.

As Investment Advisor, BIMI 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 BIMI 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, BIMI is entitled to a management, distribution, advisory and transfer agent fee of not more than seven-fourths percent (1.75%) per annum based on the average daily trading NAV of the Fund, or a minimum annual fee of P0.10 million, whichever is higher.

Voting Trust Holders of More Than 5%

There is no existing voting trust or similar agreement entered into by Shareholders owning more than 5% of the Shares.

Legal Proceedings

The Fund is not party to any material pending legal proceedings.

Involvement in Certain Legal Proceedings

Since incorporation and material to evaluation, none of the Directors or Executive Officers of the Fund was involved in any bankruptcy petition filed by or against any business of which any director or officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; none was convicted by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; none was 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 was 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.

Changes in Control

There is no existing arrangement which is known to the Fund which may result in the change of control in the Fund.

External Audit Fees

Audit and Audit Fees

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Sycip, Gorres, Velayo & Co. (SGV & Co) is the appointed external auditor of the Fund's financial statements for the year then ending with the objective of expressing an opinion on them. The audit shall be made in accordance with the Philippine Standards on Auditing and accordingly includes such tests of the accounting records and such other auditing procedures as they would consider necessary. SGV and Co. has conducted the annual audit of the Fund's financial statements as of December 31, 2018. There are no other related services that the external auditor performed aside from the services mentioned above and no other fees billed related to tax services.

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Audit fees paid for the financial statements for the years 2018 and 2017:

	2018	2017
Audit fees	PhP 215,600.00	PhP 215,600.00

Audit Policies

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 final draft of the Audited Financial Statement is presented to the Audit Committee, before the Board's final approval and confirmation.

Changes in and Disagreements with Account on Accounting and Financial Disclosure

In the recent fiscal year external audit done by SGV & Co., there were no material disagreements with regard to accounting procedures and financial disclosures.

PRINCIPAL PARTIES

THE FUND MANAGER

BPI Investment Management, Inc. (“BPI Investment”), a wholly-owned subsidiary of the Bank of the Philippine Islands, is the Fund’s Investment Manager. It is tasked to formulate and implement the investment strategy of the Fund, and to provide and render management, technical, and administrative services to the Fund. BPI Investment was incorporated as Ayala Investment Management, Inc. on July 30, 1974 to principally engage in the business of managing an investment company. On March 5, 1991, the SEC approved the change in corporate name to the present name. BPI Investment is licensed by the SEC to act as Investment Company Adviser of mutual funds.

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

BPI Investment is also the Principal Distributor, Service Administrator, Investment Advisor, and Transfer Agent of the Fund.

The members of the Board of Directors of BPI Investment as of the date of the prospectus are as follows:

1. Mercedita S. Nollo, Chairman

Mrs. Nollo, Filipino, born in 1941, 78 years old, is the Chairman of BPI Investment Management, Inc. She is also a member of the Board of Directors of BPI since 1991, Chairman of the Bank’s Retirement & Pension and Trust Committees and a member of the Bank’s Executive and Corporate Governance Committees. Ms. Nollo is also a Director of the following BPI subsidiaries and affiliates: BPI Family Savings Bank, Inc. and BPI Capital Corporation. Ms. Nollo serves as Director of the following companies: Ayala Land Commercial REIT, Inc., Michigan Holdings, Inc., Anvaya Cove Beach and Nature Club, Inc., Ayala Automotive Holdings Corporation, Honda Cars Cebu, Inc., Honda Cars Makati, Inc., Isuzu Automotive Dealership, Inc., Isuzu Cebu, Inc., Prime Initiatives, Inc., and Xurpas, Inc. She is also a member of the Board of Trustees of Ayala Foundation, Inc. and BPI Foundation, Inc. as well as Vice-President of Sonoma Properties, Inc. She used to be a member of the Board of Directors of Ayala Corporation from 2004 until September 2010. She became a Director of D&L Industries, Inc. starting in 2016. Ms. Nollo graduated with the degree of Bachelor of Science in Business Administration major in Accounting from the University of the Philippines in 1960 and placed second at the Certified Public Accountant Licensure Board Examination administered in the same year. In 1965, she obtained her Bachelor of Laws degree also from the University of the Philippines where she also placed second at the Bar Examination held in the same year.

2. Roberto Martin S. Enrile, President

Mr. Enrile, Filipino, born in 1969, 50 years old, is the President of BPI Investment Management, Inc. He served as head of Equities department of BPI Asset Management and Trust Corporation. With over 20 years of experience, Mr. Enrile has been in the banking and trust industry particularly in the capital markets. Prior to joining BPI, he was the head of Investments at Security Bank AMG and was with the Research, Investment Banking and Asset Management of ATR Kim Eng, now Maybank-ATR. Mr. Enrile was a graduate of FW Olin Graduate School of Business at Babson College where he earned a degree in Finance, minor in Entrepreneurship. He is also an alumnus of the Ateneo De Manila University with a Bachelor’s Degree in Business Management.

3. Ma. Ysabel P. Sylianteng, Independent Director

Ms. Sylianteng, Filipino, born in 1951, 67 years old, was Executive Vice-President of the Bank of the Philippine Islands, and Head of the Card Banking Division and Customer Relationship Management Group from 2005 to 2012. She joined BPI in 1983 with the rank of Assistant Vice-President. Her past directorships include Santiago Land Development Corporation, First Far East Development Corporation, FEB Speed International, Inc., BPI Direct Savings Bank, Inc., Prudential Bank, and Pilipinas Savings Bank. She currently serves as an independent director of BPI Family Savings Bank, Inc. She graduated with AB-BSC major in Accounting from the Assumption College in 1973 and obtained her MBA from the Stanford University in 1977. She is a Certified Public Accountant.

4. Jesus V. Razon, Jr., Independent Director

Mr. Razon, Filipino, born in 1946, 73 years old, served as Senior Vice President of BPI and Head of the Human Resources Group. He also served as Head of the Consumer Banking Group – Metro Manila Branches. He serves as an independent director of BPI Family Savings Bank, Inc. and BPI Direct BanKO Inc., A Savings Bank (formerly known as BPI Direct Savings Bank, Inc.). His past directorships include BPI Operations Management Corp.; BPI Paseo de Roxas Condominium Corp.; Ayala Life Assurance, Inc.; FGU Insurance Corp.; BPI Forex Corp.; and Premiere Development Bank. Mr. Razon graduated from the Ateneo de Manila University with an A.B. Economics degree and earned his Master in Management degree from the Asian Institute of Management.

5. Adelbert A. Legasto, Regular Director

Mr. Legasto, Filipino, born in 1947, 71 years old, is also a director of ALFM Money Market Fund, ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Global Multi-Asset Income Fund, Inc., and the Philippine Stock Index Fund Corp. He has served as Governor of the Philippine Stock Exchange 1994-96, Governor of the Makati Stock Exchange 1994-97, was an incorporator of the Philippine Central Depository (PCD), and served as President of the Trust Officers Association of the Philippines in 1998-99. He graduated from the Ateneo de Manila University with an A.B. Economics degree and completed his M.B.A. academics at the Ateneo Graduate School of Business. He completed the Pension Funds and Money Management from the Wharton School of the University of Pennsylvania, and Investment Management at the CFA Institute at the Harvard Business School in Boston, Massachusetts.

LIABILITY OF BPI INVESTMENT

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

INVESTMENT MANAGEMENT CONTRACT

The Fund vests upon the Fund Manager the authority, without need of prior approval or prior notification to the Fund, to purchase and sell securities and otherwise make or dispose of investments for account of the Fund, within the limits of the guidelines set by law, the regulations set by the SEC, and investment policies of the Fund.

The Fund Manager is further authorized to take charge of the collection of dividends, interests or other payments due on all securities owned by the Fund and shall, on behalf of and for the benefit of the Fund, exercise any and all rights of the Fund appurtenant to such securities such as the exercise of any preemptive rights, redemption rights, options, and others. The Fund Manager shall use voting rights for quorum purposes only. Nonetheless, in the event of unusual circumstances, the Fund Manager may request the Fund in writing for permission to exercise voting rights for other specified purposes.

The Fund Manager shall also provide transfer agency services including the maintenance of the official stock and transfer book of the Fund, the issuance of Transaction Advice, and payment of dividends, if any.

For its services, the Fund Manager is entitled to charge a management, distribution, advisory and transfer agent fee of not more than 1.75% p.a. based on the average daily trading Net Asset Value of the Fund, or a minimum annual fee of PHP100,000.00, whichever is higher. The date of the last renewal by the SEC of BPI Investment Management, Inc.'s license as investment company manager is November 2018.

PLAN OF DISTRIBUTION

The Fund's shares will be offered to primarily religious orders, corporations, congregations or associations, and stock or non-stock, for profit or non-profit, educational institutions owned by, managed by, or affiliated with the religious orders, corporations, congregations and associations, or individual members of the Roman Catholic diocesan clergy. 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.

The principal distributor of the Fund is BPI Investment Management, Inc., which is duly licensed by the Securities and Exchange Commission. Shares of the fund will be sold through SEC Certified Investment Solicitor (CISol) or via online facility of a CISol licensed institution. Distributors, through their CISol/s, shall comply with the Suitability Rule.

Institutions who wish to distribute the Fund's shares shall enter into an agreement with the principal distributor and the Fund. The said agreement shall contain all commercial and operational terms in the distribution and processing of the Fund's shares. Prior to distributing the shares of the Fund, the appointed third-party distributor shall secure a mutual fund distribution license from the Securities and Exchange Commission and shall be renewed as per the requirement of the regulatory body. Shares distributed by a third-party distributor shall have the same right with the shares distributed by the principal distributor.

The Fund's Distributor 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. Nevertheless, the Fund's Distributor has the discretion to waive such sales load as it deems fit.

THE CUSTODIAN BANK

Citibank, N.A. is the Fund's custodian bank. Under the Custodianship Agreement, Citibank, N.A. shall be responsible for the safekeeping of appropriate monies and securities of the Fund. The Fund shall pay Citibank, N.A. all fees, charges and obligations incurred from time to time for any services pursuant to the Custody Agreement between the Company and Citibank, N.A.

THE RECEIVING BANKS

The Bank of the Philippine Islands and BPI Family Savings Bank shall serve as the Fund's receiving banks (the "Receiving Banks"). Payments for Shares purchased by applicants or existing Shareholders shall be deposited by the Servicing Agents into the Fund's settlement account maintained with the Receiving Banks. The proceeds of Shares redeemed from Shareholders shall be debited from the Fund's settlement account maintained with the Receiving Banks. There is no compensation to the Receiving Branches.

OTHER INFORMATION REQUIRED

The Fund has no independent counsel or expert hired on a contingent basis.

HANDLING CUSTOMERS' COMPLAINT

For any concerns, investors can contact BPI Investment thru any of the following numbers: (02) 580-2365, (02) 580-3566, and (02) 580-3569. Investors may also send an e-mail at bpi_investment@bpi.com.ph.

The fund manager will acknowledge the receipt of the concern/complaints within three (3) business days and log the same to "Complaints Log". Clients will be informed on the resolution within fourteen (14) calendar days for simple issues/request and sixty (60) calendar days for complex issues/request.

In case of improper handling, investors may refer their concerns to the SEC at <http://imessagemo.sec.gov.ph/login.php>.

POLICIES ON CONFLICT OF INTEREST AND MANAGEMENT AND PROCEDURES IN MONITORING AND RESOLVING CONFLICTS OF INTEREST

The directors and officers of the Fund are expected to act in the best interest of the Fund in a manner characterized by transparency, accountability and fairness. Directors and officers of the Fund should conduct

fair business transactions with the Fund, and ensure that his or her personal interest does not conflict with the interests of the Fund.

The basic principle to be observed is that a director or officer should not use his or her position to profit or gain some benefit or advantage for himself or herself and/or his or her related interests. A director or officer should avoid situations that may compromise his or her impartiality.

To avoid or minimize future conflict of interest situations, the Nomination Committee of the Fund shall consider the possibility for such occurrences when determining potential nominees for directorships of the Fund. The Board of Directors shall likewise consider the same standard when appointing officers of the Fund.

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

MECHANICS OF THE FUND

The Fund's Shares shall be offered through the authorized Distributors of the Fund. The Distributors shall be entitled to collect a front-end Sales Load based on each amount invested by an applicant or Shareholder in the Fund, in such percentages as are stipulated on page 7 of this Prospectus. The Distributors shall have the discretion to establish the sharing of such Sales Load that their Sales Agents are entitled to receive.

PURCHASE OF SHARES

Each new applicant shall fill out, either electronically or manually, a Customer Referral Sheet and a Payment Slip or Fund Order Form which may be obtained from, or provided by, any authorized Distributor. Applicant shall also fill out a Client Suitability Assessment Form to determine the client's understanding of the risks related to investing. Applicants undertake to sign all documents and/or perform such acts as may be necessary to enable them to be registered as holders of the Shares applied for and under their respective accepted Applications. In addition, if the applicant is a corporation, partnership or trust, the Application must be accompanied by the following documents: (1) a notarized Board Resolution covering the authority to invest in the Fund and designating the authorized signatories; (2) a certified true copy of the SEC Certificate of Registration, the Articles of Incorporation or other constitutive documents, the By-Laws, and General Information Sheet. For subsequent applications by a Shareholder, only a Payment Slip or Fund Order Form need be signed.

The Payment Slip or Fund Order Form shall indicate the gross amount of investment. The number of Shares that an investor will be able to buy will be determined as and when the Fund's NAVPS shall have been computed and accordingly made available at the end of the day. The investor's Settlement Account will be automatically debited at the end of the day for the amount of whole shares purchased, including the Sales Load, to a percentage that will not exceed 1.5%, if any.

Subscription Orders received on or before 12:00 noon (the "Cut-off Time") on any valuation day will be processed at the NAVPS applicable on that day. Subscriptions Orders received after the Cut-off Time shall be deemed to have been received on the next valuation day and will be processed at the NAVPS applicable on that day.

REDEMPTION OF SHARES

The Fund agrees to purchase, and each Shareholder of the Fund shall be entitled to require the Fund to purchase, but not in the event and to the extent that the Fund has no assets legally available for such purpose whether arising out of capital, paid-in surplus or other surplus, net profits or otherwise, all or any part of the Shares standing in the name of such Shareholder in the books of the Fund, but only at the Redemption Price as of the valuation day on which a Redemption Order is made.

The applicable NAVPS, less the Redemption Fee, *if any*, shall be called the "Redemption Price." Any such request for redemption shall be evidenced by a duly-signed Redemption Slip or Fund Order Form, submitted to the Fund through the Distributor's Sales Agent or Receiving Bank. Redemption Orders received on or before 12:00 noon (the "Cut-off Time") on any valuation day will be processed at the Redemption Price applicable on that day. Redemption Orders received after the Cut-off Time shall be deemed to have been received on the next valuation day and will be processed at the Redemption Price applicable on that day. The payment for Shares so redeemed shall be credited to the Shareholder's Settlement Account with the Receiving Bank within the period stipulated by existing SEC rules, currently set at no longer than seven (7) days reckoned from the date the Redemption Order is received by the Fund. The Fund shall be entitled to collect an Early Redemption Fee based on the amount redeemed, in accordance with the following schedule:

Name of Fund	Holding Period	Early Redemption Fee
Ekklesia Mutual Fund	180 days or less	1.00% flat
	more than 180 days	none

The Fund may suspend redemption or postpone the date of payment for redemption in such cases when (i) normal trading is suspended on the Philippine Stock Exchange, or (ii) the BSP suspends clearing operations for the day, or (iii) with the consent of the SEC. The SEC may, whenever necessary or appropriate in the interest of the Fund's Shareholders, suspend the redemption of securities of open-end companies.

SPECIAL CONSIDERATIONS

The Fund 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 seven (7) banking days after the tender of such security to the Fund, except in the following cases:

- (1) for any period during which banks are closed other than customary weekend and holiday closings;
- (2) 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
- (3) for such other periods as the SEC may, by order, permit for the protection of security holders of the Fund.

PRICE DETERMINATION OF THE FUND'S ASSETS

The Calculation Agent obtains closing prices of underlying securities each day from Philippine Dealing & Exchange Corp. (PDEx) used for calculation of the Fund's assets.

DETERMINATION OF THE FUND'S NET ASSET VALUE

The Net Asset Value per Share of the Fund, as of the close of any valuation day (the "Close"), shall be obtained by dividing the value of the assets of the Fund less the value of its liabilities, reserves for expenses and adjustments for market risk, by the total number of Shares outstanding at such Close, all to be determined as follows:

1. The assets of the Fund shall be deemed to include:

(i) all cash on hand, on deposit, or on call; (ii) all bills and notes and accounts receivable; (iii) all shares of stock and subscription rights and other securities owned or contracted for by the Fund, other than its own capital stock; (iv) all stock dividends to be received by the Fund and not yet received by it but declared to stockholders of record, on a date on or before the date as of which the Net Asset Value is being determined; (v) all interest accrued on any interest bearing securities owned by the Fund; (vi) all real properties or interest therein; and (vii) all other properties of every kind and nature including prepaid expenses.

2. The liabilities of the Fund shall be deemed to include:

(i) all bills and notes and accounts payable; (ii) all administrative expenses payable and/or accrued (including management fees and custodial expenses); (iii) all contractual obligations for the payment of money or property; (iv) all reserves for expenses; and (v) all the other liabilities of the Fund of any kind and nature whatsoever, except liabilities represented by the outstanding capital stock and surplus of the Fund.

3. For the purposes thereof:

(i) capital stock subscribed for shall be deemed to be outstanding as of the time of acceptance of any subscription and the entry thereof in the books of the Fund, and the net proceeds thereof shall be deemed to be an asset of the Fund; and (ii) capital stock surrendered for purchase by the Fund pursuant to the provisions of its Articles of Incorporation or By-Laws shall be deemed to be outstanding until the close of business on the business day as of which such Net Asset Value is being determined and, thereupon and until paid, the price thereof shall be deemed to be a liability of the Fund.

On every valuation day, the Fund Manager shall compute the NAV per Share and shall provide the same to the Fund's Distributors. The Fund Manager shall cause the regular publication of the Fund's NAV per Share in two (2) newspapers of general circulation.

TAXATION

Investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding and redeeming shares of the Fund. Tax rulings and other investment factors are subject to rapid change.

INVESTMENT OBJECTIVES AND RESTRICTIONS OF THE FUND

The Fund shall apply the net proceeds of the Offer towards the purchase of fixed income securities denominated in Philippine Pesos and major foreign currencies, in accordance with the investment objective, policies, methods and limitations of the Fund (see “Investment Restrictions”). The primary investment objective of the Fund is to achieve growth through income derived from medium- to long-term fixed income instruments. As such, the Fund may be considered as a moderately conservative fund.

The Fund’s investment concentration will be in obligations and evidences of indebtedness of the Philippine Government, the Bangko Sentral ng Pilipinas, other foreign governments and other government entities, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines or the sovereign issuer. A portion of the Fund may also be invested in prime grade domestic or international corporate debentures, preferred shares, as well as in savings or time deposits with Philippine or foreign government owned or private commercial banks, provided, that the issuers have been approved by the Board of Directors of the Fund. An adequate portion of the Fund will be invested in cash or near cash assets for liquidity purposes.

SEC Memorandum Circular # 7, Series of 2005, which was amended by SEC Memorandum Circular # 10, Series of 2006, allows mutual funds to invest up to 100% of their net assets in bonds and other evidences of indebtedness registered and traded in an organized market in a foreign country, subject to the standards set by the Commission and provided that the issuers thereof have a long-term foreign currency rating of at least BBB from a reputable credit rating agency.

CHANGE IN INVESTMENT OBJECTIVES

The investment objectives of the Fund may not be changed without the approval of the Shareholders owning at least a majority of the respective Fund’s outstanding capital stock, present in person or by proxy at a meeting called for such purpose.

INVESTMENT LIMITATIONS

In investing the assets of an Investment Company, the Fund Manager shall comply with the following limitations:

- a. The maximum investment of an Investment Company in any single enterprise or issuer shall not exceed an amount equivalent to fifteen percent (15%) of its net assets, nor shall the total investment of the fund exceed ten percent (10%) of the outstanding securities of the investee company.
- b. The Investment Company must not invest, in aggregate, more than twenty percent (20%) of its net assets in transferrable securities, money market securities, deposits and financial derivatives issued by a single entity or issuer.
- c. Deposits shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license excluding monies for liquidation of a revoked Investment Company.
- d. The investments in the following shall not exceed five percent (5%) of the net assets of the Investment Company:
 - i. Deposits placed with a non-investment grade or unrated deposit taking institution;
 - ii. Debt securities or money market instruments not dealt in an organized market or issued by an unrated or non-investment grade issuing body; and
 - iii. Over-the-counter financial derivatives with non-investment grade or unrated counterparty, unless the derivatives are used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%) of the assets of the Investment Company;
 - iv. Unlisted shares issued by a related party.

The aggregate investments shall not exceed ten percent (10%).

- e. Investment in foreign government debt securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating of investment grade may be increased to a maximum of thirty-five percent (35%) of the net assets of the Investment Company;

- f. A maximum of five percent (5%) of the net assets of the Investment Company may be invested in government debt securities issued or guaranteed by a government, sovereign or central bank with an international long-term issuer rating that is non-investment grade;
- g. In investing in financial derivative instruments for the Investment Company, the Fund Manager shall see to it that it employs a risk-management process which captures the risks associated with the use of financial derivatives and satisfies all the following requirements:
 - i. The total exposure to financial derivatives or embedded financial derivatives, including counterparty transactions, shall not exceed ten percent (10%) of the net assets of the Investment Company, or five percent (5%) of the net assets if the derivatives are not investment grade, unless the derivatives counterparty is used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%);
 - ii. The Investment Company shall invest five percent (5%) of its net assets to liquid assets to meet all its payment and delivery obligations;
 - iii. The Fund Manager shall not act as a counterparty to an OTC derivative invested into by the Investment Company.
- h. The MFC shall be prohibited from investing in the securities it is issuing.
- i. No Investment Company shall purchase from or sell to any of its officers or directors or the officers or directors of its investment advisor/s, manager or distributor/s or firm/s of which any of them are members, any securities other than the capital stock of the Investment Company.
- j. The Investment Company shall not engage in short selling;
- k. Unless the Commission shall provide otherwise, the Investment Company shall not invest in any of the following:
 - i. margin purchase of securities (investment in partly paid shares are excluded);
 - ii. commodity futures contracts;
 - iii. precious metals; and
 - iv. unlimited liability investments.

Liquidity Requirements

For liquidity purposes, unless otherwise prescribed by the Commission, at least ten percent (10%) of the assets of an Investment Company shall be invested in liquid/semi-liquid assets.

- a. Such liquid/semi-liquid assets shall refer to, but not limited to the following:
 - i. Treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines;
 - ii. Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCTD)
 - iii. Government debt securities where the issuer or the guarantor is a foreign government, sovereign or central bank with an international long-term issuer rating of investment grade;
 - iv. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposit accounts be accepted or allowed under a "bearer", "numbered" account or other similar arrangement.
 - v. Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;
 - vi. Other collective schemes wholly invested in liquid/semi-liquid assets.
- b. The MFC may implement a decreased investment of less than ten percent (10%) but not less than five percent (5%) of its assets in liquid/semi-liquid assets, provided, however, that it shall submit a notarized liquidity contingency plan, signed by the President of the Fund and its Fund Manager.

Other Limitations

Operational expenses

The total operating expenses of an Investment Company shall not exceed ten percent (10%) of its average investment fund or net worth as shown in its previous Audited Financial Statements covering the immediately preceding fiscal year.

The formula shall be as follows: $\text{Expense Ratio \%} = (\text{Total Operating Expenses} / \text{Average Net Asset Value}) \times 100$.

Borrowing limit

An Investment Company may borrow, on a temporary basis, for the purpose of meeting redemptions and bridging requirements provided that:

- a. The borrowing period should not exceed one month; and
- b. The aggregate borrowings shall not exceed ten percent (10%) of the net assets of the Investment Company.

The Investment Company 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%) for all borrowings of the Investment Company. Provided, however, that in the event that such asset coverage shall at any time fall below three hundred percent (300%), the Investment Company 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%).

PHILIPPINE LAWS APPLICABLE TO THE COMPANY

INVESTMENT COMPANY ACT OF 1960

- The Investment Company Act of 1960 primarily regulates the business of investment companies. Subject to the exceptions under the law, an investment company is any issuer, which is or holds itself out as being engaged primarily, or proposes to engage primarily in the business of investing, reinvesting, or trading in securities. An investment company is either (a) an open-end company; or (b) a closed-end company. An open-end company is an investment company, which is offering for sale or has outstanding redeemable securities of which it is the issuer. A closed-end company, on the other hand, is an investment company other than an open-end company. The Investment Company Act provides for separate rules for each kind of investment company.

To be incorporated as an investment company, the following requirements should be complied with:

1. Minimum subscribed and paid-in capital of PHP50,000,000.00
2. All shares of stock should be common and voting shares.
3. In the case of open-end companies, the Articles of Incorporation thereof should expressly waive the pre-emptive rights of stockholders.
4. All Filipino membership in the Board of Directors.

The Investment Company Act requires the registration of the investment company under said Act. The shares of the investment company are required to be registered under the Securities Regulation Code. The Investment Company Act also requires an investment company to place and maintain its securities and similar investments in the custody of a duly organized local commercial bank of good repute, duly authorized by the BSP to perform trust functions.

DIVIDENDS

A corporation may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the corporation, with its capital unimpaired, which are not appropriated for any other purpose. The corporation may satisfy dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends satisfied by the issuance of shares may be paid only with the approval of shareholders representing at least two-thirds (2/3) of the outstanding capital stock at a shareholders' meeting called for such purpose.

Declaration of dividends is generally discretionary with the board of directors. However, corporations with surplus profits in excess of 100% of their paid-up capital are required to declare and distribute the amount of such profits and dividends, except when the retention is justified by definite corporate expansion projects or programs approved by the board of directors, or when the consent of creditors is required under any loan agreement or when it can be clearly shown that such retention is necessary under special circumstances.

RIGHTS OF SHAREHOLDERS

The right of shareholders to institute proceedings on behalf of the corporation in a derivative suit is recognized in Philippine jurisdiction. Derivative suits may be filed where the corporation itself is unable or unwilling to institute the necessary proceedings to redress a wrong committed against the corporation or to vindicate corporate rights. Derivative suits as a rule are filed with the SEC. Jurisdiction over intra-corporate disputes is transferred to the regular courts.

A shareholder has a right to dissent and demand payment of the fair value of his shares in the following instances: any amendment of the articles of incorporation which has the effect of changing or restricting rights attached to his shares, or of extending or shortening the term of corporate existence, the sale/lease or other disposition of all or substantially all of the assets of the corporation, or a merger or consolidation of the corporation with another corporation. The fair value at which the shares of a dissenting shareholder may be sold

to the corporation may be agreed upon by the parties. If they cannot reach agreement, it shall be determined by an independent committee. Payment of the shares of a dissenting shareholder may be made only if the corporation has unrestricted retained earnings to purchase the shares.

MANAGEMENT

Corporate powers are exercised, and all business of a corporation is conducted, by the board of directors. However, the powers of the board of directors are not unlimited. Certain corporate acts may be effected only with the approval of shareholders representing at least two-thirds (2/3) of the outstanding capital stock at a shareholders meeting convened for the purpose. Matters requiring such shareholders' approval include the amendment of the articles of incorporation, removal of directors, the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the corporation, and the investment of corporate funds in another corporation or business or for any purpose other than the primary purpose for which the corporation was organized.

GOVERNMENT POLICIES AND REGULATIONS

The Fund falls under the category of Investment Companies which is regulated by the Philippine Government through several laws and government agencies. Investment companies are required to be incorporated pursuant to the Corporation Code of the Philippines or *Batas Pambansa Blg. 68* (the “Corporation Code”). Aside from the incorporation requirements, investment companies are required to be registered either as an open-end or closed-end investment company following the rules found under the Investment Company Act. Securities issued by an investment company are required to be registered following the rules of the Securities Regulation Code. The regulating body tasked with the implementation of the aforementioned laws is the SEC.

THE SECURITIES AND EXCHANGE COMMISSION

Under the Securities Regulation Code, the SEC is responsible for regulating the securities market. The SEC is a quasi-judicial government agency under the administrative supervision of the Department of Finance.

The SEC is headed by a chairperson and four (4) associate commissioners who are appointed by the President of the Philippines for a term of seven (7) years. The SEC is responsible for the registration of securities proposed to be listed on the PSE, the registration of securities proposed to be offered to the public, the regulation of the securities markets, the licensing of securities brokers and dealers, the promulgation of rules and regulations on securities trading, and the issuance of opinions and rulings pertaining to the proper application of the Corporation Code, the Securities Regulation Code, the Investment Company Act, and certain other statutes.

The SEC’s departments that regulate investment companies are the Company Registration and Monitoring Department, the Corporation Finance Department, and the Market Regulation Department.

THE INVESTMENT COMPANY ACT OF 1960

The Investment Company Act (Republic Act No. 2629) contains the various rules and regulations for corporations which may wish to engage in the business of primarily investing, reinvesting, or trading in securities. The Act, however, excludes from its broad definition of “investment companies” such entities as banks, insurance companies, employees’ stock bonus plans, pension plans, and profit-sharing plans.

For purposes of the Act, investment companies are divided into open-end and closed-end companies, defined as follows: (i) “open-end company” means an investment company which is offering for sale, or has outstanding, any redeemable security of which it is the issuer; and (ii) “closed-end company” means any investment company other than an open-end company.

The Act provides for several rules relative to the incorporation of investment companies, the most basic of which are as follows: (i) the subscribed and paid-up capital of the investment company must be at least PHP50.0 Million; (ii) all shares of capital stock must be common and voting shares, and, in the case of open-end companies, the Articles of Incorporation must waive the preemptive rights of shareholders; and (iii) all members of the Board of Directors must be Filipino citizens.

THE SECURITIES REGULATION CODE

The Securities Regulation Code (Republic Act No. 8799) provides that securities which are to be offered or sold to the public in the Philippines must first be registered with the SEC (except for certain securities exempt from the registration requirements and securities to be sold in certain exempt transactions). The Securities Regulation Code also requires companies listed in the stock exchange and companies whose securities are registered under the said law to submit periodically corporate information and financial statements.

MANAGEMENT DISCUSSION OR ANALYSIS ON PLAN OF OPERATIONS

The Ekklesia Mutual Fund, Inc. (“EMFI” or the “Fund”) is a domestic corporation duly authorized to operate as an open-end investment company. The Fund was incorporated on October 28, 2003 with an authorized capitalization of PHP245,000,000.00 consisting of 245,000,000 common shares of par value PHP1.00 per share. 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 medium- to long-term fixed-income securities denominated in Philippine Peso or major foreign currencies.

AS OF MARCH 31, 2019

For the first quarter of 2019, Ekklesia’s net asset attributable to shareholders continue to shrink by 2.96% or by PHP 7.49 Mn. The lower NAV was due to continued withdrawals from investors on the back of optimistic outlook in equities in January.

For the 1Q, the local government yield curve declined on average of 40 basis points across the yield curve on the back of lower inflation outlook for the whole year and, at the same time, market anticipation of BSP’s action in aggressively cutting down its Reserve Ratio Requirement which the new BSP Governor Diokno was quoted saying that he is keen to “cut 1 bp every quarter”. The view was treated quite aggressive by the market and as a pseudo monetary policy cut. Due to the bullish outlook for the bond market, the Fund gave a 1.41% net return for the quarter and booked a realized and unrealized gain worth PHP 1.97 Million.

Interest income remains the core income of the Fund. Cash and cash equivalents portion in the balance sheet was trimmed down and reallocated to the financial assets at fair value through profit and loss to capture the bullish sentiment on the inflation outlook. This proved to be the right strategy as earnings-per-share improved to 0.03 from 0.0048 from previous quarter.

Current liquidity ratio remains healthy and the fund doesn’t see any foreseeable liquidity issue in the near-term. No other notable items to be discussed.

Key Performance Indicators

- a) **Performance vis-à-vis the Benchmark** – Ekklesia Mutual Fund is an actively managed bond fund whose objective is growth through investments in a diversified portfolio composed of medium to long-term fixed-income investment instruments denominated in Philippine Peso or major foreign currencies. The Fund aims to outperform its benchmark consistently on a year-on-year basis. Ekklesia Mutual Fund returned 1.41% for the quarter, behind by 380 bps from its blended benchmark of 50% BPI Philippine Government Money Market Index and 50% BPI Philippine Government Bond Index.
- b) **Market Share in the Industry** - The fund is expected to maintain its presence in the industry. As of end-March 2019, the Ekklesia Mutual Fund market share is at 0.40%; same as end of 4Q 2018. The limited market share is due to the fund’s restricted target investors.
- c) **NAV Growth vis-à-vis Industry Growth** - The Fund’s average daily NAV for the first quarter of 2019 was at PHP 252.19 Million. The Ekklesia Mutual Fund’s net asset value shrank by PHP 7.49 Million or 2.96% from prior quarter; slightly slower than the 5.79% contraction in the peso-denominated fixed income bond fund industry.
- d) **Portfolio Quality** - The Fund’s portfolio should at all times, adhere to the investment parameters as indicated in the Fund’s prospectus. As of end-of-March 2019, based on the market value, 14.14% of the Fund’s portfolio was invested in government securities, 71.22% in corporate bonds, 1.83% in preferreds, 7.32% in short-term investments and 5.49% in cash and other net receivables.
- e) **Performance vis-à-vis Competition** - The Fund’s performance is compared to the performance of other players in the market. As of end-March 2019, Ekklesia Mutual Fund has maintained its competitive standing against other Peso Bond Mutual Funds, ranked in eight out of eleven funds in terms of absolute year-to-date return, net of taxes and fees.

AS OF DECEMBER 31, 2018

Philippines GDP continues to remain one of the top-performing emerging economies in Asia despite a slowdown to 6.2% from 2017's 6.7%. This is actually the seventh straight year that the Philippines grew more than 6.0%. Despite the slower-than-expected growth, the firm finish of the Philippines is still considered on a high growth trajectory and remains to be among the fastest-growing economies behind India, Vietnam and China.

Inflation print buckled away from the government's range of 2% to 4% and rose to as high as 6.7% in September and October, which became one of the main detractor to the economic growth as it tempered consumption and investment spending. Full year 2018 printed at 5.20% vs 2.90% in 2017. The inflation brunt was felt mostly on the food prices due to supply issue. The agriculture sector suffered from strings of typhoons (from 4% in 2017 to 0.8% in 2018), as well as, the poor timing in food importation fanned the inflationary pressure.

As for the BSP, it hiked its rates five times throughout the year to anchor inflation and played catch-up with the US Federal Reserve who hiked four times (from 1.25% - 1.50% to 2.25%-2.50%). Philippine overnight reverse repurchase agreement rate rose from 3.00% to 4.75%. BSP also trimmed its reserve requirement ration twice from 20% to 18%.

Despite the strong economic performance of the country, it was another tumultuous year for the Philippine local yield curve where the market saw the yield curve rise across the curve as high as 242.50 basis points, on average, as inflation crept up on the back of food supply, non-alcoholic beverages and energy prices. Relief rally on the bond was seen in the last two months of the year as inflation started to ease on the back of lower global prices and ease on rice importation.

In terms of investment performance, the Fund returned 1.28% net of taxes and fees for the full-year 2018, exceeding its benchmark of negative 1.03%. The Fund's NAVPS appreciated by PhP 0.027, increasing from PhP 2.1022 per share at the end of 2017 to PhP 2.1292 by year-end 2018. The Fund continued to be actively managed in terms of portfolio duration and yield curve positioning. The Fund's portfolio remained well diversified in 2018 8.59% of the Fund's portfolio invested in government securities, 68.99% in corporate bonds, 7.09% in short term investments, 1.77% in preferred and 13.56% in cash and cash equivalents, time deposit – net of receivables.

The Fund, through active duration management, was able to take advantage of the changing interest rate environment. As of year-end, duration stood at 1.79, much lower than 2017's 3.38.

For this year, due to volatility of the peso government securities and the fund experiencing a large withdrawal from one of its main shareholders, the fund managers was forced to sell some government securities at a loss, resulting to a larger realized net loss especially when the yield rates saw a broad increase across the yield curve by almost more than 200 basis points. The fund also incurred a foreign exchange gain for this year of about PHP 1.82 Million due to peso depreciation when the maturity of its global peso corporate note matured. The higher total comprehensive income for the year contributed to a higher EPS of PHP 0.0276 from previous year's EPS of PHP 0.0227.

It is also noted that the composition of the fund became quite defensive to shield its investors from negative return as local yields climbed on the back of higher inflation and BSP's 175 basis points hike as a reactive response. Financial assets at fair value through profit and loss were lowered while cash and cash equivalent portion, as well as, the investment securities at amortized cost were increased. The fund was able to reinvest some of its new subscription to government securities when yield spiked up, thus, resulting to a unrealized gain in the FVTPL securities.

For 2019, we expect Philippine inflation to ease on the back of expected lower global oil prices and easing food supply which will be a good news for the bond market. At the same time, we will also expect a higher domestic consumption as an effect of personal tax breaks for low and middle income earners, additional one-off election spending in the first half of the year and sustainable government infrastructure spending. Philippine economic growth will remain robust and within the range of 6% to 7%. RRR cut will remain on the table as a BSP's structural change to be within its ASEAN peers who have RRR less than 10%.

Some risks for the bond market will be the abundant supply of debt both from the government and private sector to fund the massive infrastructure plans of the current administration. At the same time, there is an on-going geopolitical risk abroad with the US- China rhetoric trade war and the possible global growth slowdown in relation to it. The US Fed is expected to hike one to two times in 2019 on its path to normalization. Notwithstanding these external factors, one thing to bear in mind that the Philippine bond market is not shielded from the price of global oil which the low inflation expectation is pegged on. As long as the oil price doesn't rise to above US\$60/barrel, we don't foresee the inflation to spike as high as it did in 2018. Apart from the rosy picture of the Philippine market, cautious and selective investing is still paramount.

Thus, for 2019, expect Ekklesia's priority to give our investors a consistent positive stable return. The Fund will be opportunistic in extending its duration from the current low to capture the low inflation expectation of the market but cautious at the same time to shield the investors from any yield reversals that we have seen in 2018. Long-term investment in the fund is highly recommended to get the full reward of investing and investors should be prepared to withstand short term volatility.

Top Performance Indicators

- a) **Performance vis-à-vis the Benchmark** – Ekklesia Mutual fund is an actively managed bond fund whose objective is growth through investments in a diversified portfolio composed mainly of medium to long term fixed income instruments denominated in Philippine Peso or any major foreign currency. The fund returned 1.28% versus the benchmark return of negative 1.03%.
- b) **NAV Growth vis-à-vis Industry Growth** - The Fund's average daily NAV for 2018 was at PHP 257.59 Million. In 2018, Ekklesia's net asset value declined by 9.12% due to withdrawals from investors, while the Philippine Peso Bond Fund industry's declined much faster by 13.87%.
- c) **Portfolio Quality** - The fund's portfolio should at all times adhere to the investment parameters indicated in the Fund's prospectus. As of December 31, 2018, with 8.59% of the Fund's portfolio invested in government securities, 68.99% in corporate bonds, 7.09% in short term investments, 1.77% in preferred and 13.56% in cash and cash equivalents, time deposit – net of receivables.
- d) **Performance vis-à-vis Competition** - As of year-end 2018, the Ekklesia Mutual Fund placed third out of twelve (12) funds in its segment in terms of year-on-year ROI.

AS OF DECEMBER 31, 2017

Philippines GDP continues to remain one of the top-performing emerging economies in Asia despite being a post-election year, behind China (6.9%) and Vietnam (6.8%), ending 2017 at 6.7%, just a shy away from 2016's growth of 6.9%. The strong growth was mainly driven by the service sector which contributed to 3.9 percentage points to the total GDP and the recovering various industries.

Inflation print remained subdued throughout the year between the government's range of 2 to 4%. BSP also held their rates steady throughout the year with the overnight lending rate at 3.5% and overnight deposit at 2.5%.

Despite the strong economic performance of the country, the Philippine local yield curve was quite tumultuous especially on the last quarter of the year where the market saw all the yields rose across the curve on average of 53 basis points for the liquid tenors as inflation fears crept in amidst the newly appointed TRAIN law which we will see a broad increase in taxes for goods and services. It was only on the second quarter where the bond yields rallied across the curve, seeing a decline of 19.75 basis points on average. This was the only breather in the bond market where local investors were soothed as the new BSP Governor was named and policies of Former BSP Governor Tetangco will be carried over. The appointment of the new BSP Governor Nestor Espenilla Jr, a long serving technocrat in Bangko Sentral ng Pilipinas, means that the pillars of the central bank – price stability, financial stability and a reliable and efficient system for payments and settlements- will be preserved. The appointment was also seen that BSP will remain independent as a someone from within the institution was named instead of an outsider

In terms of investment performance, the Fund returned 1.05% for the full-year 2017, below its benchmark return of 1.47%. The Fund's NAVPS appreciated by PHP 0.0219, increasing from PHP 2.0803 per share at the end of 2016 to PHP 2.1022 by year-end 2017. The Fund continued to be actively managed in terms of portfolio duration

and yield curve positioning. The Fund's portfolio remained well diversified in 2017 with 36.73% of the Fund's portfolio invested in government securities, 40.46% in corporate bonds, 1.84% in preferreds and notes, and 20.97% in cash and cash equivalents, time deposit- net of receivables.

The Fund, through active duration management, was able to take advantage of the changing interest rate environment. As of year-end, duration stood at 3.38, much lower than 2016's 3.86.

For this year, due to volatility of the peso government securities and the fund experiencing a large withdrawal from one of its main shareholders, the fund managers was forced to sell some government securities at a loss, resulting to a larger realized net loss. The fund also incurred a foreign exchange loss of PHP 950k due to FX friction cost which resulted from the maturity of its global peso corporate note. The lower net income for the year contributed to a lower EPS of PHP 0.0227 from previous year's EPS of PHP 0.0414.

For 2018, we expect Philippine inflation to pick up on the back of the newly implemented Tax Reform for Acceleration and Inclusion (TRAIN) law which will see an overhaul of the tax system. The new law will include more goods and services, increase in fuel costs, higher excise tax on vehicles and higher tax on sugar products. On the other hand, we will also expect a higher domestic consumption as an effect of personal tax breaks for low and middle income earners. In addition to the new TRAIN law which will take effect on January 1 of 2018, the government has a massive infrastructure agenda worth US\$170 billion to be spent in six years with 75 flagship projects to be rolled out all over the country and has already allocated 5.4% of GDP for it in 2018. Which will mean that the government will be in need of funding for the several projects lined up, thus, they will be borrowing more than previous years. With expectations of higher inflation coupled with more debt supply, expect that the bond yields, especially the front-end of the curve, to be under pressure. On the positive side, overall, expect GDP to print within 7% to 8% from 2018 to 2022 on the back of the new tax system and massive government spending.

Top Performance Indicators

- a) **Performance vis-à-vis the Benchmark** – Ekklesia Mutual fund is an actively managed bond fund whose objective is growth through investments in a diversified portfolio composed mainly of medium to long term fixed income instruments denominated in Philippine Peso or any major foreign currency. The fund returned 1.05% versus the benchmark return of 1.47%
- b) **NAV Growth vis-à-vis Industry Growth** - The Fund's average daily NAV for 2017 was at PHP 285.23 Million. In 2017, Ekklesia's net asset value declined by 6.17% due to withdrawals, while the Philippine Peso Bond Fund industry's declined much faster by 8.24%.
- c) **Portfolio Quality** - The fund's portfolio should at all times adhere to the investment parameters indicated in the Fund's prospectus. As of December 31, 2017, with 36.73% of the Fund's portfolio invested in government securities, 40.46% in corporate bonds, 1.84% in preferreds and 20.97% in cash and cash equivalents, time deposit – net of receivables.
- d) **Performance vis-à-vis Competition** - As of year-end 2017, the Ekklesia Mutual Fund placed sixth out of twelve (12) funds in its segment in terms of year-on-year ROI.