

**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 **Philam Managed Income Fund, Inc. ("PMIF")**  
**or ("Fund")**
3. **Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS2005-17003**
5. BIR Tax Identification Number **247-064-691-000**
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**  
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: **July 23, 2015**  
Time: **2:00 p.m.**  
Place: **Legaspi 2 Function Room**  
**2nd Floor, Makati Diamond Residences**  
**Legazpi Street, Legazpi Village, Makati City 1229**
9. Approximate date on which the Information Statement is first to be sent or given to security holders **June 24, 2015.**
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<br>Outstanding or Amount of Debt Outstanding<br>(as of March 31, 2015) ("Record Date") |
|---|---|
| <u>Common Shares of PHP0.01 par value</u> | <b><u>160,180,201</u></b>   |
12. None of PMIF'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: **July 23, 2015**  
Time: **2:00 p.m.**  
Place: **Legaspi 2 Function Room**  
**2nd Floor, Makati Diamond Residences**  
**Legazpi Street, Legazpi Village, Makati City 1229**

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 **June 24, 2015.**

**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 PMIF 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 PMIF that he or she intends to oppose any action to be taken by PMIF 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 March 31, 2015 is 160,180,201, 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 March 31, 2015 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 PMIF, and he or she may vote the number of shares standing in his or her name in the books of PMIF for each of the seven persons whom he or she may choose from the list of nominees. Alternatively, he may accumulate 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 multiplied by seven.

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

The names, addresses, citizenship, number of shares held, and percentage of total ownership of persons (including any group) owning more than 5% of the outstanding voting shares of PMIF as of March 31, 2015 were 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	Resins Incorporated E. Rodriguez Jr. Ave., Bagong Ilog, Pasig City 1600	Resins Incorporated <sup>1</sup>	Filipino	155,546,367	97.11%

Except as stated above, the Board and and Philam Asset Management, Inc., the investment adviser or fund manager ("Fund Manager" or "PAMI") of PMIF have no knowledge of any person who, as of the Record Date, was directly or indirectly the beneficial owner of more than 5% of PMIF's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than 5% of PMIF's outstanding common stock.

#### (c) (ii) Security Ownership of Management as of March 31, 2015:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
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<sup>1</sup> The fund has no beneficial owner. However, either Ms. Filomena Carlos and Ms. Carolina Carlos have the power to vote and dispose of the shares of Resins, Inc. Ms. Filomena Carlos is the Corporate Secretary and Ms. Carolina Carlos is the General Manager of the company.

Common	Roberto F. De Ocampo Eugenio Lopez Foundation Bldg., Col. Joseph R. Mcmicking Campus, 123 Paseo de Roxas, Makati City, (Director & President)	1	(R)	Filipino	0.00004%
Common	Arleen May S. Guevara 9 Mushroom St. Valle Verde 5, Pasig City (Director & Treasurer)	1	(R)	Filipino	0.00004%
Common	Reynaldo G. Geronimo No. 5 Zinia St., Valle Verde 2, Pasig City (Director)	1	(R)	Filipino	0.00004%
Common	Armand F. Braun, Jr. No. 45 Magdalena Circle, Magallanes Village, Makati (Independent Director)	1	(R)	Filipino	0.00004%
Common	Meliton B. Salazar, Jr. No. 28 Hunt Street, Filinvest East, Quezon City (Independent Director)	1	(R)	Filipino	0.00004%
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	Charles David A. Icasiano, 7/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		5			0.00019%

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

As of March 31, 2015, there is no voting trust or similar arrangement for 5% or more of PMIF's shares. There are no arrangements which may result in a change of control in PMIF.

## (d) Change of Control

There has been no change of control in PMIF that occurred since the beginning of its last calendar year.

## 5. Directors and Executive Officers

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

Name	Age	Citizenship	Position	Term
Roberto F. De Ocampo	69	Filipino	Chairman	2 years (since 2013)
Reynaldo G. Geronimo	70	Filipino	President	2 years (since 2013)
Arleen May S. Guevara	53	Filipino	Director & Treasurer	2 years (since 2013)
Armand F. Braun, Jr.	77	Filipino	Independent Director	2 years (since 2013)
Meliton B. Salazar, Jr.	49	Filipino	Independent Director	1 year (since Nov 2013)
Vicente D. Gerochi IV	47	Filipino	Corporate Secretary	2 years (since 2013)
Ione Fay S. Canto	62	Filipino	Compliance Officer	2 years (since 2013)

## (b) The following are the names of the persons who are nominees for election for year 2013-2014:

BOARD OF DIRECTORS	AGE	CREDENTIALS
Roberto de Ocampo (Incumbent Chairman of the Board)	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 is 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.
Reynaldo Geronimo (Incumbent Director and President)	70	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., 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.
ARLEEN MAY S. GUEVARA (Incumbent Director and Treasurer)	53	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 of 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 in Applied Mathematics from the University of the Philippines.
Ferdinand Berba (Filipino)	57	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 (Filipino)	48	Mr. Santos is Head of Vitality and Chief Operating Officer for Affiliate Companies of Philam Life and is Chairman of PAMI. Prior to his current position in Philam Life, Mr. Santos spent over 10 years with Cigna occupying various Actuarial & Product positions within its head office in the USA, Hong Kong and even with its Philippine affiliates Maxicare PCIB (1996 to 2013). Previous to Cigna, Mr. Santos was with Philamcare Health Systems, Inc. (1995 to 1996) and Universal Reinsurance Corporation (1991 to 1992). Mr. Santos has a Bachelor of Science degree in Mathematics and Master of Science in Applied Mathematics Major in Actuarial Science from the University of the Philippines.
Armand Braun, Jr. (Incumbent Independent Director)	77	Mr. Armand Braun, Jr. is a graduate of the Ateneo de Manila University where he earned 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)	49	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. in 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). 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.

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 PGBF 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 PMIF, which share shall stand in his or her name in the books of the PMIF;
- 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 (Republic Act 8799) ("SRC") and the Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009).

- (c) PMIF does not maintain any employees nor does it maintain any payroll. PMIF 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 PMIF was or is to be a party.

## 6. Compensation of Directors and Executive Officers

There is no existing Compensation Committee. PMIF does not maintain any employees nor does it maintain any payroll. PMIF does not expect in the foreseeable future to have any employees. Additionally, none of the directors and officers are given any compensation. However, the directors receive per diems and other reimbursements for their attendance in 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 will receive a per diem of Php7,500.00. The directors received the following per diem for attendance in board meetings in:

Payment Period	Aggregate Amount Received (in Php)
2012	141,159
2013	198,132
2014	90,000
2015 (estimated)	187,500

## 7. Independent Public Accountants

The Chairman of the Audit Committee is Armand Braun Jr. and the members are Roberto de Ocampo, Arleen May Guevara and Meliton Salazar Jr.

Beginning the calendar year 2009, the accounting firm of Isla Lipana & Co. ("Isla Lipana") was appointed as external auditor of PMIF. Zaldy Aguirre is the signing partner of Isla Lipana since 2013. Isla Lipana will be recommended to the stockholders for appointment for 2015-2016. PMIF does not expect any representative from Isla Lipana to be present during the Annual Stockholders' Meeting.

PMIF is compliant 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

PMIF 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 PMIF's top five (5) key performance indicators:

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

PMIF's AUM increased by 450% from year-end 2013 (Php61.22 million) to year-end 2014 (Php336.79 million). This was primarily due to the large subscription received from one client. AUM as of March 31, 2015 is Php185.82 million, 44.83% lower from year-end 2014.

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

QTR		YEAR	DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
1	Low	2013	03-Jan	1.1447	2014	19-Jan	1.1513	2015	31-Mar	1.1580
	High		13-Feb	1.1559		02-Jan	1.1522		02-Feb	1.1541
2	Low		1-Apr	1.1503		16-Jun	1.1522			
	High		10-Jun	1.1524		14-Apr	1.1513			
3	Low		29-Jul	1.1519		17-Sep	1.1535			
	High		19-Sep	1.1521		03-Jul	1.1522			
4	Low		01-Oct	1.1521		29-Dec	1.1542			
	High		29-Oct	1.1528		26-Oct	1.1529			

#### Market Information

PMIF 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.

#### Holdings

As of March 31, 2015, there were a total of 24 holders of redeemable common stock totaling 160,180,201 shares.

The Securities and Exchange Commission has approved in its letter last August 08, 2014 the Company's application for the non-disclosure of its top 20 shareholders in the Information Statements, as part of the privilege they have earned in making significant investments in the Fund. Said approval is effective for five (5) years from date of approval.

#### Dividends

The Fund does not intend to distribute dividends to its shareholders. Dividends earned, if any, shall automatically be reinvested as additional proceeds of the Fund.

#### 3. Sales & Redemptions

The following table summarizes the performance of PMIF (in Php):

2013	Sales	Redemption	Net
1Q	246,015,053	229,566,804	16,448,249
2Q	16,167,673	42,951,066	(26,783,393)
3Q	48,605,455	10,172,828	38,432,627
4Q	4,387,566	3,215,798	1,171,768
2014	Sales	Redemption	Net
1Q	1,400,000	10,777,102	(9,377,102)
2Q	83,228,017	13,637,225	69,590,792
3Q	244,972,898	15,659,113	229,313,785
4Q	6,878,750.00	21,375,564.28	(14,496,814.28)
2015	Sales	Redemption	Net
1Q	100,000.00	152,292,494	(152,192,494)

#### 4. Fund Performance Against Competition

The following table summarizes a comparison of PMIF against its competitors as of period ending March 31, 2015 (in Php):

<b>Fund Name</b>	<b>Net Assets</b>	<b>Total Redemptions</b>	<b>Total Net Sales</b>
ALFM Money Market Fund, Inc.	1,910,244,709	255,279,702	(64,601,885)
Philam Managed Income Fund, Inc.	185,485,217	152,292,494	(152,192,494)
Sun Life Prosperity Money Market Fund, Inc.	423,915,023	130,310,176	190,749,841

\*Source: Philippine Investment Funds Association (PIFA)

#### 5. Fund Management & Environmental Analysis (as of March 31, 2015)

##### *Market and Economic Review*

Peso denominated fixed income portfolios (government securities portion only) have well out-performed its HSBC benchmark. Separately, the pure peso fixed income fund, PMIF recorded a 1.99% return trailing the benchmark partly owing to the latter's change in valuation reference rates in the first quarter of the year. Peso interest rates rose by an average of 84bps in the year with a marked outperformance of the 25 year bond. While interest rates from 1 month to 20 years have risen in sync, the 25 year bond closed 4.485% or 83bps lower compared to 2013 levels.

The Philippine dollar bond rates market have declined by an average of 87bps following the 86bps decline in the 10 year US Treasury rates which closed at 2.17%

##### *Outlook*

For 2015, the assessment for interest rates is outlined in three Gs. Bias is for a gradual rise in interest rates predicated by the US QE unwind and moving towards policy normalization. As of December, Bloomberg consensus forecast still points to at least a 25 bps hike in overnight rates. On the local front, while inflation expectations has further moderated in response to the steep oil price decline, an upward adjustment in US rates restrain domestic rates to remain low. Externally, the stimulative policy measures in Japan and Europe will keep rates grounded and contain unexpected pressure on interest rates.

We forecast rates to trend higher because the Growth outlook, both globally and locally, remains broadly positive, despite downgraded estimates. We remain constructive on global economic growth on view that the US and UK economy will maintain its steady path to recovery. This view is paired with a bid that the prevailing and enhanced stimulus in Japan, Europe and China will feed positively into the local and global economy.

The Philippine's GDP is expected to maintain its healthy expansion especially approaching the presidential elections in 2016. The upgraded credit status of the country has also strengthened the country's position as an investment destination, thereby improving growth prospects.

Finally, Geopolitical events will be a key driver for interest rates. The unresolved conflict in Russia-Ukraine, the Middle-east and geopolitical consequences arising from extreme decline in oil prices will balance risk taking activities. Geopolitical conflicts will have greater influence on investor risk appetite underscored by the 2015 Asean integration initiatives.

Against this backdrop, we see modest positive returns in fixed income investments with yield enhancement delivered by exposure to corporate bonds and tactical overweight duration positioning until renewed price concerns alerts financial markets.

#### DISCUSSION OF FINANCIAL CONDITIONS

##### *Financial Position (in Thousands of Pesos '000s)*

Interim (March 31, 2015)

Net assets as of the first quarter of 2015 decreased by Php151 million as of March 31, 2015 from December 31 2014. This is due to decrease in clients' subscription and a significant redemption amounting to Php 139 million on February 2015.

NAVPS on March 31, 2015 was Php1.1580. This was 0.58% higher compared to the NAVPS on December 31, 2014 at Php1.1513.

## FY 2014 vs. FY 2013

As of periods December 31, 2014 and 2013, PMIF has AUM value of Php 337 million and Php 61 million, respectively. The increase in 2014 was brought about by a large subscription from one client.

## FY 2013 vs. FY 2012

Net assets for 2013 was Php61,287 (total assets of 64,205 less total liabilities of 2,918). This figure was 89.63% higher compared to 2012's net assets of Php32,320.

NAVPS on December 31, 2013 was Php1.1521. This was 0.7% higher compared to the NAVPS on December 31, 2012 at Php1.1446.

*Results of Operations (in Thousands of Pesos '000s)*

## Interim Year ending March 31, 2015

PMIF posted a net income by the end of the first quarter of 2015, amounting to Php1.56 Million. This figure is almost 3x the net income by the end of 2014, which was at Php518 million.

## Full Year 2014

Net income at the end of 2014 was Php518 (gross income of Php2,363 less operating expenses of Php1m413 less income taxes of Php950). This figure was 46% lower compared to the same period last year's net income of Php960.

Earnings Per Share as of end-2014 was Php0.0031. This was 83% lower compared to the same period last year's Earnings Per Share of Php0.0183.

## FY 2013 vs. FY 2012

Net income for the year 2013 was Php960 (gross income of Php1,994 less operating expenses of Php654 less income taxes of Php380). This figure was 57.6% lower compared to 2012's net income of Php2,266.

Earnings Per Share ("EPS") for the year 2013 was Php0.0183 [net income of Php960 divided by the weighted average number of 52,340 (in thousands) common shares]. This was 25% lower compared to 2012's EPS of Php0.0244.

## FY 2012 vs. FY 2011

Net income for the year 2012 was Php2,266 (gross income of Php3,471 less operating expenses of Php523 less income taxes of Php45,963). This figure was 10% higher compared to 2011's net income of Php641.

Earnings Per Share ("EPS") for the year 2012 was Php0.0244 [net income of Php2,266 divided by the weighted average number of 92,693 (in thousands) common shares]. This was 63% higher compared to 2011's EPS of Php0.0150.

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

Accounts	2014 (In thousands)	2013 (In thousands)	Change in Amount	Change in %
Cash and cash equivalents	180,383	63,662	116,721	183.34%
Interest receivable	251	-	251	100.00%
Financial assets at fair value through profit or loss	156,091	-	156,091	100.00%
Accounts Payable and Accrued Expenses	62	2,918	-2,856	-97.88%
Share Capital	202	532	-330	-62.03%
Share Premium	14,056	51,693	-37,637	-72.81%
Retained Earnings	9,580	9,062	518	5.72%
Deposit for capital stock subscription	312,951	-	312,951	100.00%
Management Fee	508	214	294	137.38%
Fees and Other Charges	402	366	36	9.84%
Taxes and Licenses	460	47	413	878.72%

Cash & Cash Equivalents – The increase is mainly due to the increase in net assets of the Fund, brought about by increase in sales in 2014.

Interest receivable – This resulted from accrued interest of fixed income investments over the year.

Financial Assets at Fair Value through Profit or Loss- This is due to shift of investments from time deposits to government securities as part of the fund manager's strategy in managing the Fund's assets.

Account Payable & Accrued Expenses – The decrease is generally due to the decrease of redemption of unit-holders in the period.

Share Capital & Share Premium – The decrease is mainly due from large amount of redemption made from October to December of the year 2014.

Retained Earnings – The increase is due to Fund's incurred net income for the year 2014.

Deposit for Capital Stock Subscription – This pertains to subscriptions received in excess of authorized capital stock within the year 2014.

Interest Income – The decrease is due from the accruals of interest of fixed income securities.

Management Fee and Fees and Other Charges – The increase is due to increased AUM in 2014 as these expenses are AUM-based.

Taxes and Licenses – This is due from increased subscriptions in 2014 which shares subscribed have been subjected to documentary stamp taxes.

#### 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. PMIF knows no events that will cause a material change in the relationship between costs and revenues.

*Recent Sales of Unregistered or Exempt Securities including Recent Issuances of Securities Constituting an Exempt Transaction – NONE*

#### External Audit Fees

The following are the aggregate fees billed by the external auditor for each of the last two calendar years:

Year	Amount
2013	Php 5,000
2014	Php 15,000
Total	Php 20,000

#### 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 PMIF 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 PMIF 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 about internal controls and the fullness and accuracy of PMIF's financial statements.
- The Audit Committee will actively engage the external auditor in a dialogue 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 PMIF's external auditor for the next calendar year.
  - PMIF may not engage the external auditor for any services unless they are approved by the Audit Committee in advance of the engagement
  - If PMIF wishes to engage the external auditor for any services, PMIF 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.
  - PMIF 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 PMIF to determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance is based primarily on the SEC Corporate Governance Self-Rating Form (CG-SRF).

PMIF 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 change in wordings mandated by SEC, PMIF 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 PMIF.

#### *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 obligation (including contingent obligations) and other relationships of the company 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**

PMIF 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**

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

#### **12. Restatement of Accounts**

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

**D. OTHER MATTERS**

**13. Action with Respect to Reports**

PMIF will submit the following to the stockholders for approval:

13.1 Minutes of the Annual Stockholders' Meeting held on July 24, 2014

13.2 Acts of the Board of Directors to be ratified:

13.2.1 Renewal of the Management and Distribution Agreement with PAMI as Fund Manager;

13.2.2 Approval of the Audited Financial Statements for the calendar year ended December 31, 2014;

13.2.3. Appointment of the officers of PMIF; and

13.2.4. Appointment of the various board committees of PMIF.

**14. Other Proposed Action**

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

**15. 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. The Corporate Secretary of PMIF will count the votes.

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

No person who has been a director or officer of PMIF, or a nominee for election as a director of PMIF, 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 PMIF 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, PMIF 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:**

PHILAM MANAGED INCOME FUND, INC.  
Office of the Corporate Secretary  
c/o 17<sup>th</sup> Floor Net Lima Building, 5<sup>th</sup> Ave. cor. 26<sup>th</sup> Street  
Bonifacio Global City, Taguig 1634  
Fax No. 5285093

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

1. Identification

The proxy solicitation is made by PHILAM MANAGED INCOME 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. July 17, 2015.
- (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 June 24 to July 17, 2015.

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

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

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 June 23, 2015.

**PHILAM MANAGED INCOME 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:**

**PHILAM ASSET MANAGEMENT, INC.**  
**17<sup>th</sup> Floor Net Lima Building, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig**  
**Email: [phi.philamasset@aia.com](mailto:phi.philamasset@aia.com)**  
**Fax: (02) 5285093**

### STOCKHOLDER PROXY

The undersigned stockholder (the "Stockholder") of PHILAM MANAGED INCOME FUND, INC. (the "Company"), hereby appoints: Mr. 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 Legaspi 2 Function Room 2nd Floor, Makati Diamond Residences Legazpi Street, Legazpi Village, Makati City 1229 on July 23, 2015 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 July 24, 2014
  - For
  - Against
  - Abstain
  
3. Approval of Audited Financial Statements for the fiscal year ending December 31, 2014
  - 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 2015
  - 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)