

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
[ ] Preliminary Information Statement  
[X] Definitive Information Statement
2. Name of Registrant as specified in its charter **PAMI Horizon Fund, Inc. ("PHFI") or ("Fund")**
3. **Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **A199713137**
5. BIR Tax Identification Number **005-061-143**
6. **17/F Philam Life Head Office, Net Lima Bldg.,  
5<sup>th</sup> Ave. corner 26<sup>th</sup> St., Bonifacio Global City, Taguig** **1634<sup>1</sup>**  
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(632) 521-6300**
8. Date, time and place of the meeting of security holders  
Date: **November 13, 2014**  
Time: **2:00 p.m.**  
Place: **Kalayaan 2 Function Room  
St. Giles Makati – St. Giles Classic Hotel  
Makati Avenue corner Kalayaan Avenue  
Makati City, Philippines 1210**
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
**October 20, 2014.**
10. Proxy Solicitation  
Name of Person filing the Statement/Solicitor: **Mr. Ferdinand L. Berba**  
Address and Telephone No.: **17/F Philam Life Head Office, Net Lima Bldg.,  
5<sup>th</sup> Ave. corner 26<sup>th</sup> St., Bonifacio Global City, Taguig (632) 521-6300**  
  
Attached proxy form is applicable for more than one (1) meeting as it is valid for five (5) years.
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):  

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding (as of August 31, 2014) ("Record Date")
<u>Common Shares of PHP1.00 par value</u>	<b><u>423,202,216</u></b>
12. None of PHFI's securities is listed on the Philippine Stock Exchange.

**PART I.**

**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**1. Date, time and place of meeting of security holders**

Date: **November 13, 2014**  
Time: **2:00 p.m.**  
Place: **Kalayaan 2 Function Room  
St. Giles Makati – St. Giles Classic Hotel  
Makati Avenue corner Kalayaan Avenue  
Makati City, Philippines 1210**

Registrant's Mailing Address: **17/F Philam Life Head Office, Net Lima Bldg.,  
5<sup>th</sup> Ave. corner 26<sup>th</sup> St., Bonifacio Global City, Taguig**

The date on which the Information Statement is first to be sent or given to stockholders is **October 20, 2014.**

<sup>1</sup>PHFI's current principal office in its Articles of Incorporation is Metro Manila. On April 1, 2014, the Board of Directors approved the change in the principal address of the Fund from "Metro Manila" to "17/F Philam Life Head Office, Net Lima Building, 5th Avenue corner 26th St., Bonifacio Global City, Taguig 1634," in compliance with SEC Memorandum Circular No. 6, series of 2014.

## 2. Dissenters' Right of Appraisal

As provided by Title X of the Corporation Code of the Philippines (Batas Pambansa Blg. 68) ("Corporation Code"), any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- 2.1 In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- 2.2 In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- 2.3 In case of merger or consolidation.

In order for the stockholder to exercise the right, he or she must vote against any of the enumerated instances which the corporation will pursue. The procedures in the exercise of the right are the following:

- 2.4 Written demand on the corporation within 30 days after the date that the vote was taken.
- 2.5 Submission of the shares of the dissenting stockholder to the corporation for notation within 10 days from the written demand. The corporation has to pay the stockholder with the fair value of the shares within 30 days after demanding payment for his or her shares.
- 2.6 Failure to make the demand within 30 days shall be deemed a waiver of the appraisal right.

There will be no matters that will be taken up at the meeting which may warrant the exercise of this right.

## 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

There is no person who has been a director or officer of PHFI at any time since the beginning of the last calendar year, or who is a nominee for election as director, or an associate of any of the foregoing persons who has a substantial interest in any matter to be acted upon at the Annual Stockholders' Meeting. No member of the Board of Directors (the "Board") has informed PHFI that he intends to oppose any action to be taken by PHFI at the Annual Stockholders' Meeting.

## B. CONTROL AND COMPENSATION INFORMATION

### 4. Voting Securities and Principal Holders Thereof

(a) The total number of outstanding shares as of August 31, 2014 is 423,202,216 all of which are common and voting. Each share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting.

(b) All stockholders of record as of August 31, 2014 are entitled to receive this Information Statement, and to receive notice of, and vote during the annual stockholders' meeting. Stockholders are entitled to cumulative voting in the election of the members of the Board of Directors, as provided in the Corporation Code. More specifically, each stockholder shall be entitled to elect seven members to the Board of PHFI, and he or she may vote the number of shares standing in his or her name in the books of PHFI for each of the seven persons whom he or she may choose from the list of nominees. Alternatively, he or she may cumulate said shares and give one candidate as many votes as the number of his or her shares multiplied by seven shall equal, or he or she may distribute these votes on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him or her shall not exceed the number of shares owned by him or her multiplied by seven.

(c) (i) Security Ownership of Certain Record and Beneficial Owners

The name, address, citizenship, number of shares held, and percentage of total ownership of a person (including any group) owning more than 5% of the outstanding voting shares of PHFI's as of August 31, 2014 is as follows:

(1) Title of Class	(2) Name and Address of Record Owner and Relationship with the issuer	(3) Name of Beneficial Owner and relationship with Record Owner	(4) Citizenship	(5) No. of Shares	(6) Percentage of Class Held
Common	Cebu CFI Community Cooperative, Cebu Capital Compound, Cebu City No relationship to issuer.	Cebu CFI Community Cooperative <sup>2</sup>	Filipino	48,754,347	11.5%

<sup>2</sup> The fund has no Beneficial Owner however, Ms. Esperanza Garcia has the power to vote and dispose of the shares of the Cebu CFI Community Cooperative. Ms. Garcia is currently the Chairman of the Cebu CFI Community Cooperative.

The Board and Philam Asset Management, Inc., the investment adviser or fund manager (“Fund Manager”) of PHFI have no knowledge of any person who, as of the Record Date, is or was directly or indirectly the beneficial owner of more than 5% of PHFI’s outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than 5% of PHFI’s outstanding common stock.

(c) (ii) Security Ownership of Management as of August 31, 2014

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Bldg., Col. Joseph R. Mcmicking Campus, 123 Paseo de Roxas, Makati City, (Director& President)	100 (R)	Filipino	0.00002%
Common	Arleen May S. Guevara 9 Mushroom St. Valle Verde 5, Pasig City (Director & Treasurer)	100 (R)	Filipino	0.00002%
Common	Reynaldo G. Geronimo No. 5 Zinia St., Valle Verde 2, Pasig City (Director)	100 (R)	Filipino	0.00002%
Common	Armand F. Braun, Jr. No. 45 Magdalena Circle , Magallanes Village, Makati (Independent Director)	100 (R)	Filipino	0.00002%
Common	Meliton B. Salazar, Jr. No. 28 Hunt Street, Filinvest East, Quezon City (Independent Director)	100 (R)	Filipino	0.00002%
Common	Vicente D. Gerochi IV, 4/F SyCipLaw Center 105 Paseo de Roxas, Makati City (Corporate Secretary)	0	Filipino	0%
Common	Earla Kahlila Mikhaila C. Langit, 9/F SyCipLaw Center, 105 Paseo de Roxas, Makati City (Assistant Corporate Secretary)	0	Filipino	0%
Common	Ione Fay S. Canto, 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Compliance Officer)	0	Filipino	0%
TOTAL		500		0.00012%

(c) (iii) Voting Trust Holders of 5% or more

As of August 31, 2014, there is no voting trust or similar arrangement for 5% or more of PHFI’s shares. There are no arrangements which may result in a change of control in PHFI.

(d) Change of Control

There was no change in control in PHFI that occurred since the beginning of the last calendar year.

**5. Directors and Executive Officers**

(a) The following are the current directors and officers of PHFI:

Name	Age	Citizenship	Position	Term
Roberto F. De Ocampo	69	Filipino	President	1 year (2013-2014)
Arleen May S. Guevara	52	Filipino	Director & Treasurer	1 year (2013-2014)
Reynaldo G. Geronimo	69	Filipino	Director	1 year (2013-2014)
Armand F. Braun, Jr.	76	Filipino	Independent Director	1 year (2013-2014)
Meliton B. Salazar Jr.	48	Filipino	Independent Director	< 1 year (elected on Nov 14, 2013)
Vicente D. Gerochi IV	46	Filipino	Corporate Secretary	1 year (2013-2014)
Earla Kahlila Mikhaila C. Langit	27	Filipino	Asst. Corp. Secretary	< 1 year (elected on Nov 14, 2013)
Ione Fay S. Canto	60	Filipino	Compliance Officer	1 year (2013-2014)

(b) The following are the names of the persons who are nominees for election for year 2014-2015:

BOARD OF DIRECTORS	AGE	CREDENTIALS
ROBERTO F. DE OCAMPO (Incumbent Director and President)	69	Dr. Roberto F. De Ocampo is a Cum Laude graduate having earned the degree of Bachelor of Arts in Economics at the Ateneo de Manila University. He has a Master's degree in Business Administration from the University of Michigan and a post-graduate diploma from the London School of Economics. He has also been conferred three Doctorates (Honoris Causas). Since 1998, Mr. De Ocampo has been the President and Director of the following PAMI-managed funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc. (each since 2005), PAMI Global Bond Fund, Inc. (since 2008), PAMI Asia Balanced Fund, Inc. (since 2009), PAMI Horizon Fund, Inc. (since 2011), PAMI Global Emerging Markets Fund, Inc. and PAMI Global Equity Fund, Inc. (each since 2009). Dr. de Ocampo was previously the President of the Asian Institute of Management. From 1992 to 1998, he served as the Secretary of Finance under the Ramos administration and was widely recognized as the principal architect of the resurgence of the Philippine economy.
ARLEEN MAY S. GUEVARA (Incumbent Director and Treasurer)	52	Ms. Guevara is the Senior Vice President and Chief Investment Officer of Philamlife and is currently a Director of PAMI. Ms. Guevara was the PAMI chairman from 2011-2013. Since 2012, Ms. Guevara has been the director Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., PAMI Global Emerging Markets Fund, Inc. and PAMI Global Equity Fund, Inc. She is also a director (since 2008) at the following - Science Park of the Phils., Inc., Manila Exposition Complex, Inc., Beacon Property Ventures, Inc., Regatta Properties, Inc., and Cebu Light Industrial Park, Inc. Prior to joining Philamlife, she was Deputy Director of the Treasury Department of the Bangko Sentral ng Pilipinas. Ms. Guevara is a Magna Cum Laude graduate of Bachelor of Science having earned a degree in Applied Mathematics from the University of the Philippines.
REYNALDO G. GERONIMO (Incumbent Director)	69	Atty. Geronimo is a cum laude graduate of Bachelor of Arts (A.B.) at the Ateneo de Manila University. He graduated Second Honors from Ateneo Law School in 1968. He also has a Master of Laws with specialization in Trusts and Estates from the University of Pennsylvania. He is currently a partner in the Romulo Mabanta Buenaventura Sayoc & de los Angeles Law Firm and a co-Chairman of the Banking Group. Atty. Geronimo is known as the Trust Guru, with a regular column in the Manila Standard Today. He is also a bar reviewer in Taxation at the UP Law Center, the UP College of Law, the Law School of UST's Civil Law Faculty, the College of Law of Liceo de Cagayan, and the Ateneo Law School. Atty. Geronimo is a Director of the following PAMI-managed funds since 2010: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc. and PAMI Global Bond Fund, Inc., PAMI Asia Balanced Fund Inc., PAMI Global Emerging Markets Fund Inc., PAMI Global Equity Fund Inc., and PAMI Horizon Fund, Inc.
ARMAND F. BRAUN, JR. (Incumbent Independent Director)	76	Mr. Armand Braun, Jr. is a graduate of the Ateneo de Manila University where he acquired a degree of Bachelor of Science in Business Administration. He also took an Advance Management Program for Overseas Bankers at the Wharton School in Philadelphia, USA. He is an Independent Director of the following: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc. (each since 1998), Philam Managed Income Fund, Inc. (since 2005), and PAMI Global Bond Fund, Inc. (since 2008) PAMI Asia Balanced Fund, Inc. (since 2009), PAMI Horizon Fund, Inc.(since 2011), PAMI Global Emerging Markets Fund Inc., and PAMI Global Equity Fund Inc. (each since 2009). Mr. Braun also sits on the board of various other companies: AFBraun & Co. Holdings (1995 – present), A-1 Microfinance, Inc. (2002 – present), Iligan Pizza Corp. (1999 – present), North Iligan Foods Corp. (2004 – present), and Al-Rose Foods Corp. (1999 – present). Also, Mr. Braun was an independent director of Union Bank of the Philippines (2003 – May 2014).
MELITON B. SALAZAR JR. (Incumbent Independent Director)	48	Mr. Salazar has a Ph.D. in International Relations, Major in International Development and Development Management from the School of International Service, the American University, Washington, D.C.; an M.A. International Political Economy and Development from Fordham University, New York and a B.S. Management Engineering degree from the Ateneo de Manila University. Dr. Salazar is an established figure in the academe being currently the president of the following: University of Iloilo, Iloilo City (since 2009), University of Pangasinan (since 2009 to present), Cagayan de Oro College (since 2005), and Araullo University (since 2004). Dr. Salazar is also Senior Vice President of PHINMA Education Network (since 2003). Among Dr. Salazar's previous positions were President & CEO, STI International (2002 to 2003), President & CEO, iAcademy (2002 to 2003), President & CEO, Systems Technology Institute, Inc. (2001 to 2002) and COO of Systems Technology Institute, Inc. (2000 to 2001). And since November 2013, Mr. Salazar has been Director of the following PAMI-managed mutual funds - Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., PAMI Global Emerging Markets Fund, Inc. and PAMI Global Equity Fund, Inc.
FERDINAND L. BERBA (PAMI President & CEO)	56	Mr. Berba is the incumbent Chief Executive Officer of Philam Asset Management, Inc. He has more than 23 years of experience in the insurance industry. He held various senior roles in Philam Life including Director of Philam Financial Advisory Services and Group Training Director (2003-2008). Previously, he was Director of Agency Development, Director of Client Services, and President of Sun Life Financial Plans (1990-2003). Nanjo also worked in other insurance companies such as Pioneer Life and Pioneer Group (2008-2014) and Great Pacific Life Assurance Corporation (1980-1982). He holds an AB Psychology degree from De La Salle University.
ALLAN R. SANTOS (PAMI Chairman of the Board)	48	Mr. Santos is currently Chairman of the Board for the Philam Call Center and the Philam Asset Management Inc and provides strategic direction, oversight and governance for these subsidiaries of Philam Life (2013 to present). He also leads the development of the Vitality business and its integration with Philam Life's and BPI Philam's insurance products. He is a member of the Philam executive committee and reports to the CEO of Philam Life.

The Chairman of the Nomination Committee is Roberto de Ocampo and the members are Arleen Guevara and Reynaldo Geronimo. Messrs. Braun & Salazar are independent directors.

There is no person who is not an officer and is expected by PHFI to make significant contribution to the Fund.

The Nomination Committee pre-screened candidates and came up with a shortlist of nominees to be presented to the shareholders. Candidates must have the following qualifications to become a member of the Board:

- Every director shall own at least one (1) share of the capital stock of PHFI, which share shall stand in his or her name in the books of the PHFI;
- Be a college graduate;
- Have adequate competency and an understanding of the business of an open-end investment company;
- At least 21 years of age;
- Proven to possess integrity and probity; and
- Must be assiduous.

The Nomination Committee selected the independent directors in accordance with Rule 38 of the Securities Regulation Code ("SRC" or Republic Act 8799) ("SRC") and the Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009).

- (c) PHFI does not maintain any employees nor does it maintain any payroll. PHFI does not expect in the foreseeable future to have any employees.
- (d) The incumbent directors, officers, and nominees for director are not related to each other up to the fourth civil degree either by consanguinity or affinity.
- (e) None of the directors, officers and nominees for director has been involved in the following legal proceedings within the past 5 years:
- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
  - Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
  - Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
  - Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.
- (f) There was no transaction or proposed transaction during the last 2 years to which PHFI was or is to be a party.

## 6. Compensation of Directors and Executive Officers

There is no existing Compensation Committee. PHFI does not maintain any employees nor does it maintain any payroll. PHFI does not expect in the foreseeable future to have any employees. Additionally, none of the directors or officers is given any compensation. However, the directors receive per diems and other reimbursements for their attendance at board meetings. There are no other arrangements, standard or otherwise, being paid to the directors. Directors are not compensated in any manner for committee participation, special assignments, or any other arrangements.

There are no compensatory plans or arrangements for any officer that will result in or will result from the resignation, retirement or any other termination of such officer in any amount.

For every board meeting attended by each director, he or she will receive a per diem of Php7,500.00. The directors received the following per diems for attendance in board meetings:

Payment Period	Aggregate Amount Received (in Php)
2012	Php202,498
2013	Php440,944
2014 (Estimated)	Php187,500

## 7. Independent Public Accountants

The Chairman of the Audit Committee is Armand Braun, Jr. and the members are Arleen Guevara and Meliton B. Salazar, Jr.

Effective October 19, 2011, the accounting firm of Isla Lipana & Co. ("Isla Lipana") was appointed as external auditor of PHFI. Zaldy Aguirre is the signing partner of Isla Lipana for the years 2013 to 2014. Isla Lipana will be recommended to the stockholders for appointment for 2014 to 2015. PHFI does not expect that any representative from Isla Lipana will be present during the Annual Stockholders' Meeting.

Prior to October 19, 2011, the Commission on Audit was the auditor of PHFI since the majority of its outstanding shares was owned by the Government Service Insurance System ("GSIS"). PHFI was then classified as a government-owned and -controlled corporation (GOCC). On April 29, 2011, GSIS redeemed all of its shares and transferred the proceeds to an open-end investment company managed by PAMI.

PHFI will comply with SRC Rule 68(3)(b)(IV) regarding the 5-year rotation of external auditors. In recommending this action, the members of the Board carefully considered Isla Lipana's performance, its independence with respect to the auditing services to be performed, and its general reputation for adherence to professional auditing standards.

## 8. Modification or Exchange of Securities

PHFI does not intend to modify any class of its securities, or issue or authorize the issuance of one class of securities in exchange for outstanding securities of another class.

## 9. Financial and Other Information

### C. MANAGEMENT REPORT

The following are PHFI's top five (5) key performance indicators:

#### 1. Assets Under Management ("AUM")

PHFI's AUM fell by 11% from Php 1.46 billion in 2012 to Php 1.30 billion in 2013. AUM as of August 31, 2014 is Php1.56 billion, a 20% increase from year-end 2013.

#### 2. Net Asset Value Per Share ("NAVPS") per quarter

QTR		YEAR	DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
1	Low	2012	2-Jan	2.9486	2013	2-Jan	3.6930	2014	10-Jan	3.2601
	High		29-Mar	3.5443		27-Mar	4.1417		11-Mar	3.5531
2	Low		16-May	3.3877		25-Jun	3.5309		01-Apr	3.5371
	High		3-May	3.7274		3-May	4.3552		20-May	3.6534
3	Low		5-Sep	3.4898		28-Aug	3.4988			
	High		6-Jul	3.6761		25-Jul	3.9589			
4	Low	30-Oct	3.5317	13-Dec	3.2107					
	High	12-Dec	3.6948	23-Oct	3.6870					

#### Market Information

PHFI is not listed in the Philippine Stock Exchange (PSE). Its shares are sold by PAMI's main distribution channels. These channels are its certified investment solicitors, independent sales consultants, its Philam Life licensed agents, and its ten offices nationwide.

#### Holders

As of August 31, 2014, there were a total of 12,360 holders of redeemable common stock (one class of shares only) totaling 423,202,216 shares.

Application for confidentiality in the disclosure of the top 20 shareholders is pending approval by the Securities and Exchange Commission (SEC) and PSGF shall adhere to the SEC's decision accordingly.

#### Dividends

Although there are no restrictions that limit the Fund's ability to pay dividends, PHFI has not declared any cash dividends for the last three (3) years. The Board of PHFI may decide to declare dividends, whether in the form of cash, property or stock, from the unrestricted retained earnings of the Fund at a time and percentage as the PHFI Board may deem proper and in accordance with the pertinent laws.

Under R.A. 2629 ("The Investment Company Act"), PHFI shall not pay any dividend, or make any distribution in the nature of a dividend payment, wholly or partly from any source other than: (i) from PHFI's accumulated undistributed net income, determined in accordance with good accounting practice and including profits or losses realized upon the sale of securities or properties; or (ii) from PHFI's earned surplus so determined for the current or preceding calendar year, unless such payment is accompanied by a written statement which adequately discloses the source or sources of such payment. The Securities and Exchange Commission ("SEC") may prescribe the form of such statement by rules or regulations or by order in the public interest and for the protection of investors. PHFI shall also not to advertise such dividends in terms of centavos or pesos per share without also stating the percentage they bear to the par value per share.

### 3. Sales & Redemptions

The following table summarizes the performance of PHFI (in PhP):

<b>2012</b>	<b>Sales</b>	<b>Redemption</b>	<b>Net</b>
1Q	34,834,480	82,498,876	(47,664,396)
2Q	48,447,712	74,106,194	(25,658,483)
3Q	43,971,830	30,369,891	13,601,940
4Q	36,113,504	74,276,729	(38,163,225)
<b>2013</b>	<b>Sales</b>	<b>Redemption</b>	<b>Net</b>
1Q	64,143,374	102,356,821	(38,213,447)
2Q	82,143,459	65,756,574	16,386,886
3Q	56,931,158	35,203,847	21,727,311
4Q	46,760,745	43,409,762	3,350,982
<b>2014</b>	<b>Sales</b>	<b>Redemption</b>	<b>Net</b>
1Q	39,913,974	41,365,094	(1,451,120)
2Q	80,318,463	56,938,205	23,380,257

### 4. Fund Performance Against Competition

The following table summarizes a comparison of PHFI against its competitors for the year-end 2013 (in Php):

<b>Fund Name</b>	<b>Net Assets</b>	<b>Total Redemptions</b>	<b>Total Net Sales</b>
ATRKE Philippine Balanced Fund, Inc.	2,480,553,880	95,106,724	2,184,648,958
Bahay Pari Solidaritas Fund, Inc.	209,335,803	21,082,036	76,968,044
First Metro Save and Learn Balanced Fund, Inc.	2,457,358,201	499,613,513	945,854,172
NCM Mutual Fund of the Phils., Inc.	479,363,384	81,386,868	215,715,224
One Wealthy Nation Fund, Inc.	56,823,060	464,118,182	(437,786,911)
Optima Balanced Fund, Inc.	1,303,627,304	246,727,003	3,251,732
PAMI Horizon Fund, Inc.	7,185,867,458	1,192,027,487	2,974,447,516
Philam Fund, Inc.	16,234,421,688	3,410,583,621	5,054,391,019
Sun Life Prosperity Balanced Fund, Inc.	2,480,553,880	95,106,724	2,184,648,958

\*Source: Philippine Investment Funds Association (PIFA)

### 5. Fund Management & Environmental Analysis:

#### Market and Economic Review

The PSEi gained 539 points (+9.2%) in the first quarter of 2014 to close at 6,429. This was on the back of foreign investors taking a \$103 million YTD net buying position as of end-March (despite selling in January). Daily volumes were flat (+1.3%) quarter-on-quarter at P6.9 billion per day, but were down (-15.4%) from 2013's P8.2 billion average turnover.

Inflation stayed benign, averaging 4.1% through the first 3 months of the year and even falling to 3.9% in March – this despite Typhoon Yolanda last November. Full-year inflation in 2013 was 4.1%. 10-year money rose by 65 bps quarter-on-quarter to 4.4562, however. The Peso depreciated for the fourth straight quarter to 44.815, its weakest quarter-end level since mid-2010. OFW remittances grew at 5.9% and 5.6% respectively in January and February, after growing 10% in December 2013 (the fastest year-on-year growth in the 2 years trailing that month).

ALI, BDO and URC (+86.9, +60.3 and +59.6 Index points respectively) led 26 Index gainers, while PCOR, SM and SMPH (-8.3, -5.2 and -2.2 Index points respectively) led 5 Index losers. On March 17, MER replaced MWC in the PSEi.

## Outlook

We expect the Philippine stock market to perform better than expected this year – money supply, or the amount of available cash for spending on goods and services produced by the real economy, is in excess of what is required and continues to grow.

## DISCUSSION OF FINANCIAL CONDITIONS

### *Financial Position (in Thousands of Pesos )*

#### Interim (June 30, 2014)

Net assets as of the second quarter of 2014 was Php1,474,402 (total assets of Php1,495,679 less total liabilities of Php21,276). This figure is higher by 13% than 2013's Php1,303,626 net assets.

NAVPS on June 30, 2014 was at Php3.6365, an increase of 12% from the NAVPS of December 31, 2013, at Php3.2600.

#### FY 2013 vs. FY 2012

Net assets for 2013 was Php1,303,626 (total assets of Php1,326,783 less total liabilities of Php23,157). This figure is lower by 11% than 2012's Php1,460,296 net assets.

NAVPS on December 31, 2013 was at Php3.2600, a decrease of 11% from the NAVPS of December 31, 2012, at Php3.6500.

#### FY 2012 vs. FY 2011

Net assets for 2012 was Php1,460,296 (total assets of Php1,481,343 less total liabilities of Php21,047). This figure is higher by 15% than 2011's Php1,266,479 new assets.

NAVPS on December 31, 2012 was at Php3.6500. This reflected an increase of 24% from the NAVPS of December 31, 2011, at Php2.9484.

### *Results of Operations (in Thousands of Pesos)*

#### Interim (June 30, 2014)

Net income as of the second quarter of 2014 was Php149,258 (gross income of Php167,844 less operating expenses of Php16,703 less income taxes of Php1,882). This figure was 400% higher compared to the same period last year's net income of Php29,827.

Earnings Per Share (EPS) as of June 30, 2014 was Php0.3681 (net income of Php149,258 divided by 405,447,521 common shares). This was 385% higher compared to the same period last year's EPS of Php0.0758.

#### FY 2013 vs. FY 2012

Net loss for 2013 was (Php157,121) [gross income of Php42,754 less operating expenses of Php197,111 less income taxes of Php2,764]. This figure was 153.5% lower compared to 2012's net income of Php293,656.

Loss Per Share for 2013 was (Php0.3964) [net loss of Php157,121 divided by the weighted average number of 396,320 common shares (in thousands)]. This was 155% lower compared to 2012's EPS of Php0.7176.

#### FY 2012 vs. FY 2011

Net income for 2012 was Php293,656 (gross income of Php332,366 less operating expenses of Php35,666 less income taxes of Php3,044). This figure was 170% higher compared to 2011's net income of Php108,586.

Earnings Per Share ("EPS") for 2012 was Php0.7176 (net income of Php293,656 divided by the weighted average number of 409,219 common shares (in thousands)). This was 598% higher compared to 2011's EPS of Php0.1028.

Material movements are set at (+/- 5%). The table below summarizes the accounts with material movements and their corresponding explanations (in Php):



<b>Accounts</b>	<b>2013 (in thousands)</b>	<b>2012 (in thousands)</b>	<b>Change in Amount (in thousands)</b>	<b>Change in %</b>
Cash and cash equivalents	116,249	226,502	-110,253	48.68%
Loans and receivables	1,909	-	1,909	100%
Accrued income	2,224	1,299	925	71.21%
Accounts payable and accrued expenses	18,869	15,349	3,520	22.93%
Due to Philam Asset Management, Inc.	4,288	5,698	-1,410	-24.75%
Retained earnings	903,096	1,060,217	-157,121	-14.82%

Cash & cash equivalents – The decrease was due to the lower level of asset under management for the year 2013 compared to 2012.

Loans and receivables – The increase was due to acquisition of the fixed income securities classified as Loans and receivables.

Accrued income – The increase was due to the interest accrual of fixed income securities held.

Accounts payable & accrued expenses – The increase was due to pending for settlement of the liabilities to various brokers as at December 31, 2013 and the increase of assets under management which is the basis in the management fee computation.

Due to Philam Asset Management Inc. – The decrease was due to the reversal of the outperformance fee clause in the management distribution clause in the management distribution agreement of PHFI with PAMI.

Retained earnings – The decrease was due to Fund's incurred net loss for the year 2013.

#### Liquidity

There are no demands, commitments, events or uncertainties which will impair the liquidity of the Fund. The Fund is mandated by SEC, through the Investment Company Act, to maintain at least 10% of its net assets to be invested at liquid assets (ICA Rule 35 – 1 p. d4). There are no events that triggered direct or contingent financial obligations that are material to the Fund.

#### Material Transactions

There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Fund 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 material favorable or unfavorable impact on net sales, 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 revaluation, depends significantly on the market value fluctuations of listed stocks being held by it.

*Recent Sales of Unregistered or Exempt Securities including Recent Issuances of Securities Constituting and Exempt Transactions - NONE*

#### External Audit Fees

The following are the aggregate fees billed by the external auditors for each of the last two calendar years (in Php):

<b>Year</b>	<b>Amount</b>
2012	Php112,279
2013	Php95,000
Total	Php207,279

#### Note:

No tax fees were paid since there were no professional services rendered by Isla Lipana for tax accounting compliance, advice, planning and any other form of tax service.

Similarly, no other fees were paid for products and services provided by Isla Lipana other than the regular annual audit report.

The following are the PHFI Audit Committee's approval policies & procedures for the external auditor:

- Recommend to the Board the selection of the external auditor, who will be accountable to the Board and to the Audit Committee as representatives of the shareholders. The Board and the Audit Committee will consider the external auditor's independence, effectiveness, and the approval of the fees and other compensation to be paid to the external auditor. The Audit Committee should review and discuss with the accountants on an annual basis all significant relationships the accountants have with PHFI to determine the accountants' independence.
- Review the performance of the external auditor and approve any proposed discharge of the external auditor when circumstances warrant.
- Periodically consult with the external auditor regarding internal controls and the fullness and accuracy of PHFI's financial statements.
- The Audit Committee will actively engage the external auditor in dialogues regarding independence.
- Adhere to the following procedures for the approval of services by the external auditor:
  - The Audit Committee will annually approve the scope of, and fees payable for, the year-end audit to be performed by PHFI's external auditor for the next calendar year.
  - PHFI may not engage the external auditor for any services unless they are approved by the Audit Committee in advance of the engagement.
  - If PHFI wishes to engage the external auditor for any services, PHFI will define and present to the Audit Committee specific projects and categories of the services to be provided, and fee estimates, for which the advance approval of the Audit Committee is required. The Audit Committee will review these requests and determine whether to pre-approve the engagement of the external auditor for the specific projects and categories of service.
  - PHFI will report to the Audit Committee regarding the actual spending for these projects and services, compared to the approved amounts on a quarterly basis.
  - The Audit Committee Chairperson will report to the Audit Committee at each regularly scheduled meeting the nature and amount of any non-audit services that he has approved.

#### *Corporate Governance*

The evaluation system adopted by PHFI to determine the level of compliance of the Board and top level management with its Manual of Corporate Governance is based primarily on the SEC Corporate Governance Self-Rating Form (CG-SRF).

PHFI has undertaken the following measures to fully comply with the adopted leading practices on good corporate governance:

- Consider changes, improvements, or additions to current corporate disclosure procedures
- Implement processes for identifying items where timely corporate disclosure is necessary

Except for the required changes mandated by SEC, PHFI has no material deviations from its Manual of Corporate Governance since it filed its CG-SRF with the SEC on February 21, 2008.

Apart from the foregoing changes or improvements being considered for corporate disclosures, there are no plans to improve the current corporate governance of PHFI.

#### *Other Disclosures*

- There were no disagreements with the former accountant, on any matter of accounting any financial disclosure.
- There were no known trends, events or uncertainties with material impact on liquidity and sales. Neither were there events that would trigger direct or contingent financial obligations that are material to the Fund, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) and other relationships of the Fund with unconsolidated entities or other persons created during the reporting period.
- There were no material commitments for capital expenditures. , The realized and unrealized gains on stock and fixed income investments brought by market appreciation represent the significant element of income from continuing operations.

#### **10. Mergers, Consolidations, Acquisitions and Similar Matters**

PHFI does not have any plans to merge or consolidate with any entity. Neither does it have any plans to acquire the securities of any other entity, any other going business, or the assets thereof. It does not have any plan to sell or transfer all or any substantial parts of its assets. Neither does it have any plans to dissolve or liquidate.

#### **11. Acquisition or Disposition of Property**

PHFI does not own any real property and does not intend to acquire any real property.

**12. Restatement of Accounts**

PHFI does not intend to restate any of its asset, capital or surplus accounts.

**D. OTHER MATTERS****13. Action with Respect to Reports**

PHFI will submit the following to the stockholders for approval:

13.1 Minutes of the Annual Stockholders' Meeting held on November 14, 2013

13.2 Acts of the Board of Directors to be ratified:

- 13.2.1 Retirement of its business permit in the Local Government of Makati City;
- 13.2.2 Renewal of the Management and Distribution Agreement with PAMI as Fund Manager;
- 13.2.3 Registration of the Fund with US IRS;
- 13.2.4 Amendment of the Fund's Subscription Agreement;
- 13.2.5 Approval of the Audited Financial Statements for the calendar year ended December 31, 2013;
- 13.2.6 Approval for the change in the principal office in the Articles of Incorporation;
- 13.2.7 Appointment of the officers of PDBFI; and
- 13.2.8 Appointment of the various board committees of PDBFI.

**14. Matters Required to be Submitted and Amendment of Charter, By-laws or Other Documents**

Change in Principal Address

The Board approved a resolution on April 1, 2014 to recommend to the stockholders the change of the principal address of PHFI from Metro Manila to 17/F Philam Life Head Office, Net Lima Bldg., 5th Ave. corner 26th St., Bonifacio Global City, Taguig 1634, amending for this purpose the Third Article of PHFI's Articles of Incorporation.

**15. Other Proposed Action**

There are no other proposed actions with respect to any matter not specifically referred to above.

**16. Voting Procedures**

Unless otherwise provided by law, each stockholder shall, at every meeting of the stockholders, be entitled to one vote, in person or by proxy, for each share with voting rights held by such stockholder.

All elections and all questions, except as otherwise provided by law, shall be decided, either by majority or 2/3 votes in accordance with the Corporation Code, of the stockholders present in person or by proxy entitled to vote thereat, a quorum (majority of the issued and outstanding capital stock having voting powers) being present.

Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting and entitled to vote thereat, the vote on any question will not be by ballot, and will be conducted and counted by a raising of hands. In case of a vote by ballot, each ballot shall be signed by the stockholder voting in his name or by his proxy if there be such proxy, and shall state the number of shares voted by him or her. The Corporate Secretary of PHFI will count the votes.

**17. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No person who has been a director or officer of PHFI, or a nominee for election as a director of PHFI, nor any of their associates, has a substantial interest in any matter to be acted upon at the Annual Stockholders' Meeting, other than the election of directors.

No director of PHFI has informed it in writing that he or she intends to oppose any matter to be acted upon at the Annual Stockholders' Meeting.

**UPON WRITTEN REQUEST OF ANY OF THE STOCKHOLDERS OF RECORD ENTITLED TO NOTICE OF, AND TO VOTE AT, THE MEETING, PHFI SHALL FURNISH HIM WITH A COPY OF ITS ANNUAL REPORT ON SEC FORM 17-A WITHOUT CHARGE. ANY SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO:**

PAMI HORIZON FUND, INC.  
Office of the Corporate Secretary  
c/o 4/F SyCip Law Center, 105 Paseo De Roxas, Makati City 1225

<b>PART II.</b>
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**INFORMATION REQUIRED IN A PROXY FORM**

1. Identification

The proxy solicitation is made by PAMI HORIZON FUND, INC. (the "Company"), represented by Mr. Ferdinand L. Berba, the President and Chief Executive Officer of Philam Asset Management, Inc. ("PAMI"), the Company's investment adviser. The proxy solicitation is in favor of Mr. Berba or in case of his non-attendance, the Chairman of the Annual Stockholders' Meeting chosen in accordance with the Company's By-Laws.

All costs and expenses incidental to the proxy solicitation will be borne, directly or indirectly, by the Company.

2. Instructions

- (a) The security holder is instructed to complete, and affix their signature on the attached form.
  - (i) If the securities are owned by two or more joint owners, the proxy form must be signed by all of the joint owners.
  - (ii) If the securities are owned in an "and/or" capacity, the proxy form must be signed by either one of the owners.
  - (iii) If the securities are owned by a corporation, association, partnership or unincorporated entity, the proxy form must be accompanied by a certification, signed by a duly authorized officer, partner or representative of such corporation, association, partnership or unincorporated entity, that designates and empowers an authorized signatory to sign the proxy form pursuant to the constitutive documents or duly approved policies of such corporation, association, partnership or unincorporated entity for this particular purpose.
- (b) The security holder appoints Mr. Ferdinand L. Berba, or in case of her non-attendance, the Chairman of the Annual Stockholders' Meeting, to represent and vote all shares registered in his or her name as proxy of the undersigned security holder.
- (c) The security holder shall clearly indicate the date of execution of the proxy form. A proxy form which is undated, post-dated, or which provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder, shall not be valid.
- (d) The security holder shall sign the proxy form or have the form signed by a duly authorized representative, and file the same with the Corporate Secretary not later than 5:00 p.m. on November 10, 2014.
- (e) Retrieval and validation of all the proxy forms shall be administered by the Corporate Secretary and persons designated by the Corporate Secretary who shall be under his supervision and control from October 27 to November 10, 2014.

3. Revocability and Validity of Proxy

The proxy form in favor of the Company shall be irrevocable and shall be effective and valid for a period of five (5) years from the date of its execution. There is no formal procedure or limitation for the right of revocation of a proxy before it is exercised.

4. Persons Making the Solicitation

PHFI is not soliciting any votes. Neither is PHFI aware of any director who intends to oppose any action intended to be taken by PHFI.

5. Interest of Certain Persons in Matters to be Acted Upon

There is no person who has been a director, independent director, or nominee for election as director, or independent director, or officer of the Company and, to the best knowledge of the Company, no associate of a director or independent director, or officer, or nominee for election as a director or independent director, or officer of the Company, at any time since the beginning of the last calendar year, has any substantial interest in any matter to be acted upon at the Annual Stockholders' Meeting, other than election to office.

**PART III.**

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on October 20, 2014.

**PAMI HORIZON FUND, INC.**

**By: FERDINAND L. BERBA**  
President and Chief Executive Officer  
Philam Asset Management, Inc.

**\*PLEASE FILL UP AND SIGN THIS PROXY FORM AND RETURN OR FAX IMMEDIATELY TO: (02) 8173896 or 8173567**

**STOCKHOLDER PROXY**

The undersigned stockholder (the "Stockholder") of PAMI HORIZON FUND, INC. (the "Company"), hereby appoints: Ferdinand L. Berba, with full power of substitution and delegation, or, in case of his non-attendance, the Chairman of the Annual Stockholders' Meeting of the Company, chosen in accordance with the Company's By-Laws, as the Stockholder's proxy to represent the Stockholder and vote all shares registered in the Stockholder's name in the books of the Company and/or such shares as the Stockholder is authorized to represent and vote in the Stockholder's capacity as administrator, executor or attorney-in-fact, at the annual meeting of the stockholders to be held at the Kalayaan 2 Room, St. Giles Classic Hotel Makati, Makati Avenue corner Kalayaan Avenue, Makati City, on November 13, 2014 at 2:00pm, and any adjournments and postponements thereof, as fully to all intents and purposes as the stockholder might or could do if present in person, hereby ratifying and confirming any and all actions to be taken during any said meetings and adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors  
The security holder may withhold authority to vote for any nominee by striking out the name of the nominee. Please only check the box opposite the nominee you wish to elect.
  - Roberto De Ocampo
  - Arleen May Guevara
  - Reynaldo Geronimo
  - Armand Braun, Jr.
  - Meliton Salazar Jr.
  - Ferdinand L. Berba
  - Allan R. Santos
  
2. Approval of minutes of previous Annual Stockholders' Meeting held on November 14, 2014
  - For
  - Against
  - Abstain
  
3. Approval of Audited Financial Statements for the fiscal year ending December 31, 2013
  - For
  - Against
  - Abstain
  
4. Ratification and approval of the acts of the Board of Directors and Management since the last annual stockholders' meeting
  - For
  - Against
  - Abstain
  
5. Appointment of external auditor for 2014
  - For
  - Against
  - Abstain
  
6. Change in Principal Address of the Company and the amendment of its Articles of Incorporation
  - For
  - Against
  - Abstain

This proxy revokes and supersedes any previously executed proxy or proxies. This proxy shall be valid for a period of five (5) years from the date of its execution.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder. If no direction is made, this proxy will be voted "For" the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting, including matters which the solicitors do not know a reasonable time before the solicitation are to be presented at the meeting, and those incidental to the conduct of the meeting, in the manner described in the information statement and/or as recommended by management or the board of directors.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ in \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Stockholder or Stockholder's representative over printed name)