

FINAL PROSPECTUS

SOLIDARITAS FUND, INC.

(Formerly: Bahay Pari Solidaritas Fund, Inc.)

BPI Head Office

6768 Ayala Avenue corner Paseo De Roxas, Makati City 1226

Tel No. (02) 580-2344 / 580-2345 / 580-2349

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

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

	SOLIDARITAS FUND
Number of Authorized Shares	141,000,000 (Additional 28,600,000 shares from previous Authorized Capital Stock of 112,400,000 shares)
Minimum Initial Investment	PHP 5,000.00
PAR value	PHP 1.00

**Securities will be traded over the counter through
SEC accredited mutual fund sales agents**

BPI Investment Management, Inc.

Fund Manager

BPI Head Office, 6768 Ayala Avenue corner Paseo De Roxas, Makati City 1226

Tel. No. (02) 580-2344 / 580-2345 / 580-2349

Qualified Mutual Fund Sales Agents

BPI Investment Management, Inc., Tel. Nos. (02) 580-2344 / 580-2345

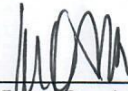
BPI Head Office, 6768 Ayala Avenue corner Paseo De Roxas, Makati City 1226

Principal Distributor

The date of this PROSPECTUS is June 26, 2018.

**THESE SECURITIES SHALL BE SOLD AND REDEEMED ONLY THROUGH THE
FUND'S QUALIFIED MUTUAL FUND SALES AGENTS. 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. Msgr. Daniel B. Sta. Maria
President
Solidaritas Fund, Inc.


MAKATI CITY

JUN 28 2018

SUBSCRIBED AND SWORN TO before me this ____ day of ____ 20__ . Affiant, Rev. Msgr. Daniel B. Sta. Maria, exhibiting to me his Tax Identification No. 231-192-116.

NOTARY PUBLIC

Doc. No. 335
Page No. 36
Book No. 674410
Series of 2018


FELIPE I. ILEDAN JR.
Notary Public for and in Makati City
Until Dec. 31, 2018, Appt. No. M-13
Roll No. 27625, TIN 136897808
Pm. 412, 4th Flr. VGP Center, Ayala, Makati City
2018 PTR No. 6949062 issued 12/6/2017, MIA
IBP No. 974042; 8/18/14
MCLE Comp. V-0023610, 8/16/2016



SOLIDARITAS FUND, INC.

SUMMARY OF FEES TO BE DEDUCTED FROM THE FUND	
Management, Distribution and Advisory Fee	2.00% p.a.
Safekeeping Fees	
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
2017 External Audit Fee	PhP 246,400.00

OTHER FEES	
Maximum Sales Load, if any, to be collected from the subscribers	1.5%
Early Redemption Fee	
180 days or less	1.00% flat
more than 180 days	none

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THE OFFER

Solidaritas 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 Solidaritas Fund.

This is an Offer of up to 141,000,000 shares (28,600,000 shares of which are an increase from the previous Authorized Capital Stock of 112,400,000 shares) of common stock of par value PhP1.00 each (the "Offer Shares") in the capital stock of Solidaritas Fund, Inc. ("Solidaritas" 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 141,000,000 shares.

The Fund was incorporated on March 10, 2008 as Bahay Pari Solidaritas Fund, Inc. with an authorized capitalization of PhP 112.4 Million consisting of 112,400,000 shares with par value of PhP1.00 each. On April 11, 2014, the SEC approved an increase in the Fund's authorized capital stock from 112,400,000 to 141,000,000 shares. On July 17, 2017, the Fund's Board of Directors and Shareholders approved an amendment in the Articles of Incorporation to change the Fund's name to Solidaritas Fund, Inc. The SEC approved the change in company name on April 13, 2018.

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

USE OF PROCEEDS

Total proceeds from the sale of the additional 28,600,000 shares is estimated at PhP 57.13 Mn (using PhP 1.9977 NAVPS on June 25, 2018). As an investment company, the Fund is engaged in the sale of its shares of stock and in the investment of the proceeds of this sale into equity and fixed income securities in accordance with the investment objective, policies and limitations of the Fund. As such, adverse changes in the financial condition or share performance of any company included in its equity portfolio or changes in market interest rates will likely adversely affect the Fund's NAV. Moreover, the Fund is allowed by the SEC to invest up to 100% of its net assets in foreign securities provided that investment in bonds and other evidence of indebtedness shall be limited to those registered and traded in an organized market in a foreign country whose issue and issuer/borrower are rated at least BBB from a reputable international credit rating agency.

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 paid out of the gross proceeds are PhP 1.14 Mn for management fees/other professional fees and filing fee & business registration license of PhP 150 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” (page 21). The Offer Shares may be owned by any person regardless of citizenship or nationality, subject to the subsection on “Eligible Investors” under the section headed “Terms and Conditions of the Offer” (page 18).

Prospective investors in the Fund should carefully consider the matters addressed under “Risk Factors and Investment Considerations” (page 12) 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 Funds are **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 include, but are not limited to, documentary stamp taxes, filing and registration fees, management, distribution and advisory fees, professional fees for the external auditor, third party fees such as custody fees and business renewal 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 objectives. There is no material amount of the proceeds of these Offers that is to be used to discharge any debt, acquire assets or finance the acquisition of other businesses, or to reimburse any director, shareholder, officer, or employee of the Fund for services rendered, assets previously transferred, or money loaned or advanced.

VALUATION

The Fund’s investments are valued based on the current market price of the securities held in the Fund’s portfolio. The NAV per Share (NAVPS) shall be obtained by dividing the market value of the assets of the Fund less the value of its liabilities and reserves for expenses by the total number of Shares outstanding (which includes deposit for subscriptions if the Fund is applying for an increase in Authorized Capital Stock) at such valuation date. (Please see a more thorough discussion under “Determination of the Fund’s Net Asset Value” on page 37).

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 the applicable sales load, to a maximum of 1.5%.

DIVIDEND POLICY

A provision of 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. 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 discussion on Dividends under the section on “Description of Capital Stock” on page 21).

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

<i>Scriptless Securities</i>	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 transacttions 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 confirm, 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 by 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 Audited Financial Statements of the Fund for years ending December 31, 2017, 2016 and 2015. The latest financial reports audited by the Fund's external auditor, SGV & Co., as of December 31, 2017, appear in the last part 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 page 48.

Solidaritas Fund

As of December 31, 2017 (Audited)			
Balance Sheet		Income Statement	
Total Assets	Php 190,889,578	Income	Php 27,079,183
Total Liabilities	567,168	Expenses	4,686,270
		Net Income (Loss) Before Tax	22,392,913
		Provision for Income Tax	330,292
Total Equity	190,322,410	Net Income	Php 22,062,621

Net Asset Value per Share as of December 31, 2017: PhP 2.2421

As of December 31, 2016 (Audited)			
Balance Sheet		Income Statement	
Total Assets	Php 179,812,256	Income	Php 4,219,001
Total Liabilities	549,733	Expenses	4,299,313
		Net Income (Loss) Before Tax	(80,312)
		Provision for Income Tax	163,518
Total Equity	179,262,523	Net Income (Loss)	(243,830)

Net Asset Value per Share as of December 31, 2016: PhP 1.9917

As of December 31, 2015 (Audited)			
Balance Sheet		Income Statement	
Total Assets	197,806,632	Income	Php 2,096,938
Total Liabilities	3,045,784	Expenses	4,695,354
		Net Income (Loss) Before Tax	(2,598,416)
		Provision for Income Tax	196,657
Total Equity	194,760,848	Net Income (Loss)	(2,795,073)

Net Asset Value per Share as of December 31, 2015: PhP 1.9979

RISK DISCLOSURE STATEMENT

GENERAL RISK WARNING

- The price of the securities can and does 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 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 INVESTMENT CONSIDERATIONS

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

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

1) Market Risk

The risk that movement in the financial markets will adversely affect the value of investments of the Fund. To properly manage market risk, various risk measurement methodologies are utilized to quantify the potential change in portfolio value resulting from changes in security prices. Measures of risk-adjusted performance are also utilized. Market risk is controlled through the establishment of investment limits and by managing the fund according to investment guidelines and parameters that are consistent with its return objective and risk profile.

2) Interest Rate Risk

The risk that the value of the portfolio will decline as interest rates rise. Bond prices are inversely related to interest rates (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 monitor the movements in the spot market.

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

1. Investors in an open-end fund are exposed to the risk of dilution, since open-end investors are allowed to contribute and/or withdraw their entire holdings anytime. Given this inherent risk, the Investment Manager tries to lessen the frequency of withdrawals by imposing an early redemption penalty for investors who withdraw from the Fund before the 180-day minimum holding period. By doing this, investors are

discouraged to withdraw during the minimum holding period and the Investment Manager will be able to maximize the investment during the said period.

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

PRINCIPAL PARTIES TO THE OFFER

Issuer	SOLIDARITAS FUND, INC. BPI Head Office, 6768 Ayala Avenue corner Paseo de Roxas, Makati City
Fund Manager	BPI INVESTMENT MANAGEMENT, INC. BPI Head Office, 6768 Ayala Avenue corner Paseo de Roxas, Makati City
Distributors	QUALIFIED MUTUAL FUND SALES AGENTS BPI Investment Management, Inc. BPI Head Office, 6768 Ayala Avenue corner Paseo de Roxas, Makati City
Investment Advisor	BPI INVESTMENT MANAGEMENT, INC. BPI Head Office, 6768 Ayala Avenue corner Paseo de Roxas, Makati City
Receiving Banks	BANK OF THE PHILIPPINE ISLANDS BPI Building, Ayala Avenue corner Paseo de Roxas, Makati City BPI FAMILY SAVINGS BANK BFSB Building, Paseo de Roxas, Makati City
Transfer Agent	BPI INVESTMENT MANAGEMENT, INC. BPI Head Office, 6768 Ayala Avenue corner Paseo de Roxas, 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	Solidaritas Fund, Inc.				
Corporation Code	The Corporation Code of the Philippines (<i>Batas Pambansa Blg. 68</i>)				
CPI	Consumer Price Index				
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 Information Sheet	The application for subscription to the Offer Shares in the form prescribed				
Debit Authority	The Payment Slip or 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				
Depository Receipt/Transaction Advice	The evidence of ownership of a Shareholder's holdings in the Fund				
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	Solidaritas 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 during the said period, as follows:				
	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="padding: 5px;">Name of Fund</th> <th style="padding: 5px;">Minimum Holding Period</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Solidaritas Fund, Inc.</td> <td style="padding: 5px;">180 days</td> </tr> </tbody> </table>	Name of Fund	Minimum Holding Period	Solidaritas Fund, Inc.	180 days
Name of Fund	Minimum Holding Period				
Solidaritas Fund, Inc.	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
Solidaritas Fund, Inc.	141,000,000

Offer Price The Fund’s prevailing NAV per Share computed 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
Solidaritas Fund, Inc.	141,000,000

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

Name of Fund	Par Value (in PhP)
Solidaritas Fund, Inc.	1.00

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

PIFA Philippine Investment Funds Association

PSEi The Philippine Stock Exchange Composite Index

PSE The Philippine Stock Exchange

Qualified Mutual Fund Sales Agent or Sales Agent An individual, employed by a Distributor, who shall have taken and passed the mutual fund sales agents’ licensing examination given by the SEC

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 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 Qualified Mutual Fund Sales Agents

SEC or Commission The Securities and Exchange Commission of the Philippines

Securities Regulation Code Republic Act 8799

Service Administrator BPI Investment Management, Inc.

Settlement Account	A BPI or BFB 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 Solidaritas Fund, Inc. Shares
Shares	The unclassified and voting common stock of the Fund, of par value PhP1.00 per share, issued out of the Fund's authorized capital stock or, when the context requires, the Fund's outstanding capital stock including the Offer Shares
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 may be held by Catholic parish priests and diocesan clergy, as well as associations, foundations, and schools owned by, or affiliated with, Catholic Church dioceses. However, because the Fund shall invest in shares of stock of Philippine corporations, Philippine law limits foreign ownership of the Fund to a maximum of forty percent (40%) of the Fund's issued and outstanding capital stock. The Fund has the right not to permit or allow the issuance or transfer of shares of the Fund which would reduce the ownership by Philippine nationals of the Fund's outstanding capital stock to less than 60%.

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 he/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
Solidaritas Fund, Inc.	141,000,000

The Offer Price

The Shares shall be offered at an Offer Price based on the Fund's NAV per Share computed by the end-of-day of each valuation date, plus the applicable Sales Load, to a maximum 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

2:30 p.m. 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. Securities sold shall be on cash basis. Installment sales are hereby expressly prohibited. In a Regular Subscription Plan, the investor purchases shares 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 Subscription Amount	Minimum Additional Subscription	Regular Subscription Plan (RSP)
Solidaritas Fund, Inc.	PhP 5,000.00	PhP 1,000.00	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
Solidaritas Fund, Inc.	PhP 5,000.00

Minimum Partial Redemption

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

Name of Fund	Minimum Partial Redemption
Solidaritas Fund, Inc.	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 Solidaritas Fund, Inc. (“Solidaritas” or the “Fund”) is a domestic corporation duly authorized to operate as an open-end investment company. The Fund was incorporated on March 10, 2008 as Bahay Pari Solidaritas Fund, Inc. with an authorized capitalization of PhP112.4 Million consisting of 112,400,000 common shares of par value PhP1.00 per share. The Fund applied for an increase in authorized capital stock amounting to P141 million divided into 141 million shares with PhP 1.00 par value and obtained the SEC’s approval on April 11, 2014. On July 17, 2017, the Fund’s Board of Directors and Shareholders approved an amendment in the Articles of Incorporation to change the Fund’s name to Solidaritas Fund, Inc. The SEC approved the change in company name on April 13, 2018. The Fund was organized and incorporated to engage in the sale of its shares of stock and in the investment of the proceeds of this sale into a basket of stocks and fixed income securities.

The Solidaritas is best suited for long-term investors who want to achieve capital growth from a balance of fixed income and equity investments. The Fund intends to invest up to a maximum of 60% of its net assets in equity securities of Philippine issuers. The Fund’s shares shall be made available to the public primarily through accredited broker firms and authorized distributors and sales agents of BPI Investment Management, Inc. The Fund has also entered into a Management Agreement with BPI Investment Management, Inc. and, as such, has authorized the Fund Manager to purchase and otherwise make or dispose of investments for the account of the Fund, within the limits of the guidelines set by law and SEC regulations, and within the established investment policy of the Fund. The Company does not have employees of its own since management of the Fund is already being handled by its Fund Manager, BPI Investment, and its administrative operations are being dispensed through BPI Investment which is also the Service Administrator. BPI Investment shall also act as the Fund’s Investment Advisor. Solidaritas does not own any property under Annex C of SRC Rule 12 such as real estate, plant and equipment, mines, patents, etc.

The aggregate Net Asset Value of the domestic mutual fund industry reached PhP275 Bn in May 2018. There are currently ten (10) peso balanced funds available in the market with total net asset value of PhP28.22 Bn. Solidaritas will compete with the nine balanced mutual funds in the market including similar balanced unit investment trust funds. 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 will aim to surpass those of all other balanced funds in its category as well as on the wide distribution network of its appointed distributor to effectively compete with the other investment products available in the market.

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

Fund Manager and Investment Advisor:	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 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, its Directors and Officers, have not been involved in any material legal proceeding since the Fund’s incorporation.

DESCRIPTION OF CAPITAL STOCK

Capital Structure

The Solidaritas 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)
Solidaritas Fund	141,000,000 (Additional 28,600,000 shares from previous Authorized Capital Stock of 112,400,000 shares)	1.00	141,000,000

The Fund shall offer to the public common shares to be priced at the Net Asset Value per Share, determined at end-of-day of each valuation date, plus any applicable sales load.

Rights and Privileges / 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.

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.

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.

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

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. Surplus profits, if any, will be used to invest in financial securities for the Fund. However, the Board of Directors of the Fund may amend the dividend policy as conditions warrant. In said event, declaration of cash dividends is limited to the declaration made by the Fund's Board of Directors.

Interests of Named Experts and Independent Counsel

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

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 REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

Principal Market

Shares of the Fund are available for purchase primarily by Catholic parish priests and diocesan clergy, as well as associations, foundations, and schools owned by, or affiliated with, Catholic Church dioceses, subject to existing Philippine laws, through Qualified Mutual Fund Sales Agents of the Fund's Distributors. Investors who have an aggressive 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 2011 to 2017.

1. Market Information

a. Market Price (NAVPS in Pesos)	2017	2016	2015	2014	2013	2012	2011
Quarter ending March 31	2.0701	2.0459	2.1615	1.8878	1.9651	1.7621	1.3777
Quarter ending June 30	2.1457	2.1226	2.0884	1.9642	1.8849	1.6924	1.4375
Quarter ending September 30	2.1994	2.1159	2.0100	2.0342	1.8410	1.7181	1.3708
Quarter ending December 31	2.2421	1.9917	1.9979	2.0285	1.7921	1.7935	1.4348

Stated below are the High and Low Net Asset Value Per Share (NAVPS) for each quarter from 2010 to 2017

Quarter Ending	2012		2011		2010	
	Low	High	Low	High	Low	High
March	1.4347	1.7634	1.2994	1.4300	1.2994	*
June	1.6469	1.7899	1.3939	1.4375	1.3939	*
September	1.6820	1.7215	1.3182	1.4896	1.3182	*
December	1.7127	1.8084	1.3423	1.4362	1.3423	*

Quarter Ending	2016		2015		2014		2013	
	Low	High	Low	High	Low	High	Low	High
March	1.8877	2.0609	2.0307	2.1626	1.7850	1.8928	1.7963	1.7634
June	2.0126	2.1255	2.0497	2.1756	1.8982	1.9700	1.7952	1.7899
September	2.0938	2.1611	1.9706	2.1088	1.9583	2.0342	1.7340	1.7215
December	1.9534	2.1261	1.9687	2.0702	1.9900	2.0657	1.7822	1.8084

Quarter Ending	2017	
	Low	High
March	1.9966	2.0890
June	2.0741	2.1669
September	2.1434	2.2100
December	2.1767	2.2494

Number of Holders

The table below shows the Fund's total number of shareholders as of May 31, 2018:

Name of Fund	Number of Shareholders
Solidaritas Fund	213

Share Options and Treasury Shares

None of the Shares of the Fund are covered by options. Consistent with the Fund's open-end nature, the Fund regularly redeems shares presented by its shareholders.

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 such consideration as deemed fair by its Board of Directors.

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 to Shareholders Depositary Receipts.

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. Most Rev. Mylo Hubert C. Vergara, D.D.**
Chairman and Director
Term of Office as Director: April 15, 2008 - present
Citizenship: Filipino

Bishop Mylo Vergara, 55 years old, Filipino, is currently the Bishop of Pasig (since 2011). Prior to his Episcopal Ordainment in April 30, 2005, he served as Vicar Clergy for the Diocese of Cubao in the year 2005 and became President of Radio Veritas Global Broadcasting, Inc., Manila in 2001. He was also a member of the Credit Committee of the Bahay Pari Credit Cooperative in 1999 and a Presbyterial Council member of the Archdiocese of Manila from 1994-2001. Bishop Mylo had also been engaged in the teaching profession by becoming a Dean of Studies and Professor of Philosophy in the Holy Apostles Seminary from 1990 - 1994. He has also acted as parish priest of the Santa Rita de Cascia Parish (2001-2003) and Holy Sacrifice Parish in Diliman, Quezon City (2003-2005). He was the Bishop of San Jose, Nueva Ecija. He is currently the bishop of the Diocese of Pasig.

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

- 2. Rev. Msgr. Antonio S.J. Mortillero**
Vice Chairman and Director
Term of Office as Director: June 6, 2011 - present
Citizenship: Filipino

Msgr. Antonio Mortillero, 82 years old, Filipino, is currently the Vicar General of the Diocese of Cubao (since 2004) and the parish priest of Our Lady of Perpetual Help, Cubao (since 2004). He used to be the parish priest of Our Lady of Perpetual Help, Project 8 (1994-2004) and Sta. Rita de Cascia, Baclaran (1972-1993). His previous assignments were as assistant parish priest of several churches in Metro Manila - Pateros, Marikina, San Miguel (Manila), and San Felipe Neri (Mandaluyong).

He finished grade school at Legarda Elementary School, high school at Mapa High School (1st – 2nd year) and San Jose Seminary (3rd – 4th year), and college at San Jose Seminary, graduating in 1963.

- 3. Rev. Msgr. Daniel B. Sta. Maria**
President and Director
Term of Office as Director: April 15, 2008 - present
Citizenship: Filipino

Msgr. Danny Sta. Maria, 75 years old, Filipino, is the General Manager of Solidaritas Credit Msgr. Danny Sta. Maria, 74 years old, Filipino, is the General Manager of Solidaritas Credit Cooperative. He is currently the Vicar General and Moderator Curiae of the Diocese of Cubao (since 2012). He served as parish priest of the Holy Trinity in Quezon City (1987-1989), San Roque Parish in Mandaluyong (1989-1998), Our Lady of Guadalupe in Makati (1998-2000), Immaculate Concepcion Cathedral (2000-2006), Christ the King Parish in Greenmeadows, Quezon City (2006-2012), Hearts of Jesus and Mary Parish in West Triangle, Quezon City (2012-2015), and Sta Rita de Cascia Parish in Philam Homes, Quezon City (2015-present).

Before he became a priest, Msgr. Dan was engaged in a totally different field. He obtained his Bachelor's degree in Chemical Engineering from the University of Sto. Tomas. He pursued further studies in Chemical Engineering in Clarkson University in New York. He earned his Master's degree in Business Administration from the University of Cincinnati in Ohio. After graduating, he became a member of the Faculty of Engineering of University of Sto. Tomas. He then worked in the Philippine Atomic Energy Commission in 1967. He was hired by Procter and Gamble Cincinnati and E.I. du Pont Company in Texas as research engineer. He also became Vice President for Product Development in Chemphil, Inc.

4. Rev. Fr. Anton Cecilio T. Pascual
Director and Treasurer
Term of Office as Director: April 15, 2008 - present
Citizenship: Filipino

Fr. Anton Pacual, 59 years old, Filipino, is currently the Executive Director of Caritas Manila, Inc. He is also the President of Radio Veritas, a minister of the Social Services Development Ministry of the Roman Catholic Archdiocese of Manila. He holds key positions in several cooperatives. He is the Founder and Chairman of Simbayanan ni Maria Development Cooperative, Chairman of the Solidaritas Credit Cooperative, Chairman of the Metro South Cooperative Bank, and Director of Caritas SALVE Microfinance Cooperative. He is also a member of the Board of Trustees of Alfonso Yuchengco Foundation, Inc., One Meralco Foundation, Inc., Philippine Council for NGO Certification, and Bayan Academy. He has also been a member of the Board of Trustees of Association of Foundations, Inc. (2015-2017). He has a degree in Philosophy from Our Lady of Angels Franciscan Seminary and in Theology from San Jose Major Seminary, Ateneo de Manila University. He earned a Master's degree in Development Management from the Asian Institute of Management.

5. Rev. Fr. Antonio E. Labiao, Jr.
Director
Term of Office as Director: May 19, 2010 - present
Citizenship: Filipino

Fr. Antonio E. Labiao Jr, 64 years old, Filipino, currently the Parish Priest and Rector of The Diocesan Shrine of Our Lady of Mercy, Novaliches, Quezon City (since 2013). Prior to his present assignment, he was the Parish Priest and Rector of St. Peter Parish: Shrine of Leaders, Commonwealth Avenue, Quezon City (2007-2013). Prior to his being Parish Priest and Rector in St Peter Parish, he was the Parish priest of Jesus, Lord of Divine Mercy Parish, Mapayapa Village I, Quezon City (2002-2007) and at the same time Administrator of Mary the Queen Parish, Fairview, Quezon City (2006-2007). He is also concurrently the Vicar General for Pastoral Affairs of the Diocese of Novaliches. As Vicar General, he serves as the Pastoral Director of the Diocesan pastoral programs.

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

6. Rev. Fr. Arnel F. Recinto
Director
Term of Office as Director: April 15, 2008 - present
Citizenship: Filipino

Fr. Arnel Recinto, 51 years old, Filipino, is currently the Parish Priest of Saint John Paul II Parish in Orchard Road, Eastwood City, Barangay Bagumbayan, Quezon City since 2012. He served Santo Rosario Parish, Dampalit, Malabon, 1993 as Parish Priest; Quiapo Parochial School, Quiapo, Manila, 1993 to 1995 as School Director; Holy Family Parish, K-i cor. K-7, Kamias, Quezon City, 1995 to 2001 as Parish Priest; Our Lady of Hope Parochial School, 2001 to 2006, as School Director as well as the Parish Priest of Our Lady of Hope Parish; and Our Lady of Miraculous Medal Parish, Project 4, Quezon City, 2006 to 2012 as Parish Priest. He is presently the Vicar Forane of the Vicariate of Our Lady of Perpetual Help, wherein 7 parishes are under his care. He is as well the Head of Building Renovation and Construction Committee of the Diocese of Cubao and also the Priest Minister for Public Affairs and Social Service and Development of the Vicariate of Our Lady of Perpetual Help Vicariate.

He earned his Bachelor of Arts degree in English from the Ateneo de Zamboanga. He also earned a Bachelor of Arts degree in Philosophy from the Pastor Bonus Seminary in Zamboanga. He finished his degree in Sacred Theology and Master's degree in higher religious studies from the UST Central Seminary. He is also a candidate for a Master's degree at De La Salle University's School of Management and Administration.

7. Mr. Francisco E. Josef
Independent Director
Term of Office as Director: April 15, 2008 - present
Citizenship: Filipino

Mr. Kiko Josef, 68 years old, Filipino, used to be a consultant for the Philippine Public School Teachers Association, Inc. (2004-2007) and Postal Services Mutual Benefit Association, Inc. He used to be a consultant to the Privatization and Management Office of the Department of Finance, Cooperative Insurance System of the Philippines (2006). He was previously connected with UCPB where he used to be the Trust Officer (1982-86), then Head of Internal Audit and Credit Review (1989-1998) and then Head of Strategic Planning and Analysis Division (1998-2002). He is actively involved in civic and religious affairs as well. He is currently a director of the Santa Maria della Strada Multi-Purpose Cooperative, a member of the Gawad Kalinga core group, a member of the Bishops-Businessmen's Conference of the Philippines, and a member of the Board of Governors of La Vista Homeowners' Association. He used to be president of Rotary Club of Makati-Paseo de Roxas chapter for one year (1997-98).

He earned his Bachelor Degree in Economics in 1971 and his Master's Degree in Business Administration in 1977 from the University of the Philippines.

8. Mr. Carlos R. Alindada
Independent Director
Term of Office as Director: May 19, 2010 - present
Citizenship: Filipino

Mr. Charlie Alindada, 81 years old, Filipino, presently serves as an independent director in other companies, namely: EastWest Banking Corp. (2002-present), Tanduay Distillers, Inc. (2005-present), SFA Semicon Philippines, Inc. (since 2014), Datem, Inc. (since 2015), and HC Consumer Finance Inc. (since 2017). He served for almost 45 years in SGV and Co. and retired in 1999 as Chairman and Managing Partner of the accounting firm. He was also Commissioner of the Energy Regulatory Commission for 3 years until 2004. His previous positions include Chairman of the Financial Reporting Standards Council, the body mandated to prescribe accounting principles for the Philippines, which he held for 28 years, and Chairman of a 5-man independent Committee to study the "Oil Deregulation Law" as appointed by the Secretary of Dept. of Energy (DOE). He was also the first TOFIL awardee for his contributions to the field of public accounting in 1998 and a recipient of the Outstanding Professional of the Year award by the Professional Regulations Commission in the same year. He served as council member of the International Federation of Accountants (IFAC) and the President of the Confederation of Asian and Pacific Accountants (CAPA).

He earned his degree in Business Administration from the University of the East, Manila (graduated magna cum laude and CPA board exam topper) and Master's Degree in Business Administration from the New York University, USA. He also finished the Advanced Management Program of Harvard University, USA in 1976.

9. Rev. Fr. Orlando B. Cantillon
Director
Citizenship: Filipino

Fr. Orlando B. Cantillon, 58 years old, Filipino, the current school Director of Colegio de Sta. Ana and Sto. Nino Parochial School both in Taguig. He entered Claret Seminary in 1976. He then finished Bachelor of Philosophy at the University of Santo Tomas in 1980 and Theology at Loyola School of Theology, Ateneo de Manila in 1986. He was then ordained a Claretian Priest on March 8, 1986. He was assigned as the following: Parochial Vicar at Immaculate Heart of Mary, U.P. Village (1986-1987), Seminary Formator and Instructor (1987-1990), Missionary in East Timor and West Timor (1990-1995), Studied at Instituto de Vida Religiosa, Madrid (1995-1997), Parochial Vicar of San Roque, Pateros (1997-1998), Chaplain of College of St. Benilde (1998-1999), Parish Priest of San Isidro, Novaliches (1999-2000), Parish Priest of St. John the Baptist, Taguig (2000-2005), Parish Priest of San Antonio Abad, Pasig (2005-2007), Parish priest of San Roque, Pateros (2007-2010), and Parish Priest of Immaculate Conception Cathedral, (2010). He also finished M.A. in Educational Management at Pasig Catholic College (2010), and is now a Ph.D. (Candidate) in Educational Management, UST (2012).

Other Officer of the Fund

1. Atty. Sabino B. Padilla IV Corporate Secretary and Compliance Officer

Atty. Sabino B. Padilla IV, 57 years old, Filipino, is the Corporate Secretary 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 of other mutual funds such as Ekklesia Mutual Fund, ALFM Money Market Fund, ALFM Peso Bond Fund, ALFM Euro Bond Fund, ALFM Dollar Bond Fund, ALFM Growth Fund, and Philippine Stock Index Fund.

Significant Employees

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

Additional Information required under Annex C of SRC Rule 12:

- ❑ The incorporators of the Fund are: Rev. Fr. Antonio Cecilio T. Pascual, Rev. Fr. Emmanuel O. Sarez, Bishop Francisco C. San Diego, Rev. Msgr. Daniel B. Sta. Maria, Rev. Msgr. Alfonso A. Bugauan, Jr., Bishop Mylo Hubert C. Vergara, Rev. Fr. Ernesto C. Raymundo, Rev. Fr. Marlou V. Lemaire, Francisco E. Josef, Jose Luis L. Vera, Bahay Pari Credit Cooperative, Diocese of Cubao, Bishop Teodoro C. Bacani, Jr., Diocese of Novaliches, Rev. Fr. Arnel F. Recinto, Santa Maria della Strada Foundation, Diocese of Pasig, DZRV Radio Veritas Foundation, Inc., Immaculate Conception Cathedral, Simbayanan ni Maria Development Cooperative, Diocese of San Jose, Nueva Ecija and the Diocese of Iba.
- ❑ There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the registrant to become directors or executive officers.
- ❑ Each Director shall serve for a term of 1 year from his appointment and until his successor has been duly elected and qualified, provided, however, that any director may be removed from office at anytime 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. Francisco Josef and Mr. Carlos Alindada 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.
- ❑ No current member of the Board of Directors of Solidaritas, 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 Solidaritas Fund has been the subject of any legal/criminal proceedings for the past five years.

EXECUTIVE COMPENSATION

Director / Officer	Position	Year	Salary	Bonus	Other Salary
Most Rev. Mylo Hubert C. Vergara, D.D.	Chairman	2010	*	-	-
		2011	Php 8,590.00	-	-
		2012	Php11,220.00	-	-
		2013	Php11,220.00	-	-
		2014	Php7,560.00	-	-
		2015	Php 3,570.00	-	-
		2016	PhP6,180.00	-	-
		2017	PhP6,120.00	-	-
	2018 (estimate)	Php12,000.00	-	-	
Rev. Msgr. Antonio S.J. Mortillero	Vice Chairman	2010	-	-	-
		2011	Php 2,700.00	-	-
		2012	Php5,250.00	-	-
		2013	Php11,220.00	-	-
		2014	Php6,120.00	-	-
		2015	PhP 3,570.00	-	-
		2016	PhP6,120.00	-	-
		2017	PhP3,570.00	-	-
	2018 (estimate)	Php12,000.00	-	-	
Rev. Msgr. Daniel B. Sta. Maria	President	2010	*	-	-
		2011	Php 10,360.00	-	-
		2012	Php5,100.00	-	-
		2013	Php12,240.00	-	-
		2014	Php3,570.00	-	-
		2015	Php 7,140.00	-	-
		2016	PhP6,120.00	-	-
		2017	PhP7,395.00	-	-
	2018 (estimate)	Php12,000.00	-	-	
Rev. Fr. Antonio C.T. Pascual	Director / Treasurer	2010	*	-	-
		2011	Php 11,140.00	-	-
		2012	Php1,020.00	-	-
		2013	Php5,100.00	-	-
		2014	Php6,120.00	-	-
		2015	Php 2,550.00	-	-
		2016	PhP1,020.00	-	-
		2017	PhP1,020.00	-	-
	2018 (estimate)	Php12,000.00	-	-	
Rev. Fr. Arnel F. Recinto	Director	2010	*	-	-
		2011	Php 6,040.00	-	-
		2012	Php7,650.00	-	-
		2013	Php9,690.00	-	-
		2014	Php7,140.00	-	-
		2015	Php 6,120.00	-	-
		2016	PhP8,670.00	-	-
		2017	PhP4,845.00	-	-
	2018 (estimate)	Php12,000.00	-	-	
Rev. Fr. Antonio Labiao	Director	2010	*	-	-
		2011	Php 3,730.00	-	-
		2012	Php6,120.00	-	-
		2013	Php7,650.00	-	-
		2014	Php6,120.00	-	-
		2015	Php2,550.00	-	-
		2016	PhP2,550.00	-	-
		2017	PhP0.00	-	-
	2018 (estimate)	Php12,000.00	-	-	

Francisco E. Josef	Independent Director	2010	*	-	-
		2011	Php 9,960.00	-	-
		2012	Php10,200.00	-	-
		2013	Php7,140.00	-	-
		2014	Php6,120.00	-	-
		2015	Php 7,140.00	-	-
		2016	PhP5,100.00	-	-
		2017	PhP7,395.00	-	-
		2018 (estimate)	Php12,000.00	-	-
Carlos R. Alindada	Independent Director	2010	*	-	-
		2011	Php8,590.00	-	-
		2012	Php11,220.00	-	-
		2013	Php10,200.00	-	-
		2014	Php6,120.00	-	-
		2015	Php5,100.00	-	-
		2016	PhP5,100.00	-	-
		2017	PhP6,120.00	-	-
		2018 (estimate)	Php12,000.00	-	-
Fr. Orlando B. Cantillon	Director	2010	*	-	-
		2011	*	-	-
		2012	*	-	-
		2013	Php6,120.00	-	-
		2014	Php3,570.00	-	-
		2015	Php2,550.00	-	-
		2016	PhP6,120.00	-	-
		2017	PhP5,100.00	-	-
		2018 (estimate)	Php12,000.00	-	-
Atty. Sabino B. Padilla IV	Corporate Secretary and Compliance Officer	2010	*	-	-
		2011	Php10,770.00	-	-
		2012	Php11,220.00	-	-
		2013	Php12,240.00	-	-
		2014	Php7,140.00	-	-
		2015	Php7,140.00	-	-
		2016	PhP8,670.00	-	-
		2017	PhP7,395.00	-	-
		2018 (estimate)	Php12,000.00	-	-

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

The members of the Board will receive compensation amounting to Php 3,000.00 for every regular meeting and Php 1,200.00 for every special meeting attended. P30,600.00, P36,000.00, P85,330.00, P80,220.00, P95,370.00, P59,580.00, P47,430.00, P55,650.00, and P48,960.00 was the total expense for the Board's per diems for the years 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017 respectively. An estimate of P120,000.00 in Board of Directors and Officers compensation is to be paid out for 2018. The Board of Directors reserves the right to change the compensation schedule in the future.

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

The Board of Directors reserves the right to change the compensation schedule in the future. The Fund has no Compensation Committee.

SECURITY OWNERSHIP OF MANAGEMENT

• As of May 31, 2018

Name	Position	No. of Shares	Percentage
Bishop Mylo Hubert C. Vergara	Chairman	508,978 (record)	0.6041%
Rev. Msgr. Antonio J. Mortillero	Vice-Chairman	1,031,671 (record)	1.2245%
Rev. Msgr. Daniel B. Sta. Maria	Director/President	282,574 (record)	0.3354%
Rev. Fr. Antonio Cecilio T. Pascual	Director/Treasurer	5,000 (beneficial)	0.0059%
Rev. Fr. Arnel F. Recinto	Director	16,351 (record)	0.0194%
Rev. Fr. Antonio Labiao Jr.	Director	19,905 (record)	0.0236%
Rev. Fr. Orlando B. Cantillon	Director	363,380 (record)	0.4313%
Mr. Francisco E. Josef	Independent Director	5,000 (beneficial)	0.0059%
Mr. Carlos R. Alindada	Independent Director	5,000 (beneficial)	0.0059%

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 top-level management 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 on Corporate Governance. There has been no deviation from the Fund's Manual of Corporate Governance as of the date of this report. 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 function of the Chairman and the President; and (iii) the creation of an independent Audit Committee.

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 Fund has no existing or proposed transaction with any entity which any of its directors, officers or stockholders have material interest in the last two years and will not have any future related transactions. Also, it has not hired an expert or independent counsel on a contingent basis. There is also no existing voting trust or similar agreement entered into by holders of more than 5% of a class of securities.

Fund manager and investment advisor – BIMI

The assets of the Fund are being managed by BIMI 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.

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 and advisory fee of not more than two percent (2.00%) per annum based on the average NAV of the Fund, or a minimum annual fee of P0.10 million, whichever is higher.

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

Legal Proceedings

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

Involvement in Certain Legal Proceedings

Since incorporation in 2008 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 of Solidaritas Fund, Inc.

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.

SGV and Co. is the appointed external auditor of the Fund's statements of assets and liabilities and the related statements of operations, changes in net asset attributable to shareholders and cash flows 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, 2017. 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 years 2017 and 2016:

	2017	2016
Audit fees	PhP 246,400.00	PhP 258,720.00

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

There are no instances for material disagreements with regard to accounting procedures and financial disclosures.

PRINCIPAL PARTIES

THE FUND MANAGER

BPI Investment Management, Inc. (“BPI Investment”) shall act as the Fund’s Investment Manager and, as such, is tasked to formulate and implement the investment strategy of the Fund, and to provide and render management and technical services to prospective investors. BPI Investment, a wholly-owned subsidiary of the Bank of the Philippine Islands, was incorporated in 1974 to principally engage in the business of managing an investment company. BPI Investment is licensed by the SEC to act as fund manager (or “investment company adviser”) as well as a distributor of mutual funds.

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

Board of Directors:

1. Mercedita S. Nollo, Chairman

Mrs. Nollo, Filipino, born in 1941, 77 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, 49 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, 72 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, 70 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., 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.

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.

BPI Investment shall also act as the Fund's Investment Advisor and is tasked to render services which include investment research and advice; the preparation of economic, industry, market, corporate, and security analyses; and assistance and recommendations in the formulation of investment guidelines.

For its services, BIMI shall charge a management, distribution and advisory fee of not more than 2.0% per annum net of distribution and/or marketing referral fees. The date of the last renewal by the SEC of BPI Investment Management, Inc.'s license as investment company manager is November 2017.

PLAN OF DISTRIBUTION

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

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

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 Sales Agents into the Fund's settlement account maintained with the Receiving Banks. Proceeds of Shares redeemed from Shareholders shall be debited from the Fund's account with the Receiving Banks.

OTHER INFORMATION REQUIRED

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

MECHANICS OF THE FUND

The Fund's Shares shall be sold primarily through the accredited broker firms and the Fund's Distributors consisting of the Qualified Mutual Fund Sales Agents of BPI Investment Management, Inc., who shall have taken and passed the mutual fund sales agents licensing examination given by the SEC.

PURCHASE OF SHARES

Each new applicant shall fill out a Customer Information Sheet and a Payment Slip or Fund Order Form which may be obtained from, or provided by, any accredited broker or Qualified Mutual Fund Sales Agent of BPI Investment. 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 Solidaritas Fund 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 Shareholder'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 2:30 pm (the "cut-off time") on any valuation day will be processed at the NAVps applicable on that day. Subscription 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 2:30 p.m. (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. Due to the inherent nature of the Fund, however, where redemptions are funded by selling equity investments held by the Fund, there may be instances when the Fund may take longer to credit the proceeds of the redemption especially in the absence of a liquid trading market for such index shares. The Fund shall be entitled to collect an Early Redemption Fee based on the amount redeemed, in accordance with the following schedule:

HOLDING PERIOD	REDEMPTION FEE
180 days or less	1.00% flat
More than 180 days	none

The Fund may suspend redemptions or postpone the date of payment for redemptions in 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 valuation 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.

VALUATION AND ACCOUNTING PROCEDURES

Investments shall be valued based on the current market price of the securities held in the Fund's portfolio. The NAV per Share (NAVPS) shall be obtained by dividing the market value of the assets of the Fund less the value of its liabilities and reserves for expenses by the total number of Shares outstanding (which includes deposit for subscriptions if the Fund is applying for an increase in Authorized Capital Stock) at such valuation date. (See "Determination of the Fund's Net Asset Value" below.)

The Fund shall secure the services of an independent auditor to verify its financial statements at least on an annual basis.

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 the quotient obtained by dividing the value of the assets of the Fund less the value of its liabilities and reserves for expenses by the total number of shares of capital stock outstanding at such Close (including deposit for subscriptions if the Fund is applying for an increase in Authorized Capital Stock) 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 dividend 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 valuation 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 a daily basis, the Fund Manager shall compute the NAV per share and shall report the same to the Fund's Distributor. BPI Investment, the Service Administrator, shall cause the regular publication of the Fund's NAV per Share in two (2) newspapers of general circulation.

TAXATION

Section 32 of Republic Act 8424 excludes the gains from redemption of shares in mutual funds from the computation of gross taxable income. However, 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 OBJECTIVE

The Fund shall apply the net proceeds of the Offer towards the purchase of stocks listed in the Philippine Stock Exchange and fixed-income securities, 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 provide long-term capital appreciation from an appropriate mix of equity and fixed income securities. The Fund intends to invest up to a maximum of 60% of its net assets in equity securities of Philippine issuers. Due to its inherent nature, the fund may be considered an aggressive fund investing predominantly in equity securities.

The investment objective of the Fund may not be changed without the approval of the Shareholders present in person or by proxy, owning at least a majority of the Fund’s outstanding capital stock.

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%).

INVESTMENT STRATEGY

BPI Investment shall employ an active management strategy for Solidaritas Fund. The Fund shall invest up to a maximum of 60% of the net proceeds from the Offer in equity securities under normal market conditions. To achieve returns that are aimed to outperform the chosen benchmark, the Fund Manager shall adopt active stock selection, asset allocation and market timing strategies.

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.

In the case of open-end companies, the Articles of Incorporation thereof should expressly waive the preemptive rights of stockholders.

3. All Filipino membership in the Board of Directors.

The Investment Company Act likewise requires the registration of the investment company and of the shares of the investment company itself. 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.

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 INVESTMENT COMPANY ACT OF 1960

The Investment Company Act 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 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

AS OF DECEMBER 31, 2017

As of end December 2017, Bahay Pari Solidaritas Fund's trading net asset value (NAV) per share was computed at Php2.242, an increase of 12.57% from Php2.001 of the previous year. The increase in NAV per share can be attributed to the rise in the local equities market in 2017.

Total assets of the Fund amounted to Php190.890 Million, or 6.16% higher than the aggregate Php179.812 Million recorded as of end-2016. This consists of Php10.100 Million in Cash and Cash Equivalents, Php14.046 Million in Short-Term Investments, Php156.148 Million in Financial Assets at Fair Value through Profit or Loss, Php0.409 Million in Loans and Receivables, and Php10.190 Million in Held-to-Maturity Investments. Total Liabilities consisting of Accounts Payable and Accrued Expenses amounted to Php0.567 Million.

Investment Income totaled Php27.079 Million in 2017, with Php19.702 Million attributable to Unrealized Gain on Financial Assets at FVPL, Realized Gain on Financial Assets at FVPL of Php 2.727 Million, Php1.667 Million from Interest Income, and Php 2.983 Million from Dividend Income. Total expenses amounted to Php 4.686 Million, with Php 4.01 Million from Management Fees, Php 436.10 Thousand in Loss on Foreign Exchange, Php 57.60 Thousand in Director's Fees, Php 60.78 Thousand from Taxes and Php 124.57 Thousand in Miscellaneous Expenses. These resulted to Net Investment Income Before Tax of Php 22.393 Million in 2017.

Key Performance Indicators

- a) *Performance vis-à-vis the Benchmark* – Bahay Pari Solidaritas Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2017 was a gain of 12.57%, compared to 2016's loss of 0.55% net of fees and taxes.
- b) *Portfolio Quality* – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities, except stocks which have not been approved by the Fund's Board of Directors (i.e., gaming, gambling, hard liquor, cigarettes and tobacco, and mining).
- c) *Market Share in the Industry* – As of December 2017, Bahay Pari Solidaritas Fund cornered 0.58% of the P32.69 Billion total net asset value of balanced funds based on PIFA's December 2017 report. The fund accounted for 0.56% of balanced funds' NAV in 2016.
- d) *NAV Growth vis-à-vis Industry Growth* – The Fund's average daily NAV for 2017 was at PHP 187.43 Million. As of December 31, 2017, the Fund's NAV grew to Php186.80 Million, up 4.06% from Php179.51 Million. The Balanced Fund Industry grew by 1.26%.
- e) *Performance vis-a-vis Competition* – Bahay Pari Solidaritas ranked 4th among the peso balanced mutual funds in 2017.

AS OF DECEMBER 31, 2016

As of end December 2016, Bahay Pari Solidaritas Fund's trading net asset value (NAV) per share was computed at Php1.99, an decrease of 0.55%% from Php2.001 of the previous year. The decline in NAV per share can be attributed to the decline in the local equities market in 2016.

Total assets of the Fund amounted to Php179.812 Million, or 9.10% lower than the aggregate Php197.806 Million recorded as of end-2015. This consists of Php13.55 Million in Cash and Cash Equivalents, Php141.34 Million in Financial Assets at Fair Value through Profit or Loss, Php14.62 Million in loans receivables, and Php10.308 Million in held-to-maturity investments. Total Liabilities consisting of accounts payable and accrued expenses amounted to Php0.549 Million.

Investment Income totaled Php4.219 Million in 2016, with Php8.75 Million attributable to realized gain on financial assets at FVPL and AFS, Unrealized loss on financial assets at FVPL of Php 9.053 Million, Php1.58 Million was from interest income, and Php 2.93 Million from dividend income. Total expenses amounted to Php 4.30 Million, with Php 4.05 Million from Management Fees, Php 63.6 Thousand in Director's Fees, Php 34.02 Thousand from Taxes and Php 154.56 Thousand in Miscellaneous Expenses. These resulted to investment loss before tax of Php 0.80 Million in 2016.

Key Performance Indicators

- a) *Performance vis-à-vis the Benchmark* –Bahay Pari Solidaritas Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2016 was a loss of 0.55%, compared to 2015's loss of 1.64% net of fees and taxes.
- b) *Portfolio Quality* – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities, except stocks which have not been approved by the Fund's Board of Directors (i.e., gaming, gambling, hard liquor, cigarettes and tobacco, and mining).
- c) *Market Share in the Industry* – As of December 2016, Bahay Pari Solidaritas Fund cornered 0.56% of the P32.05 Billion total net asset value of balanced funds based on PIFA's December 2016 report. The fund accounted for 0.55% of balanced funds' NAV in 2015.
- d) *NAV Growth vis-à-vis Industry Growth* – The Fund's average daily NAV for 2016 was at PHP 190.06 Million. As of December 31, 2016, the Fund's NAV declined to Php179.51 Million, down 7.95% from Php195.01 Million. The Balanced Fund Industry contracted by 7.10%.
- e) *Performance vis-a-vis Competition* – Bahay Pari Solidaritas ranked 2nd among the peso balanced mutual funds in 2016.

AS OF DECEMBER 31, 2015

As of end December 2015, Bahay Pari Solidaritas Fund's trading net asset value (NAV) per share was computed at Php2.001, an decrease of 1.64% from Php2.031 of the previous year. The decline in NAV per share can be attributed to the decline in the local equities market in 2015.

Total assets of the Fund amounted to Php197.806 Million, or 4.70% lower than the aggregate Php207.57 Million recorded as of end-2014. This consists of Php12.37 Million in Cash and Cash Equivalents, Php160.357 Million in Financial Assets at Fair Value through Profit or Loss, Php14.656 Million in loans and receivables, and Php10.422 Million in held-to-maturity investments. Total Liabilities consisting of accounts payable and accrued expenses amounted to Php3.045 Million.

Investment Income totaled Php2.096 Million in 2015, with Php5.20 Million attributable to realized gain on financial assets at FVPL and AFS, Unrealized loss on financial assets at FVPL of Php 8.71 Million, Php1.65 Million was from interest income, and Php 3.95 Million from dividend income. Total expenses amounted to Php 4.70 Million, with Php 4.40 Million from Management Fees, Php 64.91 Thousand in Director's Fees, Php 44.91 Thousand from Taxes and Php 187.82 Thousand in Miscellaneous Expenses. These resulted to investment loss before tax of Php 2.60 Million in 2015.

Key Performance Indicators

- a) *Performance vis-à-vis the Benchmark* – Bahay Pari Solidaritas Fund is an actively managed balanced fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2015 was a loss of 1.64%, compared to 2014's gain of 13.19% net of fees and taxes.

- b) *Portfolio Quality* – The Fund’s portfolio should, at all times, adhere to the investment parameters as indicated in the Fund’s prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities, except stocks which have not been approved by the Fund’s Board of Directors (i.e., gaming, gambling, hard liquor, cigarettes and tobacco, and mining).
- c) *Market Share in the Industry* – As of December 2015, Bahay Pari Solidaritas Fund cornered 0.55% of the P35.46 Billion total net asset value of balanced funds based on PIFA’s December 2015 report. The fund accounted for 0.54% of balanced funds’ NAV in 2014.
- d) *NAV Growth vis-à-vis Industry Growth* – The Fund’s average daily NAV for 2015 was at PHP 208.31 Million. As of December 31, 2015, the Fund’s NAV declined to Php195.01 Million, down 5.81% from Php207.05 Million. The Balanced Fund Industry contracted by 7.96%.
- e) *Performance vis-a-vis Competition* – Bahay Pari ranked 1st among the peso balanced mutual funds in 2015.