SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER

01. For the fiscal year ended: September 30, 2015

02. SEC Identification Number: A199713137

03. BIR Tax Identification No.: 005-061-143-000

04. Exact name of registrant as specified in its charter: PAMI Horizon Fund, Inc.

05. Province, country or other jurisdiction of incorporation or organization: Philippines

06. Industry Classification Code: _____________ (SEC use Only)

07. Address of principal office: 17/F, Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig 1634

08. Registrant's telephone number, including area code: (632) 521-6300

9. Former name, former address, and former fiscal year, if changed since last report: N/A

10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of each class	Number of Shares of Common Stock Outstanding
Common voting stock	400,172,678

11. Are any of these securities listed on the Philippine Stock Exchange?

Yes ( ) No (x)

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following comparative financial statements are attached:

a. Statement of Assets and Liabilities as of September 30, 2015 and December 31, 2014 (with breakdown of Net Assets)
b. Statement of Operations for the 3rd quarter of 2015 and 2014
c. Statement of Changes in Net Assets as of 3rd quarter of 2015 and 2014
d. Statement of Cash Flows for 3rd quarter of 2015 and 2014
e. Portfolio Valuation Report as of September 30, 2015

Item 2: Management's Discussion and Analysis or Plan of Operation

Result of Operation for the 3rd quarter of 2015 and Plan of Operation:
Refer to attached Annex A – Fund Performance – 3rd quarter of 2015

PART II – OTHER INFORMATION

Item 1. Disclosures not made under SEC Form 17-C

All information were disclosed in the submitted SEC Form 17-C

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **PAMI HORIZON FUND, INC**

By: PAMI-distributor

MARISSA P. ESCALA	**ELENITA G. VILLAMAR**
Head – Investment Operations & Control	Head – Finance

PAMI HORIZON FUND, INC

FUND PERFORMANCE – 3rd QUARTER 2015

Fixed Income
Fund Management Review & Outlook for the Philippines
September 2015

Risk off mode prevailed after Greece exit fears abated. Global financial markets heightened vigilance on developments in the world's biggest economies, particularly US and China, as deteriorating global growth expectations led to withdrawal from risk assets. As financial markets found renewed confidence from US data showing stable recovery and China hard landing fears were allayed by PBOC's policy action and reforms that calmed the reeling equity markets, gloomy headlines highlighting the contracting growth in emerging market economies (Brazil, Russia, Singapore and Taiwan) clouded the outlook. The mounting negative sentiment favored the relative safety of fixed income investments. To a greater degree, investors returned to the bond market after the Fed refrained from lifting its zero-interest rate policy in September, as it acknowledged global developments posing downward risks to its long-term growth and inflation targets.

Economic developments in the local front continued to be favorable. Growth in the first half of the year averaged 5.4% after accelerating at 5.6% in the 2nd quarter of the year- 3rd fastest growth in the region after China and India and out pacing other Single-A Southeast Asian neighbors. The 9-month inflation average at 1.60% is below the lower bound of the 2%-3% target range. The consumption driven growth was fueled by stable OFW remittances that posted 4.8% growth in July versus 5% growth target for the year. The encouraging fundamentals were recognized by Fitch's credit rating outlook upgrade to positive citing the country's improved global competitiveness ranking and governance standards.

Interest rates trended down to move lower than the closing levels in 2014, delivering gains in the fixed income portfolios. Interest rate direction represented by the 10-year bonds closed on a strong note: 10Y UST 2.037% (-13.4 bps vs 2.171% YE 2014), 10Y ROP 3.415% (-5.5 bps vs 3.47% YE 2014) and 10Y FXTN 3.80% (-6.4 bps vs 3.86% YE 2014).

Portfolio Overview and Outlook: Investments in the fixed income funds appreciated in the year ending September. Return was modest but positive countering the deterioration in returns in riskier outlets. The fixed income portfolios managed to outperform the benchmark (gross of fees) owing to the favorable yield curve positioning and long position gains in corporate bonds. Duration was kept slightly overweight versus the benchmark guided by low inflation environment and steady policy rates outlook. The Peso-denominated fixed income portfolio closed the quarter with 7.2 year duration while the Dollar Bond Fund closed at 7.5 year duration.

Recent developments have been consistent with our outlook and we restate our Positive assessment of the rates market despite the risks.

In the final quarter, financial markets seen to maintain risk-on, risk off behavior following external event risks and policy surprise action or inaction. We expect interest rates to move higher from current levels and maintain a gradual uptrend. The policy divergence due to uneven global growth will keep policy rates accommodative (even if the Fed adjusts policy in December at the earliest) and liquidity from enhanced stimulus in China, Europe and Japan will anchor interest rates.

Equities Market Review
Fund Management Review & Outlook for the Philippines
September 2015

The PSEi Closed 2.9% lower month on month at 6,894. The market is now 15.2% off its 2015 high of 8,127 in April. Net foreign selling nearly doubled month on month to $706 million (though much of this was attributable to the LRI tender offer). Bringing their selling streak to 6 months. Year –to-date , foreigners have sold $ 873 million worth of local stocks. Volumes by nearly fifth to P6.3 billion per day.

Economic News: Inflation fell to yet again another multiple-decade low of 0.4% in September from 0.6% of the month prior. The 10-year money yield fell 56bps to 3.7995, its lowest month-end close since January. The Peso broke a 3 month depreciation streak to close at 46.726 versus the Dollar, albeit just 0.1% stronger month on month.

Corporate News: Media (+0.2%) was the lone gaining sector on the brack of the GMAP's 4.4% month on month gain. Gaming (-20.8%) was battered again on concerns of week Gross Gaming Revenue figures across the board. DMC, SCC and SMPH (+12.5%, +6.3% and +5.9% respectively) led the Index while BLOOM, AGI and LTG (-25.8%, 22.6% and -22.5%) lagged it. Foreigners again bought BDO the most ($24.4 million worth) and sold TEL the most ($54.4 million worth)

Outlook: A domestically- driven demand for its goods and services implies that the stock market will weather the ups and downs of the global economy.

Fund Performance

The performance of the Fund as of September 2015 as compared with December 2014 is mainly due to the market condition resulting to comparative financial indicators as follows:

Market Indicator	30-Sep-15	31-Dec-14*/30-Sep-14	Inc/(Dec)
NAVPS*	3.5809	3.7340	-0.1531
ROE (Year-on-Year)	-3.93%	12.25%	-16.18%
EPS (Year-on-Year)	-0.1383	0.4581	-0.5964
EBT (Year-on-Year)**	-52,316	196,807	-249,122.86
Expense Ratio (Year-on-Year)	1.79%	1.81%	-0.02%

** In thousands of Philippine peso.

NAVPS: NAVPS is computed by dividing the net assets over the outstanding shares. It represents the current value of each outstanding share.

Return on Equity (ROE): ROE is computed by dividing the net income of the current period over the Net Asset Value of the Fund. This represents the percentage of income earned out of the total NAV.

Earnings Per Share (EPS): The EPS is computed by dividing the earnings after tax by the average number of outstanding shares during the period. It indicates the amount of earnings represented by each outstanding share.

Earnings before Taxes (EBT): The EBT is computed by deducting the operating expenses from the gross income. It represents the amount of income the Fund has after deducting its operating expenses.

Expense Ratio: The expense ratio is computed by dividing the operating expenses by the average daily net asset value. It represents the percentage of net asset value that is used for operating expenses.

PAMI HORIZON FUND, INC

FUND PERFORMANCE – 3rd QUARTER 2015

Assets

Total assets decreased by Php 164.41 million year to date. This is mainly due to poor performance of the stock market which results to a decline in market value of equity securities held as Fair Value Through Profit or Loss (FVTPL).

Liabilities

The decrease in liabilities of Php 34.19 million in September 2015 as compared with December 2014 is mainly due to outstanding payables to broker as of December 31, 2014 which settled after the reporting period. The Fund has no outstanding liabilities to its brokers as of September 30, 2015.

Net Assets

The Fund's equity decreased by Php 130.21 million. This is brought by the volume of redemption from investors and decrease in fair market value of securities held as Financial Assets at Fair Value through Profit or Loss (FVTPL).

Gross Income

The Fund posted a Php 24.62 million gross loss for the third quarter of 2015. Major contributor is from fair value loss of securities held as FVTPL due to the poor performance of the stock market.

Operating Expenses

The operating expenses as compared year-on-year increased by Php 1.4 million. The average daily net asset value of the third quarter of 2015 is higher than the third quarter of 2014 by Php 97.4 million, which has a direct effect in the daily accrual of AUM-based expenses such as management fees, fund accounting fees, and transfer agency fee.

Net Investment Income

The net investment income of the Fund decreased by approximately Php 249.88 million year-on-year due to various movements in the income and expense accounts as discussed in the preceding paragraphs.

Investment in Foreign Securities

The Fund has no investment in foreign Securities as of September 30, 2015.

Fair Values of Assets and Gain/Loss for the Period

The comparison of the fair values as of September 2015 and December 2014 is reflected in the statements of assets and liabilities while amounts of gains/losses for the periods are reflected in the statement of operations.

Below is the summary:

	Unaudited as at	Audited as at	Increase/Decrease	
	30-Sept-2015	31-Dec-2014	30 Sept 2015 vs. 31 Dec 2014	
	All amounts in thousands of PHP	*All amounts in thousands of PHP*	Amount	%
ASSETS				
Cash & Cash Equivalents	3,046	52,986	-49,940	-94.25%
Financial Assets at Fair Value through Profit or Loss	946,114	1,122,344	-176,230	-15.70%
Available-for-Sale Investments	457,163	409,932	47,231	11.52%
Loans and Receivables	48,354	33,822	14,532	42.97%
Other Assets	738	739	-1	-0.14%
TOTAL ASSETS	1,455,415	1,619,823	-164,408	-10.15%

Total assets decreased by Php 164.41 million year to date. This is mainly due to poor performance of the stock market which results to a decline in market value of equity securities held as Fair Value Through Profit or Loss (FVTPL).

B. REALIZED & UNREALIZED GAINS

	For the Period Ended	
	30-Sept-2015	30-Sept-2014
	All amounts in thousands of PHP	All amounts in thousands of PHP
Realized Gain on financial instruments	16,785	117,281
Unrealized Gain on financial instruments	-75,198	75,941
Total Gains on Financial Instruments	-58,413	193,222

The Fund posted a 58.41 million loss on financial assets at Fair Value Through Profit or Loss as at September 30, 2015 due to poor performance of stock market. This is Php 251.64 million lower than the 3rd quarter of year 2014 due to the lower valuation of equity securities held as Fair Value Through Profit or Loss (FVTPL).

<u>Liabilities</u>

The comparison of liabilities as of September 2015 and as of December 2014 is reflected in the statements of assets and liabilities and summarized below:

	Unaudited as at	Audited as at	Increase/Decrease	
	30-Sept-2015	31-Dec-2014	30-Sept- 2015 vs. 31 Dec 2014	
	All amounts in thousands of PHP	All amounts in thousands of PHP	Amount	%
LIABILITIES				
Accounts Payable and Accrued Expenses	15,833	50,700	-34,867	-68.77%
Due to Philam Asset Management, Inc.	6,608	5,935	673	11.34%
TOTAL LIABILITIES	22,441	56,635	-34,194	-60.38%

The decrease in liabilities of Php 34.19 million in September 2015 as compared with December 2014 is mainly due to outstanding payables to broker as of December 31, 2014 which settled after the reporting period. The Fund has no outstanding liabilities to its brokers as of September 30, 2015.

PAMI HORIZON FUND, INC

FUND PERFORMANCE – 3rd QUARTER 2015

Plan of Operation for the next 12 months

A. Distribution

The Fund will be distributed by Philam Asset Management, Inc. (PAMI) through licensed investment solicitors. PAMI will tap its existing distribution network of insurance, agents, third party distributors and Direct Sales employees in order to inform as many retail and institutional investors about the advantages of mutual fund investments.

Training and promotional campaigns will be focused on the distribution networks. PAMI will commit resources and exert substantial effort to help future distributors acquire their licenses as mutual fund solicitors.

B. Use of Proceeds

The proceeds from the sale of PHFI shares will be used to build up its investment in equities of companies listed in the primary and secondary boards of the PSE. Likewise, proceeds will also be used to build up the investment in domestic fixed-income instruments including, but not limited to, treasury bills, Bangko Sentral ng Pilipinas' ("BSP") Certificates of Indebtedness, other government securities or bonds, and such other evidences of obligations issued by the BSP or guaranteed by the Philippine government.

C. Determination of Offering Price

The offering price is determined at Net Asset Value (NAV) per share computed for the current banking day, if payment is made within the daily cut-off time. Otherwise, the NAV per share on the following banking day will be used for payments made after the daily cut-off time. The daily cut-off time shall be 12:00 noon of a banking day. A banking day is defined as a day when commercial banks in Metro Manila are not required or authorized to close by law.

Material Events & Uncertainties

Liquidity

There are no demands, commitments, events or uncertainties which will impair the liquidity of the fund. The Fund is mandated by SEC, through Investment Company Act, to maintain at least 10% of its net assets to be invested at liquid assets (ICA Rule 35 – 1 p. d4). But since the Fund has a contingency liquidity plan, the liquid assets can be at a minimum of 5% of the Net Asset Value.

There are no events that triggered direct or contingent financial obligation that is material to the Fund.

F. Material Transactions

There are no material off-balance sheet transactions, arrangement, obligations and other relationships of the company with unconsolidated entities or other persons created during the period. There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material, favorable or unfavorable, impact on net sales or revenues or income from continuing operations. PHFI knows no events that will cause a material change in the relationship between costs and revenues.

The Fund, being subjected to mark-to-market valuation, has significant dependency on the market value fluctuations of listed stocks and securities held by it.

PAMI HORIZON FUND, INC.

NOTES TO FINANCIAL STATEMENTS
As at and for the period ended September 30, 2015

Note 1 - General information

PAMI Horizon Fund, Inc. (the "Fund") is an open-end mutual fund company organized to acquire and sell, transfer or otherwise dispose of securities of all kinds including sale of its shares of stock, the proceeds of which are invested in equity and fixed income investments. As an open-end mutual fund company, its outstanding shares of stock are redeemable anytime based on the net asset value ("NAV") per unit at the time of redemption.

The Fund is registered with the Securities and Exchange Commission ("SEC") on August 8, 1997 under the Corporation Code of the Philippines. The SEC approved the registration of the Fund under the Investment Company Act (Republic Act No. 2629) and the Revised Securities Act on June 18, 1998. The Fund started commercial operations on July 1, 1998. The table below shows the Fund's track record of registration of securities under the SRC (in absolute amount).

SEC approval date	Number of shares	Par value
August 8, 1997	1,000,000,000	Php1
December 17, 2007	1,000,000,000	Php1

On January 18, 2013, the SEC approved the change in the name of the Fund from GSIS Mutual Fund, Inc. to PAMI Horizon Fund, Inc.

The Fund's registered office address, which is also its principal place of business, is located at 17F Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th St., Bonifacio Global City, Taguig 1634, Philippines.

The Fund has no employees. Philam Asset Management, Inc. ("PAMI"), a wholly-owned subsidiary of The Philippine American Life and General Insurance Company ("Philamlife"), acts as the Fund manager. PAMI also serves as adviser, administrator and distributor of the Fund and provides management, distribution and all required operational services.

The Fund is designed to seek above average return from income and long-term capital appreciation through investments in listed equities and fixed income securities of Philippine and international companies including debt obligations of the Republic of the Philippines and its instrumentality as well as those of foreign governments.

From July to September 2011, GSIS redeemed its 1,042,963,168 shares from the Fund and the proceeds were transferred to an investment management account with PAMI.

Note 2 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with Philippine Financial Reporting Standards ("PFRS"). The term PFRS, in general, includes all applicable PFRS, Philippine Accounting Standards ("PAS") and interpretations of the Philippine Interpretations Committee ("PIC"), Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC") which have been approved by the Financial Reporting Standards Council ("FRSC") and adopted by the SEC.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss ("FVTPL").

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the

Fund's accounting policies. The areas involving a higher degree of judgment or complexity significant to the financial statements are disclosed in Note 4.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Fund

The following amendments to existing standards have been adopted by the Fund effective January 1, 2014:

- *PAS 32 (Amendment), Financial instruments: Presentation' on offsetting financial assets and financial liabilities*. This amendment clarifies that the right of off-set must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant impact on the Fund's financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on January 1, 2014 are not material to the Fund.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective beginning after January 1, 2014, and have not applied in preparing the financial statements. None of these is expected to have a significant effect on the financial statements, except the following set out below:

- *PFRS 9, Financial Instruments*. This new standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of PFRS 9 was issued in July 2014. It replaces the guidance in PAS 39 that relates to the classification and measurement of financial instruments. PFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI without recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in PAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. PFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under PAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Fund is currently assessing the impact of PFRS 9 on its financial statements.

There are no other standards, amendments and interpretations that are not yet effective that would be expected to have a material impact on the Fund's financial statements.

2.2 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from date of acquisition.

2.3 Financial instruments

Date of recognition

Financial instruments are recognized in the statements of financial position when the Fund becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Initial recognition of financial instruments

Financial instruments not carried at FVTPL are initially recognized at fair value plus transaction costs. Financial instruments carried at FVTPL are initially recognized at fair value, and transaction costs are recognized as expense in profit or loss.

Day 1 profit

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

Classification of financial instruments

The Fund classifies its financial assets in the following categories: (a) financial assets at FVTPL, (b) held-to-maturity, (c) loans and receivables and (d) available-for-sale. The Fund classifies its financial liabilities at FVTPL or as other financial liabilities at amortized cost. The classification depends on the purpose for which the financial instruments were acquired or incurred and whether they are quoted in an active market. Management determines the classification of the Fund's financial instruments at initial recognition. The Fund does not hold any financial assets under categories (b) and (d) during and at the end of each reporting period. The Fund does not hold any financial liabilities at FVTPL during and at the end of each reporting period.

Financial assets or financial liabilities at FVTPL

This category consists of financial assets or financial liabilities that are held for trading or designated by management as at FVTPL on initial recognition. Derivatives instruments, except those covered by hedge accounting relationships (none as at reporting dates), are classified under this category.

Financial assets or financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis;
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets at FVTPL are recorded in the statements of financial position at fair value, with changes in the fair value recorded in profit or loss, included under Fair value gains (losses). Interest earned is recorded in Interest income, while dividend income on equity instrument is recorded in profit or loss under Dividend income when the right of the payment has been established. Gains or losses realized from the sale of financial assets at FVTPL are recorded in Fair value gains (losses) in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held for trading, designated as available-for-sale or FVTPL. This accounting policy applies to cash and cash equivalents and accrued income.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in Interest income in profit or loss. The losses arising from impairment of such loans and receivables are recognized in Provision for impairment losses in profit or loss.

Other financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated as financial liabilities at FVTPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Fund's own equity shares.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

This accounting policy applies to accounts payable and accrued expenses (excluding taxes payable) and due to PAMI.

Impairment of financial assets

The Fund assesses at each reporting date whether a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

<u>Loans and receivables</u>

For loans and receivables which are carried at amortized cost, the Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics such as type of borrower, collateral type, past-due status and term, and collectively assesses for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

The criteria that the Fund uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows. The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to profit or loss. If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost had the impairment not been recognized at the reversal date.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. Time value is generally not considered when the effect of discounting is not material. If an instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate, adjusted for the original credit risk premium. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as type of debtor, past-due status and term.

Derecognition of financial assets and liabilities

Financial asset

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

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

Where the Fund has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Fund's continuing involvement in the asset.

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Fund's statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

There are no significant non-financial assets as at September 30, 2015 and December 31, 2014.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

PFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Fund's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Philippine Stock Exchange, Inc., Philippine Dealing and Exchange Corp., etc.).

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

The Fund's classification of its financial assets based on the above fair value hierarchy is presented in Note 3 to the financial statements.

2.5 Share capital

The Fund issues shares, which are redeemable at the holder's option and are classified as equity in accordance with PAS 32, *Financial instruments: Presentation*. Each share has the following features which support the equity classification:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the entity's liquidation;
- The share has no priority over other claims to the assets of the entity on liquidation, and it does not need to be converted into another instrument before it is classified as such; and
- All shares have an identical contractual obligation for the Fund to deliver a pro rata share of its net assets on liquidation.

In addition, the Fund has no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund (excluding any effects of such instrument or contract); and
- the effect of substantially restricting or fixing the residual return to the shareholders.

Should the redeemable shares' terms or conditions change such that they do not comply with the strict criteria as mentioned above, the redeemable shares would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognized in equity.

Redeemable shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's trading NAV calculated in accordance with the Fund's regulations. Redeemed shares are not cancelled and may be reissued in the future.

Share premium

Sales of shares are recorded by crediting Share capital at par value and Share premium for the amount received in excess of the par value; redemptions are recorded by debiting those accounts. In the event that the Share premium balance is exhausted as a result of redemptions, the Retained earnings account is reduced by redemptions in excess of par.

2.6 Revenue recognition

Dividend income

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

Interest income

Interest income is presented gross of final tax and recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and accretes the discount as interest income. Interest income on impaired financial asset carried at amortized cost is recognized using the original effective interest rate.

Other income

Other income is recognized when earned and the Fund's right to receive payment is established.

2.7 Expenses

Expenses are recognized in the year in which they are incurred.

2.8 NAV per share

NAV per share is computed by dividing net assets attributable to shareholders (total assets less total liabilities) by the total number of shares issued and outstanding at the reporting date.

2.9 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Fund by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

As at September 30, 2015, there are no dilutive potential shares.

2.10 Taxation

The Fund is domiciled in the Philippines. Under the existing tax laws of the Philippines, a documentary stamp tax, included under Taxes, licenses and other fees in profit or loss, is payable by the Fund on original issue and subsequent sale or transfer of its redeemable shares.

The Fund has interest income from bank deposits and government securities which is subject to final withholding tax. Such income is presented at gross amount and the related final tax is presented as part of Income tax expense in profit or loss.

2.11 Current and deferred income tax

Income tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of income tax expense in profit or loss.

Deferred income tax ("DIT") is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, DIT liabilities are recognized for all taxable temporary differences and DIT assets are recognized for all deductible temporary differences and the carry-forward of unused tax losses (net operating loss carry over or NOLCO) and unused tax credits (excess of minimum corporate income tax or MCIT) to the extent that it is probable that taxable profit will be available against which the DIT asset can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

DIT liabilities are recognized in full for all taxable temporary differences, except to the extent that the DIT arises from the initial recognition of goodwill.

The carrying amount of DIT asset is reviewed at each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the DIT asset to be utilized. The Fund reassesses at each reporting date the need to recognize a previously unrecognized DIT asset.

DIT assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

DIT assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the DIT assets and liabilities relate to income taxes levied by the same taxation authority and where there is an intention to settle the balances on a net basis.

2.12 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.13 Functional and presentation currency

The Fund is not engaged in foreign currency transactions at reporting dates. Subscriptions and redemptions of the Fund's redeemable shares are denominated in Philippine Peso. The performance of the Fund is measured and reported to the investors in Philippine Peso. The BOD considers the Philippine Peso as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Philippine Peso, which is the Fund's functional and presentation currency.

The Fund is not engaged in foreign currency transactions.

2.14 Events after the reporting date

Post year-end events that provide additional information about the Fund's financial position at reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

2.15 Reclassification

Certain amounts have been reclassified in the statement of financial position to conform with the current year's presentation. This reclassification did not change the amount of total assets as at September 30, 2015.

Note 3 - Capital and financial risk management

3.1 Governance framework

The primary objective of the Fund's risk and financial management framework is to protect the Fund from events that hinder the sustainable achievement of the Fund's performance objectives, including failing to exploit opportunities. The Fund recognizes the critical importance of having efficient and effective risk management systems in place.

BOD has approved the Fund's risk management policies and meets regularly to approve on any commercial, regulatory and own organizational requirements in such policies. The policies define the Fund's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, alignment of investment strategy to the corporate goals and specify reporting requirements.

3.2 Capital management

The Fund's objectives for managing capital are: (a) to invest the capital in investments meeting the description and risk exposure indicated in its prospectus; (b) to achieve consistent returns while safeguarding capital; and (c) to maintain sufficient liquidity to meet the expenses of the Fund and to meet redemption requests as they arise.

As provided by Investment Company Act of 1960, minimum required capitalization for funds amounts to P50 million. The Fund's existing capitalization is more than the amount required by the SEC.

The Fund considers the net assets attributable to shareholders as its capital (or total equity as shown in the statements of financial position). As at September 30, 2015 the net assets attributable to shareholders amounted to P 1,432,974 thousands.

3.3 Regulatory framework

The operations of the Fund are also subject to the regulatory requirements of the SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions. Unless ordered otherwise by the SEC, the Fund shall not sell securities short or invest in any of the following:

a. margin purchase of securities (investments in partially paid shares are excluded);
b. commodity future contracts;
c. precious metals;
d. unlimited liability investments;
e. short selling of currencies;
f. short selling of investments; and
g. other investments as the SEC shall, from time to time, prescribe.

Any changes in the Fund's investment objective should be with notice and prior approval of the SEC. An investment company shall not change its investment objective without the approval from the majority of the Fund's shareholders.

In addition, the SEC also provides maximum limits on exposure to counterparties, maintenance of a certain level of liquid assets and conditions for incurring borrowings (Note 3.5 – Credit risk).

The Fund is fully compliant with the above SEC regulatory requirements as at September 30, 2015

3.4 Financial instruments

Due to the short-term nature of cash and cash equivalents, loans and receivables, accrued income, accounts payable and accrued expense (excluding taxes payable) and due to PAMI, their carrying values reasonably approximate fair values at year-end.

The fair value of financial assets at FVTPL, that are actively traded in organized financial markets, is determined by reference to quoted market bid prices, at the close of business on the reporting date.

3.5 Financial risk

The Fund's equity portfolio shall include securities listed in the primary board of the Philippine Stock Exchange ("PSE"). However, the Fund may also invest in companies listed on the secondary board and from time to time on shares of non-listed companies that are about to get listed within three months. The total investment in the secondary board of the PSE may not, in total, exceed twenty percent (20%) of the total investments of the Fund. Furthermore, a maximum of twenty percent (20%) of the equity portfolio may be invested in foreign securities with positive track records of at least three consecutive years.

For defensive purposes, the Fund may invest in SEC-registered debt papers or other certificate of indebtedness/obligations, issuers of whom had been determined as financially sound and approved by the Investment Committee of the Fund manager. The Fund may also trade in medium-to long-term government securities (5-year to 20-year notes, bonds and other certificates of indebtedness) issued by the Philippine Government.

The Fund is exposed to financial risk through its financial assets. The most important components are credit risk, liquidity risk and market risk.

These risks arise from open positions in interest rate and equity securities, all of which are exposed to general and specific market movements.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Fund manages the level of credit risk it accepts through setting up of exposure limits by each counterparty or group of counterparties. Effective July 2013, the maximum investment of the Fund in any single enterprise shall not exceed an amount equivalent to fifteen percent (15%) of the Fund's NAV except obligations of the Philippine government or its instrumentalities, provided that in no case shall the total investment of the Fund exceeds ten percent (10%) of the outstanding securities of any one investee company. The Fund also transacts only with institutions with high credit rating or standing.

In addition, the Fund manages the level of credit risk it accepts through reporting of credit risk exposures, monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment. The Fund cannot lend to individual borrowers.

The Fund manager's high grade credit process combines top down and bottom up elements reflecting the observation that the weaker the credit quality, the more security specific risk comes to dominate overall portfolio risk. The bottom-up element focuses on the analysis of individual credits. The top- down element focuses on the analysis of sectors. In order to manage risk, the high-grade portfolios combine diversification rules with a number of filters designed to help avoid downgrade and default candidates. Key to the Fund's credit process is the minimization of the impact from security default or downgrade.

There are no collaterals held as security and other credit enhancements attached to the loans and receivables as at September 30, 2015.

As at September 30, 2015, there are no past due or impaired financial assets.

Liquidity risk

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

The Fund is exposed to daily cash redemptions of its issued shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Fund manages liquidity through specifying minimum proportion of funds to meet emergency calls. Unless otherwise prescribed by the SEC, at least five percent (5%) of the fund shall be invested in liquid/semi-liquid assets effective July 2013 such as:

a. Treasury notes or bills, Bangko Sentral ng Pilipinas certificate of indebtedness which are short-term, and other government securities or bonds and such other evidences of indebtedness or obligation, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines.

b. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposits account be accepted or allowed under a "bearer", "numbered" account or other similar arrangement.

The Fund may not incur any further debt or borrowings unless at the time of its occurrence or immediately thereafter, there is an asset coverage of at least 300% for all its borrowings. In the event that such asset coverage shall fall below 300%, the Fund shall, within three days thereafter, reduce the amount of borrowings to an extent that the asset coverage of such borrowings shall be at least 300%. The Fund has not breached the said asset coverage requirement as at September 30, 2015.

In addition, the Fund manages liquidity through reporting of liquidity risk exposures, monitoring compliance with liquidity risk policy and review of liquidity risk policy for pertinence and changing environment.

Market risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Fund structures levels of market risk it accepts through a market risk policy that determines what constitutes market risk for the Fund; basis used to fair value financial assets and liabilities; sets out the net exposure limits by each counterparty or group of counterparties and industry segments; reporting of market risk exposures; monitoring compliance with market risk policy and review of market risk policy for pertinence and changing environment.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes on foreign exchange rates.

The Fund holds no investment and does not plan to invest in foreign securities. However, SEC allows mutual fund companies to invest up to 100% of its net assets in foreign securities subject to safety nets and standards set by the SEC. Since the transactions of the Fund are carried out in its functional currency, accordingly, it is not exposed to currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Fund to cash flow interest risk, whereas fixed interest rate instruments expose the Fund to fair value interest rate risk. The Fund's fixed rate investments, which are classified as financial assets at FVTPL, are exposed to fair value interest rate risk.

The Fund's market risk policy requires it to manage the maturities of interest bearing financial assets and financial liabilities.

Price risk

Price risk relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices, principally of equity securities. The Fund is exposed to price risk in respect of its investments in equities listed in the PSE.

Investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The Fund's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investment, diversification plan and limits on investments.

Fair value hierarchy

The Fund's financial assets at FVTPL and Available-for-sale securities amounting to are all classified under Level 1.

The fair values of equity securities are determined based on the last bid prices obtained from the PSE, while for government securities, market prices were obtained from the Philippine Dealing and Exchange Corporation while published Net Asset Value per unit is used for investments in UITF.

The Fund has no financial assets that fall under the Levels 2 and 3 categories. There are also no financial liabilities measured at fair value as at September 30, 2015.

Note 4 - Critical accounting judgments in applying accounting policies

Estimates, assumptions and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting judgment that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

Unrecognized DIT assets

DIT asset from net operating loss carryover ("NOLCO") has not been recognized because the Fund believes that there will be no future taxable profit against which benefit from NOLCO can be utilized. The Fund assesses the unrecognized DIT assets and will recognize a previously unrecognized DIT asset to the extent that it has become probable that future taxable income will allow the DIT assets to be recovered.

SCHEDULE A

1. Percentage of investment in a single enterprise to net asset value
2. Total investment to the outstanding securities of an investee company

FOR THE PERIOD ENDED SEPTEMBER 2015			FOR THE PERIOD ENDED SEPTEMBER 2014		
NAME	% of Total Fund's NAV (<10%)	% Ownership (<10%)	NAME	% of Total Fund's NAV (<10%)	% Ownership (<10%)
ABS-CBN HOLDINGS-PDR	0.07%	0.0019%	ABOITIZ EQUITY VENTURES	1.82%	0.0097%
AYALA CORPORATION	2.61%	0.0079%	ABOITIZ POWER CORPORATION LIMITED	0.68%	0.0036%
ABOITIZ EQUITY VENTURES	2.26%	0.0101%	ALLIANCE GLOBAL GROUP INC	2.40%	0.0142%
ALLIANCE GLOBAL GROUP INC	0.91%	0.0077%	ASIABEST GROUP INTERNATIONAL INC.	0.09%	0.0687%
AYALA LAND INC	3.37%	0.0094%	AYALA CORPORATION	3.56%	0.0129%
ABOITIZ POWER CORPORATION LIMITED	0.97%	0.0043%	AYALA LAND INC	4.80%	0.0153%
BANCO DE ORO - EPCI. INC	2.30%	0.0085%	BANCO DE ORO - EPCI. INC	1.67%	0.0075%
BLOOMBERRY RESORTS CORPORATION	0.23%	0.0052%	BANK OF PHILIPPINE ISLANDS	2.40%	0.0098%
BANK OF PHILIPPINE ISLANDS	1.97%	0.0087%	BLOOMBERRY RESORTS CORPORATION	0.64%	0.0072%
CONCEPCION INDUSTRIAL CORPORATION	0.02%	0.0022%	DMCI HOLDINGS INC	0.89%	0.0013%
COSCO CAPITAL INC	0.56%	0.0155%	EMPERADOR INC	0.20%	0.0019%
DMCI HOLDINGS INC	0.70%	0.0060%	ENERGY DEVELOPMENT CORP	0.77%	0.0080%
D&L INDUSTRIES INC	0.28%	0.0054%	FILINVEST LAND INC	0.03%	0.0011%
ENERGY DEVELOPMENT CORP	1.47%	0.0193%	FIRST GEN CORPORATION	0.77%	0.0134%
EMPERADOR INC	0.31%	0.0038%	FIRST PHILIPPINE HOLDINGS CORP	0.05%	0.0019%
FIRST GEN CORPORATION	0.85%	0.0140%	GLOBE TELECOM	0.79%	0.0058%
FIRST PHILIPPINE HOLDINGS CORP	0.69%	0.0265%	GT CAPITAL HOLDINGS INC	0.89%	0.0076%
GLOBE TELECOM	0.94%	0.0043%	INTL CONTAINER TERMINAL SERVICES	1.43%	INTL
GT CAPITAL HOLDINGS INC	1.24%	0.0076%	JG SUMMIT HOLDINGS INC.	2.19%	0.0085%
INTL CONTAINER TERMINAL SERVICES INC	1.02%	0.0093%	JOLLIBEE FOODS CORPORATION	1.03%	0.0079%
JOLLIBEE FOODS CORPORATION	1.14%	0.0078%	LAFARGE REPUBLIC INC	0.26%	0.0072%
JG SUMMIT HOLDINGS INC.	2.61%	0.0074%	LT GROUP INC	0.75%	0.0070%
LOPEZ HOLDINGS CORP	0.40%	0.0216%	MANILA ELECTRIC COMPANY	0.69%	0.0038%
LT GROUP INC	0.38%	0.0044%	MARCVENTURES HOLDINGS INC	0.12%	0.0198%
MARCVENTURES HOLDINGS INC	0.04%	0.0180%	MEGAWORLD CORP	0.83%	0.0081%
METROPOLITAN BANK AND TRUST COMPANY	1.85%	0.0098%	MELCO CROWN (PHILIPPINES) RESORTS CORP	0.02%	0.0006%

FOR THE PERIOD ENDED SEPTEMBER 2015			FOR THE PERIOD ENDED SEPTEMBER 2014		
NAME	% of Total Fund's NAV (<10%)	% Ownership (<10%)	NAME	% of Total Fund's NAV (<10%)	% Ownership (<10%)
MEGAWORLD CORP	1.48%	0.0143%	METRO PACIFIC INVESTMENTS CO	1.05%	0.0131%
MANILA ELECTRIC COMPANY	1.22%	0.0051%	METROPOLITAN BANK AND TRUST COMPANY	1.86%	0.0123%
METRO PACIFIC INVESTMENTS CO	2.26%	0.0228%	NIHAO MINERAL RESOURCES INTE	0.17%	0.0279%
NIHAO MINERAL RESOURCES INTE	0.07%	0.0337%	PEPSI-COLA PRODUCTS PHILIPPINES INC	0.03%	0.0012%
PETRON CORPORATION	0.33%	0.0072%	PETRON CORPORATION	0.47%	0.0067%
PUREGOLD PRICE CLUB INC	0.87%	0.0140%	PHIL LONG DISTANCE TEL. CO.	4.03%	0.0095%
PEPSI-COLA PRODUCTS PHILIPPINES INC	0.15%	0.0141%	PHOENIX PETROLEUM PHILIPPINES INC	0.38%	0.0801%
RIZAL COMMERCIAL BANKING CORPORATION	0.02%	0.0005%	PUREGOLD PRICE CLUB INC	0.13%	0.0018%
ROBINSON'S LAND CORPORATION	0.58%	0.0069%	ROBINSON'S LAND CORPORATION	0.75%	0.0119%
SEMIRARA MINING CORPORATION	0.51%	0.0049%	SAN MIGUEL CORPORATION	0.38%	0.0032%
SECURITY BANK CORPORATION	0.60%	0.0101%	SEMIRARA MINING CORPORATION	0.64%	0.0077%
SM INVESTMENTS CORPORATION	4.78%	0.0097%	SM INVESTMENTS CORPORATION	4.51%	0.0112%
SAN MIGUEL CORPORATION	0.22%	0.0028%	SM PRIME HOLDINGS INC	2.37%	0.0077%
SM PRIME HOLDINGS INC	2.82%	0.0067%	TRAVELLERS INTERNATIONAL HOTEL GROUP	0.09%	0.0009%
SSI GROUP INC	0.15%	0.0116%	UNIVERSAL ROBINA CORPORATION	2.92%	0.0114%
PHIL LONG DISTANCE TEL. CO.	3.83%	0.0111%	VISTA LAND & LIFESCAPES INC	0.12%	0.0038%
UNIVERSAL ROBINA CORPORATION	3.40%	0.0116%			

3. Total investments in liquid or semi-liquid assets to total assets

	30-Sep-15	31-Dec -14
Liquid Assets over Total Assets	96.68%	97.91%

4. Total operating expenses to total net worth

	30-Sep-15	30-Sep-14	Inc/(Dec)
Expense Ratio (Year-on-Year)	1.79%	1.81%	-0.02%

The expense ratio is computed by dividing the operating expenses by the average daily net asset value. It represents the percentage of net asset value that is used for operating expenses.

NOTE: PHFI does not have any loans hence the ratio of total asset to total borrowings is not applicable.

SCHEDULE B
Financial Soundness Indicators

Current/Liquidity Ratio		**Solvency Ratio / Debt to Equity Ratio**		**Asset to Equity Ratio**	
30-Sep-15	31-Dec -14	30-Sep-15	31-Dec -14	30-Sep-15	31-Dec -14
62.70	28.00	0.02	0.04	1.02	1.04

NOTE: PHFI does not have any loans hence the interest rate coverage ratio is not applicable