

DRAFT PROSPECTUS
ALFM Growth Fund
(UNITIZED MUTUAL FUND)

19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City 1209
Tel No. (02) 8580-0900

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

**An Offer of up to the Number of Authorized Units of Participation to
ALFM Growth Fund at an Offer Price of Net Asset Value per Unit
on the date of subscription**

| | ALFM GROWTH FUND |
|-----------------------------------|-------------------------|
| Number of Authorized Units | 50,000,000,000 |
| Minimum Initial Investment | PHP 1,000.00 |
| Initial NAVpU | PHP 1,000.00 |

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

BPI Investment Management, Inc.

Fund Manager

19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City
Tel No. (02) 8580-0900

BPI Investment Management, Inc., Tel. Nos. (02) 8580-0900

Affinity Capital Corp, Tel. Nos. (02) 8812-1344

Bank of the Philippine Islands, Tel. Nos (02) 889-10000

BPI Capital Corporation, Tel. Nos. (02) 8845-5695 to 97

Citicorp Financial Services and Insurance Brokerage Philippines, Inc., Tel. Nos. (02) 8995-9999

COL Financial Group, Inc., Tel. No. (02) 7636-5411

First Metro Securities Brokerage Corporation, Tel. No. (02) 8859-0600

Wealth Securities, Inc., Tel. No. 7634-5038

Unicapital Securities, Inc., Tel. No. 8892-0991

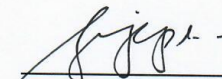
Distributors

****The date of this PROSPECTUS is January 15, 2022***

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION

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



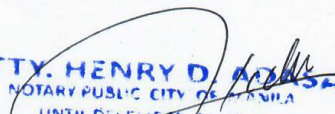
Mr. Simon R. Paterno
President
ALFM Growth Fund Inc. (Unitized Mutual Fund)

23 JUL 2021

SUBSCRIBED AND SWORN TO before me this ____ day of ____ 20___. Affiant, Mr. Simon R. Paterno
exhibiting to me her Tax Identification No. 203-010-472.

NOTARY PUBLIC

Doc. No. 407
Page No. 83
Book No. 411
Series of 2021


ATTY. HENRY D. TORRES
NOTARY PUBLIC CITY OF MANILA
UNTIL DECEMBER 31, 2021
NOTARY COMMISSION 2020-007 MIA
IBP NO. 141253 - 01/04/2021, PASIG
PTR NO. 9826148 - 03/05/2021, MIA
ROLL NO. 29679, TIN: 172-528-820
MCLE COMPL. NO. VII-0000155
URBAN DECA HOMES MANILA, B-7, UNIT 458

ALFM GROWTH FUND, INC.

| SUMMARY OF FEES TO BE DEDUCTED FROM THE FUND | |
|---|----------------------|
| Total Management Fee based on the average daily trading NAV of the Fund | 2.00% p.a. |
| Management Fee* | 0.975% p.a. |
| Distribution Fee* | 0.975% p.a. |
| Transfer Agent Fee* | 0.050% p.a. |
| <i>(*shall be taken from the 2.00% p.a. total management fee)(exclusive of VAT)</i> | |
| Safekeeping Fees based on face/nominal value of the securities at month end for fixed income securities and based on the market value of the portfolio at month end for local equities | |
| Scripless Securities / Book Entry | |
| Asset Size: USD 0 – USD 250 Mn | 1.50 bps p.a. |
| Above USD 250 Mn to USD 750 Mn | 1.25 bps p.a. |
| Above USD 750 Mn | 1.00 bps p.a. |
| Physical Securities | PhP 10,000 per month |
| Independent NAV Calculation Agent | 2.50 bps p.a. |
| SEC Annual Fee | 1 bp |
| Directors Fee | PhP 16,666 |
| 2020 External Audit Fee (est.) | PhP 156,000.00 |

* shall be taken from the 2.00% p.a. total management fee

| OTHER FEES | |
|---|------------|
| Maximum Sales Load, if any, to be collected from the subscribers, based on each amount invested by an applicant or Shareholder | 3.00% |
| Early Redemption Fee based on the amount redeemed | |
| 90 days or less | 1.00% flat |
| more than 90 days | none |

Table of Contents

| | |
|--|----|
| THE OFFER..... | 4 |
| USE OF PROCEEDS..... | 4 |
| SUMMARY OF FINANCIAL INFORMATION..... | 9 |
| RISK DISCLOSURE STATEMENT..... | 10 |
| RISK FACTORS AND RISK MONITORING AND MANAGEMENT..... | 11 |
| PRINCIPAL PARTIES TO THE OFFERS..... | 13 |
| DEFINITION OF TERMS..... | 14 |
| TERMS AND CONDITIONS OF THE OFFER..... | 17 |
| COMPANY BACKGROUND..... | 19 |
| DESCRIPTION OF UNITS OF PARTICIPATION..... | 21 |
| DIRECTORS, OFFICERS, AND SIGNIFICANT SHAREHOLDERS..... | 24 |
| CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS..... | 29 |
| PRINCIPAL PARTIES..... | 31 |
| PLAN OF DISTRIBUTION..... | 34 |
| MECHANICS OF THE FUND..... | 35 |
| PURCHASE OF SHARES..... | 36 |
| REDEMPTION OF SHARES..... | 36 |
| SPECIAL CONSIDERATIONS..... | 37 |
| VALUATION AND ACCOUNTING PROCEDURES..... | 37 |
| DETERMINATION OF THE FUND'S NET ASSET VALUE..... | 37 |
| TAXATION..... | 38 |
| INVESTMENT OBJECTIVES AND RESTRICTIONS OF THE FUND..... | 38 |
| PHILIPPINE LAWS APPLICABLE TO THE COMPANY..... | 41 |
| GOVERNMENT POLICIES AND REGULATIONS..... | 42 |
| MANAGEMENT DISCUSSION OR ANALYSIS ON PLAN OF OPERATIONS..... | 43 |

THE OFFER

ALFM Growth Fund

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

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

This document relates to an Offer for subscription to the units of participation of the ALFM Growth Fund, Inc.

This is an Offer of up to Fifty Billion (50,000,000,000) units of participation with an Initial Net Asset Value per Unit of Php 1,000.00 each (the "Offer Units"), amounting to PhP 50 Billion, in ALFM Growth Fund, Inc. ("ALFM Growth" or "the Fund") at ALFM Growth's prevailing Net Asset Value ("NAV") per unit, plus any applicable sales load, on the date of sale of the units. The Fund may terminate the Offer at any time or when the number of units subscribed and paid for has reached 50 billion units.

ALFM Growth was incorporated on November 26, 2007, with an authorized capitalization of PhP 400.0 Million (4,000,000 shares with par value of PhP100.00 each). The Fund's capitalization as approved by the Commission on November 20, 2009 was increased to PhP 1.0 Billion consisting of 10,000,000 shares with par value of PhP100.00 each. On January 19, 2011, the Authorized Capital was increased to PhP 2.0 Billion divided into 20,000,000 shares with the par value of P100.00. The Commission approved of further increasing its authorized capital stock to PhP 3.0 Billion divided into 30,000,000 shares with a par value of P100.00 on December 21, 2011. A further increase to PhP 3.6 Billion divided into 36,000,000 shares with a par value of P100.00 was approved on February 25, 2013. The Commission approved of further increasing its authorized capital stock to PhP 5.1 Billion divided into 51,000,000 shares with a par value of P100.00 on April 16, 2015. Most recently, a further increase to PhP 5.9 Billion divided into 59,000,000 shares with a par value of P100.00 was approved on February 17, 2016.

The investment objective of the Fund is long-term capital appreciation through investments in a diversified portfolio of predominantly equity securities. Due to the aggressive nature of the Fund, ALFM Growth may be classified as a high-risk investment which shall best cater to investors who are aware of the risks in investing in stocks and who can tolerate interim price volatilities in exchange for long-term capital growth.

USE OF PROCEEDS

The total proceeds from the sale of the 50 billion units of participation is estimated at **PhP 50 Trillion (using PhP 1,000.00 initial NAVpU)**. The Fund's main business is to invest and reinvest the proceeds in predominantly local equity securities and other investment assets, allowed under ICA and its rules, in line with the Fund's investment objective. The intent of which is for capital appreciation which will benefit the unitholders.

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

The Custodian Bank shall hold the relevant securities of the Fund including subscription payments or proceeds from the sale of this security, until they can be invested in marketable securities consistent with the Fund's objectives. No other funds outside the proceeds of this offer shall be needed to

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

THE OFFER UNITS OF PARTICIPATION

All of the Units of Participation in issue or to be issued pursuant to the Offer have, or upon issue will have, identical rights and privileges. These are outlined in the section on "Description of Units of Participation". The Units of Participation may be owned by any person regardless of citizenship or nationality, subject to the subsection on "Eligible Investors" under the section headed "Terms and Conditions of the Offer". The liability of the unitholders is limited to their investment to the company.

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

REDEMPTIONS

The Fund is ready to redeem, at the applicable Net Asset Value per Unit, all or any part of the units standing in the name of a unitholders in the Fund. Unless redeemed earlier than the minimum holding period of 90 days when an Early Redemption Fee of 1% will apply, there is no redemption fee.

TOTAL EXPENSES OF THE FUNDS

The total expenses paid out or projected to be paid out of the gross proceeds of the Offer include, but are not limited to directors' fees, external auditor's fees and management, distribution and transfer agent fees as well as an annual fee of 1bp based on the average net asset value of the unitized funds shall be paid to the SEC.

Expenses related to the registration include but not limited to filing fees, registration fees, legal research fees of unitized mutual fund will be for the account of the fund manager.

RESTRICTIONS ON THE USE OF PROCEEDS

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

VALUATION

The Fund's investments are valued pursuant to Philippine Accounting Standards ("PAS") No. 32 and Philippine Financial Reporting Standards ("PFRS") No. 9 and other amendments to the said standards. Under PFRS No. 9 which became effective on January 1, 2018, the Fund's financial assets are classified under (i) fair value through profit or loss, (ii) fair value through other comprehensive income, or (iii) hold-to-collect securities. The NAVPU of the Fund may fluctuate (i.e. go up or go down) due to changes in the market values of the Fund's investments. Such changes in market values may also be attributable to various factors. See "Risk Factors and Risk Monitoring and Management".

OFFERING PRICE

The offering price of the shares is the Fund's prevailing NAV per Unit computed as of end-of-day on the date of purchase of the Shares, plus the applicable sales load, to a maximum of 3%.

The net asset value per unit of the Fund on a daily basis and shall be:

- a. Publish such daily prices in at least two (2) national newspapers of general circulation which may be done through the industry organization/s; or
- b. Upload daily in its website or industry association, through digital portals such as its website or social media accounts; or post them daily in a conspicuous place at the principal office of the investment company as well as in all its branches or correspondent offices which are designated redemption centers.

DIVIDEND POLICY

SEC MC No. 33 s.2020 (Amendments to the Implementing Rules and Regulations of the Investment Company Act, as Amended) allows for an investment company offering units of participation may make periodic distribution of income to investors of the fund on a pro-rata basis; provided, that the distribution of income shall be made only from cash received from interest income and/or cash dividends earned after deduction of applicable taxes and expenses. Investment companies issuing units of participation shall be exempt from SEC Memorandum Circular No.11, series of 2008 or any amendment thereto.

A notice shall be made available to unitholders containing information on: (1) for cash dividend, total amount of cash dividend for distribution by the Fund & amount per unit held. (2) For unit dividends, total amount of dividend for distribution, NAVpU as at relevant record date, total number of units for distribution and, number of units to be distributed per unitholder.

Dividends shall be based on the equivalent pro rata share of units held by each unitholder based on the outstanding units at the relevant record date. Distributions shall be made to holders within fifteen (15) business days from the relevant record date, which shall be considered automatically redeemed and proceeds are subsequently credited to the nominated settlement account of eligible Participants (in case of unit dividends).

No dividends have been declared for Units of Participation.

FUND MANAGER, PRINCIPAL DISTRIBUTOR, INVESTMENT ADVISOR AND TRANSFER AGENT

The Investment Manager (or "Fund Manager"), Principal Distributor, Investment Advisor and Transfer Agent of the Fund is BPI Investment Management, Inc. (or "BIMI"). As fund manager, BIMI shall formulate and implement the investment strategy, provide and render management, technical, and administrative services, whereby authorizing BIMI to purchase and sell investment securities for the account of the Fund. As investment advisor, it is tasked to render services which include investment research and advice; the preparation of economic, industry, market, corporate, and security analyses; and assistance and recommendations in the formulation of investment guidelines. As Transfer Agent, BIMI shall provide transfer agency services including the maintenance of the official stock and transfer book of the Fund, the issuance of unitholders' Transaction Advice, and payment of dividends, if any. For its services, BPI Investment shall charge a fee of not more than the rate stipulated below, based on the average daily trading NAV of the Fund.

| Name of Fund | ALFM Growth Fund, Inc. (Unitized Mutual Fund) |
|---|--|
| Total Management, Distribution, Advisory & Transfer Agent Fee (exclusive of VAT) | 2.00% p.a. |
| Management Fee | 0.975% p.a. |
| Distribution Fee | 0.975% p.a. |
| Transfer Agent Fee | 0.050% p.a. |

DISTRIBUTORS

The Fund's unit of participation shall be made available to the public primarily through the Fund's authorized distributors, Affinity Capital Corp., BPI Capital Corporation, BPI Investment Management, Inc., Citicorp Financial Services and Insurance Brokerage Philippines, Inc., COL Financial Group, Inc., First Metro Securities Brokerage Corporation, Wealth Securities, Inc., and Unicapital Securities, Inc. as well as other authorized and accredited distribution firms. The foregoing companies were licensed by the Securities and Exchange Commission to distribute mutual fund securities to the public. The distribution fee payable to the distributors shall be based on the outstanding daily balance of the Fund's units distributed, as follows, and shall be taken from the 2.00% p.a. total management fee.

With the issuance of BSP Circular 844 (Cross-selling of Collective Investment Schemes and Other Amendments to Circular No. 801 on Revised Cross-selling Framework) on August 11, 2014, specifically trained and qualified bank employees are allowed to market/sell mutual funds under a cross-selling arrangement. ALFM Growth may also enter into such cross-selling arrangements with select banking institutions. This is subject to the requirement that such bank employees shall be required to secure the necessary license from SEC to be qualified to market/sell mutual funds to the public.

SALES LOADS

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

| Name of Fund | Amount Invested | Maximum Sales Load |
|------------------|-----------------|--------------------|
| ALFM Growth Fund | Any amount | 3% |

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

CUSTODIAN BANK

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

Scripless Securities / Book Entry

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

Physical Securities PhP 10,000 per month

Minimum Monthly Relationship Fee of USD 1,000 per month

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

| <i>Scripless Securities</i> | Formatted Instructions | Unformatted/ Manual Instructions |
|--|------------------------|-------------------------------------|
| 0 – 1,000 transactions per month | PhP 50 | PhP 300 |
| Above 1,000 – 2,000 transactions per month | PhP 35 | |

INDEPENDENT NAV CALCULATING AGENT

In compliance to SEC Memorandum Circular No. 21 series of 2019, the Fund has appointed the custodian bank as the independent NAV calculating agent to calculate or cross-check its Net Asset Value (NAV) every dealing day. The custodian bank charges 2.5b ps for the services rendered.

INDEPENDENT AUDITOR

Isla Lipana & Co. (formerly Joaquin Cunanan & Co.) has been appointed by the Fund as its External Auditor.

INFORMATION SUPPLIED BY THE FUND

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

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

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

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

SUMMARY OF FINANCIAL INFORMATION

The following information was lifted from the Interim Financial Statements of the Fund representing the financial information of the Shares for the period ended **September 30, 2021, and** Audited Financial Statements of the Fund for years ending December 31, 2020, 2019 and 2018. The latest financial reports audited by the Fund's external auditor, Isla Lipana & Co., as of December 31, 2019, appear in the last part of this Prospectus. The information set out below should be read in conjunction with the financial statements and related notes that are found in this Prospectus.

Financial information concerning unitized mutual fund will be segregated from that of the Fund representing the shares of stock.

ALFM GROWTH FUND

| As of September 30, 2021 (Unaudited) - In Thousand Pesos | | | |
|---|-----------|--------------------------|-----------|
| Balance Sheet | | Income Statement | |
| Total Assets | 5,463,946 | Income (Loss) | (38,877) |
| Total Liabilities | 59,818 | Expenses | 82,550 |
| Total Equity | 5,404,128 | Net Income (Loss) | (122,649) |

Net Asset Value per Share as of March 31, 2021: PhP 222.13

| As of December 31, 2020 (Audited) - In Thousand Pesos | | | |
|--|-----------|--------------------------|-----------|
| Balance Sheet | | Income Statement | |
| Total Assets | 5,605,460 | Income (Loss) | (498,401) |
| Total Liabilities | 51,986 | Expenses | 105,084 |
| Total Equity | 5,553,474 | Net Income (Loss) | (606,597) |

Net Asset Value per Share as of December 31, 2020: PhP 227.20

| As of December 31, 2019 (Audited) - In Thousand Pesos | | | |
|--|-----------|--------------------------|---------|
| Balance Sheet | | Income Statement | |
| Total Assets | 6,312,005 | Income (Loss) | 174,843 |
| Total Liabilities | 2,195 | Expenses | 144,052 |
| Total Equity | 6,289,810 | Net Income (Loss) | 22,280 |

Net Asset Value per Share as of December 31, 2019: PhP 251.84

| As of December 31, 2018 (Audited) - In Thousand Pesos | | | |
|--|-----------|--------------------------|-------------|
| Balance Sheet | | Income Statement | |
| Total Assets | 7,111,067 | Income (Loss) | (1,000,797) |
| Total Liabilities | 29,240 | Expenses | 154,976 |
| Total Equity | 7,081,823 | Net Income (Loss) | (1,160,938) |

Net Asset Value per Share as of December 31, 2018: PhP 252.20

DISCLOSURE STATEMENT

GENERAL RISK WARNING

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

PRUDENCE REQUIRED

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

PROFESSIONAL ADVICE

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

RISK FACTORS AND RISK MONITORING AND MANAGEMENT

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

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

1) Market Risk

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

2) Interest Rate Risk

The risk that the value of the portfolio will decline as interest rates rise. Bond prices are inversely related to interest rates (ie. as interest rates increase, bond prices decrease). Interest rate risk is measured using duration and controlled through duration limits. To mitigate this risk, the Fund Manager closely monitor movements in interest rates.

3) Liquidity Risk

The risk that the investments of the Fund cannot be sold or converted into cash within a reasonable time or in instances where sale or conversion is possible but not at a fair price. A liquidity contingency plan, which provides a framework for addressing liquidity crisis situations is in place.

B. Risks Inherent to the Fund

- 1) Unlike closed-end funds, the investment potential and capability of the Fund is limited by liquidity constraints as the Fund Manager should always ensure that there are sufficient liquid assets to service redemptions at any given time.
- 2) Unlike bank accounts, investment companies / mutual funds are neither insured with the FDIC nor any other agency of the government, nor guaranteed by the Fund Manager. Before investing in the Fund, investors are expected to understand that the Fund is not a bank deposit product and any income, or loss, shall be for the account of the investor. Investors are advised to read the Prospectus of the Fund, which may be obtained from authorized distributors, before deciding to invest. The Fund is registered with the Securities and Exchange Commission.
- 3) Mutual funds are subject to "manager risk," which is the potential for a fund to fail to achieve its objectives due to investment decisions by the Fund Manager, caused by the Fund Manager's ability, or failure, to "read the market" accurately. To mitigate this risk, the Fund Manager employs a thorough investment process, considering macroeconomic factors and integrating them in asset allocation models to optimize the return of the portfolio. The Fund Manager likewise keeps abreast of current market conditions through various trainings and seminars on fund management techniques as well as close coordination with various counterparties and regulators.
- 4) Mutual Funds are also subject to "operational risk", prospect of loss resulting from inadequate or failed procedures, systems or policies. To mitigate the risk, the Fund Manager follows several control processes such as, but not limited to, maker-checker process, regular review of operational process, ensuring segregation of duties and proper escalation / reporting.
- 5) Mutual Funds are also subject to Regulatory risk, changes in laws and regulations will materially impact the company or the industry. The Fund Manager's compliance officer regularly checks any changes in the regulatory environment which in turn, update the Board of Directors &

management of the Fund and its own. The compliance officer is required to complete a prescribe hours of training to ensure that he/she is abreast with current rules & regulations.

PRINCIPAL PARTIES TO THE OFFERS

| | |
|--------------------|--|
| Issuer | <p>ALFM Growth Fund, Inc. 19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave. Makati City 1209</p> |
| Fund Manager | <p>BPI Investment Management, Inc. 19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave. Makati City 1209</p> |
| Distributors | <p>BPI Investment Management, Inc. Affinity Capital Corp. Bank of the Philippine Islands BPI Capital Corporation Citicorp Financial Services & Insurance Brokerage Phils., Inc. COL Financial Group, Inc. First Metro Securities Brokerage Corporation Unicapital Securities, Inc. Wealth Securities, Inc.</p> |
| Investment Advisor | <p>BPI Investment Management, Inc. 19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave. Makati City 1209</p> |
| Receiving Banks | <p>Bank of the Philippine Islands Tower One, Ayala North Exchange 6796 Ayala Avenue corner Salcedo St. Makati City</p> <p>BPI Family Savings Bank BPI Family Savings Bank Building, Paseo de Roxas cor. dela Rosa St., Makati City</p> |
| Custodian Bank | <p>Citibank, N.A., Philippine Branch Citibank Tower, Citibank Plaza 8741 Paseo De Roxas Makati City</p> |
| External Auditor | <p>Isla Lipana & Co. Member firm of PricewaterhouseCoopers 29th Floor, Philamlife Tower Paseo de Roxas, Makati City</p> |

DEFINITION OF TERMS

| | |
|--|--|
| ALFM Mutual Funds | ALFM Peso Bond Fund, Inc. ALFM Dollar Bond Fund, Inc. ALFM Euro Bond Fund, Inc. Philippine Stock Index Fund Corp. ALFM Money Market Fund, Inc. ALFM Global Multi-Asset Income Fund, Inc. |
| BFSB | BPI Family Savings Bank |
| Bn | Billion |
| BPI | Bank of the Philippine Islands |
| BPI Investment | BPI Investment Management, Inc. |
| Bps | basis points (1/100 of 1% or 0.0001) |
| BSP | Bangko Sentral ng Pilipinas |
| Certified Investment Solicitor (CISol) | An individual, employed by a Distributor, who shall have taken and passed the mutual fund sales agents' licensing examination given by the SEC |
| Corporation | ALFM Growth Fund, Inc. |
| Credit Authority | The redemption slip or the Fund Order Form for the Fund's Units, signed by a Unitholder, authorizing the Receiving Bank to credit the proceeds from the sale of said Units into the Unitholder's Settlement Account |
| Customer Referral Sheet | The application for subscription to the Offer Units in the form prescribed |
| Debit Authority | The subscription slip or Fund Order Form for the Fund's Units, signed by an applicant, authorizing the Receiving Bank to debit said applicant's Settlement Account for the full payment of the Units applied for |
| Distributors | BPI Investment Management, Inc. Affinity Capital Corp BPI Capital Corporation COL Financial Group, Inc. Citicorp Financial Services and Insurance Brokerage Philippines, Inc. First Metro Securities Brokerage Corporation Wealth Securities, Inc. Unicapital Securities, Inc. |
| Early Redemption Fee | The redemption fee of 1.0% imposed on redemptions made by Unitholders during the minimum holding period, which accrues to the Fund |
| Fund | ALFM Growth Fund, Inc. |
| Fund Manager | BPI Investment Management, Inc. |
| Investment Advisor | BPI Investment Management, Inc. |

| | |
|---------------------------------|--|
| Regular Subscription Plan (RSP) | The automated periodic purchase (i.e., monthly or quarterly) of the Funds' units in a pre-determined fixed amount |
| Revised Corporation Code | Revised Corporation Code of the Philippines (<i>Republic Act 11232</i>) |
| Sales Load | The sales commission, to a percentage not exceeding 3%, if any, collected from the subscribers of the Units and paid to the Distributors or their Certified Investment Solicitor (CISol) |
| SEC | The Securities and Exchange Commission of the Philippines |
| Securities Regulation Code | Republic Act No. 8799 |
| Service Administrator | BPI Investment Management, Inc. |
| Servicing Agent | A Certified Investment Solicitor (CISol) of the Fund with whom a Unitholder shall transact purchases and redemptions of the Units |
| Settlement Account | A BPI or BFSB current or savings account required to be opened and maintained by each person or entity transacting the Units against which all payments for Units purchased shall be debited and into which all proceeds of Units sold shall be credited |
| Unitholder | An owner of units in the ALFM Growth Fund |
| Units | The unclassified and non-voting units of participation to the ALFM Growth Fund, issued out of the Fund's authorized units or, when the context requires. |
| Transaction Advice | The evidence of ownership of a Unitholder's holdings in the Fund |
| Valuation Day | A trading day when the Fund is made available for buying or selling and on which date the Fund Manager shall determine the NAV of the Fund |

TERMS AND CONDITIONS OF THE OFFER

Eligible Investors The Units of the Fund may be held by any person of legal age, or by a duly authorized and existing corporation, partnership or other entity regardless of nationality.

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

The fund is ideal for **Aggressive** investors with an investment horizon of more than five (5) years.

The Offer The Fund is offering to the public its unclassified and non-voting units of participation at the Offer Price. The Units shall be made available for sale until the earlier of: (i) the date the Fund terminates the Offer, or (ii) the date when the number of Unit subscribed and paid for has reached the Authorized Units indicated below:

| Name of Fund | Authorized Units of Participation |
|------------------|-----------------------------------|
| ALFM Growth Fund | 50,000,000,000 |

The Offer Price The Units shall be offered at an Offer Price based on the Fund's NAV per Unit computed by the end-of-day of each valuation date, plus the applicable Sales Load, to a maximum of 3%. Units applied for after the Cut-off Time shall be offered at an Offer Price based on the NAV per Unit calculated as of the next valuation day, plus the applicable Sales Load, to a maximum of 3%.

Cut-off Time 2:30 p.m. of a valuation day

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

| Name of Fund | Minimum Initial Subscription Amount | Minimum Additional Subscription |
|------------------|-------------------------------------|---------------------------------|
| ALFM Growth Fund | PhP 1,000.00 | PhP 500.00 |

Minimum Maintaining Balance At any time, Unitholders should have holdings in the Fund worth at least:

| Name of Fund | Minimum Maintaining Balance |
|------------------|-----------------------------|
| ALFM Growth Fund | PhP 1,000.00 |

Minimum Partial Redemption Redemptions by Unitholders from the Fund should be worth at least:

| Name of Fund | Minimum Partial Redemption |
|------------------|----------------------------|
| ALFM Growth Fund | PhP 500.00 |

The Fund is ready to redeem, at the applicable Net Asset Value per Unit, all or any part of the Units standing in the name of a Unit-holder in the Fund. Unless redeemed earlier than the minimum holding period of 90 days, when an early redemption fee of 1% will apply, there is no redemption fee.

Should a partial redemption result in the investment falling below the required Minimum Maintaining Balance, the entire unitholdings of the Unitholder, multiplied by the applicable NAV per Unit as of the date of the partial redemption, shall be paid to the said unitholder via a credit to his Settlement Account, without need of prior notice to the unitholder.

Payments for the redeemed shares and units shall be made within seven (7) banking days from receipt of the request for redemption.

Payment for the Units

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

Registration of Investments

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

COMPANY BACKGROUND

The ALFM Growth Fund, Inc. (“ALFM Growth” or the “Fund”) is a domestic corporation duly authorized to operate as an open-end investment company. The Fund was incorporated on November 26, 2007 with an authorized capitalization of PhP 400.0 Million consisting of 4,000,000 common shares of par value PhP 100.00 per share. The Fund was organized to engage in the sale of its shares of stock and in the investment of the proceeds thereof into a basket of stocks and fixed-income securities. The following table provides information on the history of the Fund’s authorized capital stock increases through the years.

| Increase No. | Additional Shares Approved | Date of SEC Approval | Authorized Capital Stock |
|--------------|----------------------------|----------------------|--------------------------|
| 1 | 6,000,000 | November 20, 2009 | 10,000,000 shares |
| 2 | 10,000,000 | January 19, 2011 | 20,000,000 shares |
| 3 | 10,000,000 | December 21, 2011 | 30,000,000 shares |
| 4 | 6,000,000 | February 25, 2013 | 36,000,000 shares |
| 5 | 15,000,000 | April 16, 2015 | 51,000,000 shares |
| 6 | 8,000,000 | February 17, 2016 | 59,000,000 shares |

The Fund has entered into a Management and Distribution Contract with BPI Investment Management, Inc. authorizing BPI Investment to purchase and sell investment securities for the account of the Fund. The Fund does not have employees of its own since the management and administration functions are already being handled by BPI Investment. The Fund has adopted a Manual of Corporate Governance and an Anti-Money Laundering Operating Manual which regularly updated to comply with the latest requirements. Quarterly reporting of the Fund’s operations to the Board of Directors is being performed by BPI Investment to properly identify, assess and manage risks that may arise any time during the Fund’s daily operations. ALFM Growth does not own any property *such as* real estate, plant and equipment, mines, patents, etc. required to be disclosed under Annex C of SRC Rule 12.1.

ALFM EQ is categorized as a Peso-denominated equity fund. As of June 2021, there are currently sixty-six (66) companies in the Philippines, of which thirteen (13) are Peso-denominated actively managed equity funds. ALFM Growth competes with the other peso-denominated actively-managed equity funds currently available in the market. with about PhP 5.052 Billion in Net Asset Value as of March 31, 2021.

The principal method of competition in this industry is the fund performance or fund return measured as the NAV per share appreciation over time. The Fund will rely on the active management of its appointed Fund Manager to outperform its benchmark and its peers. The Fund is also aided by the wide network of its appointed distributors and the distribution reputation of the ALFM Mutual Funds brand to provide a steady inflow of fresh funds for the effective management of the Fund’s portfolio.

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

Fund Manager, Investment
Advisor and Transfer Agent:

BPI Investment Management, Inc.

Fund Distributors:

BPI Investment Management, Inc.
Affinity Capital Corp
Bank of the Philippine Islands
BPI Capital Corporation
Citicorp Financial Services & Insurance Brokerage Philippines, Inc.
COL Financial Group, Inc.
First Metro Securities Brokerage Corporation
Unicapital Securities, Inc.
Wealth Securities, Inc.

REGULATORY ENVIRONMENT

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

LEGAL PROCEEDINGS

The Fund, the Fund Manager, and their Directors and Officers, have not been involved in any material legal proceeding since the Fund’s incorporation.

ANNUAL MEETING OF THE SHAREHOLDERS

The annual meeting of the shareholders shall be held every last Friday of May or such other date determined by the Board of the Directors of the Fund. Pertinent items discussed in the annual shareholders meeting will be disclosed to unitholders within 30 days from the said meeting.

DESCRIPTION OF UNITS OF PARTICIPATION

Capital Structure

The ALFM Growth Fund's authorized number of units is shown in the table below:

| Name of Fund | Number of Authorized Units | Initial Price (in PhP) |
|------------------|----------------------------|------------------------|
| ALFM Growth Fund | 50,000,000,000 | 1,000.00 |

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

Rights and Privileges

Voting Rights

The Fund shall issue only one (1) class of unit and have identical rights and privileges. Unit does not entitle the holder thereof to any vote at any meeting of Shareholders of the Fund but are entitled to be notified of any material change to the Registration Statement and the subscription agreement.

Any change in the investment objective, policy and strategy shall require prior approval of its shareholders representing a majority of its outstanding capital stock. The unitholders shall be notified of such change at least thirty (30) days before the change will be implemented.

Right to Redemption of Units of the Investment Company

Investors in redeemable units issued by the fund shall have the right to have their securities redeemed in accordance with the terms of the issue thereof.

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

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

After dissolution, the Fund will continue to exist for three (3) more years for purposes of liquidation. During such time, the Fund will no longer accept additional subscriptions and will only allow redemptions of units based on the prevailing NAVpU. The daily NAVpU of the Fund will continuously be computed and published, as long as practicable.

In cases of revocation of the Registration Statement and Certificate of Permit to Offer Securities for Sales, the Fund Manager must liquidate the assets within a maximum period of six (6) months from the receipt of the receipt of the Order revoking the Registration Statement and its Certificate. The Investment Company must wind up or amend its business purposes within one (1) year from receipt of the same.

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

Pre-emptive Right

Units holders have no pre-emptive right.

Dividends

SEC MC No. 33 s.2020 (Amendments to the Implementing Rules and Regulations of the Investment Company Act, as Amended) allows for an investment company offering units of participation may make periodic distribution of income to investors of the fund on a pro-rata basis; provided, that the distribution of income shall be made only from cash received from interest income and/or cash dividends earned after deduction of applicable taxes and expenses. Investment companies issuing units of participation shall be exempt from SEC Memorandum Circular No.11, series of 2008 or any amendment thereto.

A notice shall be made available to unitholders containing information on: (1) for cash dividend, total amount of cash dividend for distribution by the Fund & amount per unit held. (2) For unit dividends, total amount of dividend for distribution, NAVpU as at relevant record date, total number of units for distribution and, number of units to be distributed per unitholder.

Dividends shall be based on the equivalent pro rata share of units held by each unitholder based on the outstanding units at the relevant record date. Distributions shall be made to holders within fifteen (15) business days from the relevant record date, which shall be considered automatically redeemed and proceeds are subsequently credited to the nominated settlement account of eligible Participants (in case of unit dividends).

Interests of Named Experts and Independent Counsel

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

Other Provisions

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

The loss to the unitholders is limited to their investments to the Investment Company.

MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED UNITHOLDERS' MATTERS

The Units of the ALFM Growth Fund. are available for purchase primarily by resident citizens or investors of legal age, or by duly authorized and existing corporations, partnerships or other entities, subject to existing Philippine laws, through Qualified Mutual Fund Sales Agents of the Fund's Distributors. Investors who want to invest in a diversified portfolio of predominantly equity securities listed Philippine Stock Exchange are the primary target market of the Fund. The Units of the Fund are not traded publicly on an exchange since the Fund stands ready to redeem or buy back the Units from the Unitholders any time.

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

Number of Unitholders

The table below shows the Fund's total number of unitholders as of September 30, 2021:

| Name of Fund | Number of Unitholders |
|------------------|-----------------------|
| ALFM Growth Fund | 0 |

Unit Options and Treasury Unit

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

Transaction Advice

Unitholders will be issued Transaction Advice on each successful subscription or redemption. Unitholders will likewise receive quarterly statement of account of their investment to the fund physically or via electronic channels.

Registry of Units

The Fund's official registry of units shall be maintained by the Corporate Secretary, through the Fund's Service Administrator, who shall likewise be principally responsible for the maintenance of the official stock and transfer book of the Funds in coordination with the Transfer Agent who, in turn, shall be responsible for the payment of dividends,

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

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

DIRECTORS, OFFICERS, AND SIGNIFICANT SHAREHOLDERS

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

1. Romeo L. Bernardo, Chairman / Regular Director

Mr. Romeo L. Bernardo, Filipino, born in 1954, 66 years old, is the Chairman of the fund since 2007. He is also the Chairman of ALFM Peso Bond Fund, Inc. from 2003 to present, ALFM Growth Fund, Inc. from 2007 to present, ALFM Dollar Bond Fund, Inc. from 2003 to present, ALFM Euro Bond Fund, Inc. from 2005 to present, and ALFM Money Market Fund, Inc. since 2009. He is currently the Managing Director of Lazaro Bernardo Tiu & Associates, Inc. and GlobalSource economist in the Philippines. Mr. Bernardo is likewise a director of several companies and organizations including Aboitiz Power, BPI, Globe Telecom Inc., RFM Corporation, Philippine Investment Management, Inc. (PHINMA), BPI-Philam Life Assurance Corporation, National Reinsurance Corporation of the Philippines, Institute for Development and Econometric Analysis (IDEA) and Management Association of the Philippines (MAP). Mr. Bernardo was an alternate director of the Asian Development Bank from 1997 to 1998 and Undersecretary for International Finance, Privatization & Treasury Operations of the Department of Finance of the Republic of the Philippines from 1990 to 1996. Mr. Bernardo received a Bachelor of Science degree in Business Economics (magna cum laude) from the University of the Philippines and a Masters in Development Economics degree from Williams College in Williamstown, Massachusetts.

2. Simon R. Paterno, President / Regular Director

Mr. Simon R. Paterno, Filipino, born in 1959, 61 years old, served as an Executive Vice President of the Bank of the Philippine Islands where he headed Financial Products and Alternative Channels Group. Mr. Paterno is the former President and CEO of the Development Bank of the Philippines, serving from 2002-2004. He worked for 18 years at the New York, Hong Kong, and Manila offices of J.P. Morgan, serving finally as Managing Director in charge of sovereign clients during the Asian Financial Crisis of 1997-98, and as Country Manager for the Philippines until 2002. He also worked for 8 years at Credit Suisse as Managing Director and Country Manager for the Philippines. Mr. Paterno obtained his MBA from Stanford University in 1984. He was awarded his A.B., cum laude, Honors Program in Economics from Ateneo de Manila University in 1980. In 2005, he was elected President of the Management Association of the Philippines. He serves on the boards of the Foundation for Economic Freedom and Ateneo Scholarship Foundation. He was named a TOYM awardee for Investment Banking in 1999.

3. Adelbert A. Legasto, Regular Director

Mr. Adelbert A. Legasto, Filipino, born in 1947, 73 years old, is also a director of ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Money Market Fund, Inc., and BPI Investment Management, Inc. He has served as Governor of the Philippine Stock Exchange 1994-96, Governor of the Makati Stock Exchange 1994-97, was an incorporator of the Philippine Central Depository (PCD), and served as President of the Trust Officers Association of the Philippines in 1998-99. He graduated from the Ateneo de Manila University with an A.B. Economics degree and completed his M.B.A. academics at the Ateneo Graduate School of Business. He completed the Pension Funds and Money Management from the Wharton School of the University of Pennsylvania, and Investment Management at the CFA Institute at the Harvard Business School in Boston, Massachusetts.

4. John Philip S. Orbeta, Independent Director

Mr. John Philip S. Orbeta, Filipino, born in 1961, 59 years old, has served as a member of the Ayala Corporation Management Committee since May 2005 and the Ayala Group Management Committee since April 2009. He is currently the Managing Director and Group Head for Corporate Resources, covering Strategic Human Resources, Knowledge Management, Information & Communications Technology, AC Synergy and Corporate Support Services at Ayala Corporation. He is currently the Chairman of Ayala Aviation Corporation; Chairman and President of HCX Technology Partners, Inc.; and Vice Chairman of Ayala Group Club, Inc. Mr. Orbeta also serves as a Board

Director of AG Counselors Corporation, AC Industrial Technology Holdings, Inc., Ayala Healthcare Holdings, Inc., Ayala Retirement Fund Holdings, Inc., BPI Family Bank, Inc., ALFM Growth Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc. and ALFM Money Market Fund, Inc. Mr. Orbeta previously served as the President and CEO of AC Industrial Technology Holdings, Inc. (formerly Ayala Automotive Holdings Corporation) and Automobile Central Enterprise, Inc. (Philippine importer of Volkswagen) and the Chairman and CEO of Honda Cars Makati, Inc., Isuzu Automotive Dealership, Inc. and Iconic Dealership, Inc. Prior to joining Ayala Corporation, he was the Vice President and Global Practice Director of the Human Capital Consulting Group at Watson Wyatt Worldwide (now Willis Towers Watson), overseeing the firm's practices in executive compensation, strategic rewards, data services and organizational effectiveness around the world. He was also a member of Watson Wyatt's Board of Directors. He graduated with a degree in A.B. Economics from the Ateneo de Manila University in 1982.

5. Raymund Martin T. Miranda, Independent Director

Mr. Raymund Miranda, Filipino, is currently the Chief Strategy Officer & Chief Risk Officer of ABS CBN Corp. He is also the President of Probabilistic Insights Inc. which focuses on development of machine learning and intelligence, as well as ABS-CBN Studios Inc. Before joining ABS CBN in 2012, Mr. Miranda held leadership roles in various media companies across the region such as: Managing Director Asia Pacific, Universal Networks International; President & CEO, Nation Broadcasting Corporation and Managing Director, Walt Disney International (South East Asia). Mr. Miranda graduated with a degree in Biology & Mass Communications from the University of the Philippines.

Other Officers of the Fund

1. Fernando J. Sison III – Treasurer

Mr. Fernando J. Sison III, Filipino, born in 1952, 68 years old, is the Treasurer of the Fund since 2004. He used to be the President of BPI Investment Management, Inc. from May 2004 up to June 2012. He previously served as Vice President and head of many of BPI's divisions, including AMTG Retail Trust Division, AMTG Portfolio Management Division, SDG Retail Funds Distribution, and Private Banking Unit. He was assigned to BPI International Finance Ltd. (HK) as Head of Investment Management Division and to BPI Capital Corporation – Corporate Finance Group as Vice President and Head of Syndications and Underwriting. He completed the corporate finance module of JP Morgan in New York and underwent on-the-job training in corporate finance with JP Morgan in Hong Kong. He previously served as President of the Investment Company Association of the Philippines (ICAP) for 3 terms up to 2006 and as Chairman of the Board of the Philippine Investment Funds Association (PIFA), formerly ICAP, for 5 terms up to 2012-2013. He served as Industry Governor of the Market Governance Board of the Philippine Dealing and Exchange Corp. in 2008 and 2011 and as Alternate Governor for 5 terms. He is a SEC-licensed Certified Investment Solicitor from 2001 to 2012. He is currently the Investments Administrator and the Director for Business Affairs of the Ateneo de Manila University. He is a member of the Retirement Commission and the Investment Committee of the CEAP Retirement Fund. He is also a member of the Board of Senior Advisers of PIFA. Mr. Sison graduated from the Ateneo de Manila University in 1974 with the degree A.B. General Studies (Honorable Mention). He obtained his M.B.A. degree in 1976 from the University of the Philippines (Diliman).

2. Atty. Sabino B. Padilla IV, Corporate Secretary and Compliance Officer

Atty. Sabino B. Padilla IV, born in 1960, 60 years old, is the Corporate Secretary and Compliance Officer of the Fund. Atty. Padilla graduated with a degree in Bachelor of Laws from the University of the Philippines in 1985. He then received his Master of Laws from the Harvard University, USA in 1988. He is currently a partner of the Padilla Law Office which is legal counsel to BPI and its subsidiaries and to various religious orders, societies and congregations for men and women as well as educational institutions and hospitals operated by them. Atty. Padilla is the Corporate Secretary and Compliance Officer of the ALFM Mutual Funds. He is also the Corporate Secretary and Compliance Officer of other mutual funds such as the Solidaritas Fund and Ekklesia Mutual Fund.

3. Atty. Paolo John D. Purganan, Chief Data Protection Officer and Chief Risk Officer

Mr. Purganan is the Compliance Officer and Head of BIML Compliance and Risk Office. He was a Legal and Tax Officer in BPI AMTC from July 1, 2019 to March 31, 2020 and a Legal Officer in the Private Banking Unit from November 1, 2015 to June 30, 2019. Before joining BPI, he was a Legal Officer in BDO Unibank, Inc. and a Tax Supervisor in KPMG Philippines. He completed his Juris Doctor degree from the University of the Philippines (UP) College of Law in 2010, and was admitted to the bar in 2011. In 2005, he earned his B.A. in Psychology from Ateneo De Manila University and B.F.A. in Visual Communication from UP Diliman.

Significant employees

The ALFM Growth Fund does not have employees of its own. The management, distribution, and administration of the Fund are already being handled by BPI Investment Management, Inc. The Fund does not have a parent company.

Additional Information Required under Annex C of SRC Rule 12.1:

- The incorporators of the Fund are:

Mr. Manuel Q. Bengson, Mr. Ariston Estrada, Jr., Dr. Bernardo M. Villegas, Mr. Isagani G. de Castro, and Mr. Francisco U. Luna
- Each Director shall serve for a term of one (1) year from his appointment and until his successor has been duly elected and qualified, provided, however, that any Director may be removed from office at any time with or without cause by a 3/4 vote of the subscribed capital stock entitled to vote. Other than this, the Fund has no existing employment contract with any of the Fund's Directors.
- Mr. Romeo L. Bernardo and Mr. John Philip S. Orbeta are the Independent Directors of the Fund. An independent director is a person not having any relationship or position in the Fund, or in parties related to the Fund, the holding of which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, in compliance with Section 38 of the Securities Regulation Code.
- Security Ownership of Management, as of March 31, 2021:

| Title of Class | Name | Position | Citizenship | No. of Shares | Percentage |
|----------------|---------------------------|---|-------------|----------------------------------|------------|
| Common | Romeo L. Bernardo | Chairman/ Independent Director | Filipino | 50 (beneficial) | 0.0004% |
| Common | Simon R. Paterno | Director/President | Filipino | 50 (beneficial) | 0.0004% |
| Common | Adelbert A. Legasto | Director | Filipino | 6,780 (record, beneficial) | 0.0498% |
| Common | Raymund Martin T. Miranda | Independent Director | Filipino | 0 (beneficial) | 0.0000% |
| Common | John Philip S. Orbeta | Independent Director | Filipino | 50 (beneficial) | 0.0004% |
| Common | Fernando J. Sison III | Treasurer | Filipino | 11,991 (record) | 0.0881% |
| Common | Sabino Padilla IV | Corp. Secretary/ Compliance Officer | Filipino | 0 | 0.0000% |
| Common | Paolo John D. Purganan | Chief Data Protection Officer / Chief Risk Officer | Filipino | 0 | 0.0000% |

- Each Director and Officer is compensated an amount for every Board meeting attended, as shown in the table below:

| Director / Officer | Position | Year | Per Diem |
|--|---|------------|-----------|
| Romeo L. Bernardo | Chairman | 2019 | 31,500.00 |
| | | 2020 | 45,000.00 |
| | | 2021 (est) | 66,666.68 |
| Sherisa P. Nuesa <i>(Resigned Mar 2021)</i> | Director / President | 2019 | 31,500.00 |
| | | 2020 | 45,000.00 |
| | | 2021 (est) | 10,000.00 |
| Simon R. Paterno <i>(Elected President Aug 2021)</i> | Director / President | 2019 | 18,000.00 |
| | | 2020 | 45,000.00 |
| | | 2021 (est) | 66,666.68 |
| Adelbert A. Legasto | Director | 2019 | 36,000.00 |
| | | 2020 | 45,000.00 |
| | | 2021 (est) | 66,666.68 |
| John Philip S. Orbeta | Independent Director | 2019 | 25,500.00 |
| | | 2020 | 45,000.00 |
| | | 2021 (est) | 66,666.68 |
| Raymund Martin T. Miranda <i>(elected Aug 2021)</i> | Independent Director | 2021 (est) | 33,333.34 |
| Atty. Sabino B. Padilla IV | Corporate Secretary and Compliance Officer | 2019 | 36,000.00 |
| | | 2020 | 45,000.00 |
| | | 2021 (est) | 66,666.68 |
| Fernando J. Sison III | Treasurer | 2019 | 27,000.00 |
| | | 2020 | 45,000.00 |
| | | 2021 (est) | 66,666.68 |
| Atty. Francis Lorenz E. Espiritu <i>(Resigned April 2020)</i> | Chief Data Protection Officer / Chief Risk Officer | 2019 | - |
| | | 2020 | - |
| Atty. Paolo John D. Purganan <i>(Onboarded April 2020)</i> | Chief Data Protection Officer / Chief Risk Officer | 2020 | - |
| | | 2021 (est) | - |

- There are no other standard or consulting arrangements or any compensatory plan relating to resignation / retirement by which Directors and Officers are to be compensated other than that previously stated.
- No current Director of the ALFM Growth Fund, or employees of the Fund Manager, or Investment Advisor, or any of the Distributors, is related to each other up to the fourth civil degree either by consanguinity or affinity. No Director of the ALFM Growth Fund has been the subject of any legal or criminal proceedings during the past five (5) years.

Corporate Governance

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

Independent Oversight Entity

The Fund has appointed the Audit Committee in compliance with SEC Memo Circ. No. 2, series of 2019 as the Independent Oversight Entity. It shall perform oversight over its fund manager.

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

The Fund has adopted BPI Investment's Money Laundering and Terrorist Financing Prevention Program (MLPP). BPI Investment's MLPP is based on Republic Act No. 9160 or the "Anti-Money Laundering Act of 2011", as amended, and the Securities and Exchange Commission's ("SEC") Memorandum Circular No. 16 Series of 2018 on the 2018 Guidelines on Anti-Money Laundering & Combating the Financing of Terrorism for SEC Covered Institutions.

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

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

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

Procedures to Ensure Compliance with Relevant Laws and Regulation

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

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

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

Certain Relationships and Related Transactions

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

Notwithstanding the above, Mr. Adelbert A. Legasto is a Director of the Fund and is also a Director of BPI Investment Management Inc. (BIMI). Mr. Romeo L. Bernardo is an Director of the Fund and a Director of the Bank of the Philippine Islands.

Dealings with related parties such as deposit or investment products (such as, but not limited to, primary issuance and unit investment trust funds) of BPI and/or its subsidiaries are done on an arm's length basis and in accordance with the best execution requirements set in the established internal guidelines.

BPI Investment was designated as fund manager and investment advisor of the Fund.

As fund manager, BPI Investment shall formulate and implement the investment strategy, provide and render management, technical, and administrative services, whereby authorizing BPI Investment to purchase and sell investment securities for the account of the Fund. As investment advisor, it is tasked to render services which include investment research and advice; the preparation of economic, industry, market, corporate, and security analyses; and assistance and recommendations in the formulation of investment guidelines. For its services, the Fund pays BPI Investment a fee of not more than 1.00% p.a. of the Fund's average daily trading NAV.

The Fund has distribution agreements with subsidiaries of BPI, namely, BPI Investment and BPI Capital Corporation (BPI Capital). Under the terms of the agreement, BPI Investment and BPI Capital are appointed as co-distributors to perform principally all related daily functions in connection with the marketing and the growth of the level of assets of the Fund. BPI and its thrift bank subsidiary, BPI Family Savings Bank, Inc., act as the receiving banks for the contributions and withdrawals related to the Fund as transacted by the distributors and shareholders.

Voting Trust Holders of More Than 5%

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

Legal Proceedings

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

Involvement in Certain Legal Proceedings

During the last five (5) years and material to evaluation, none of the Directors or Officers of the Fund were involved in any bankruptcy petition filed by or against any business of which any Director or Officer was a General Partner or Executive Officer either at the time of the bankruptcy or within two (2) years prior to that time; none were convicted by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; none were 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 their involvement in any type of business, securities, commodities, or banking activities; and none were 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 a self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

Changes in Control

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

External Audit Fees

Information on past audited financial statements pertains to shares of stock of ALFM Growth Fund.

Audit and Audit Fees

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Audit fees paid for the years 2018 - 2020:

| | 2020 (est) | 2019 | 2018 |
|------------|-------------------|----------------|----------------|
| Audit fees | Php 156,000.00 | Php 282,536.07 | Php 494,466.56 |

Audit Policies

The Audit Committee approves any engagement for the services of the external auditor. The final draft of the Audited Financial Statement is presented to the Audit Committee, before the Board's final approval and confirmation.

Changes in and Disagreements with Account on Accounting and Financial Disclosure

For the Fund's Financial Statements as of December 31, 2014, to December 31, 2020, the signing partner is Mr. John-John Patrick V. Lim. The Fund is compliant with the Revised SRC Rule 68 (effective Oct 18, 2019) on the rotation of external auditor or Partner every five (5) years. In taking this action, the members of the Board of Directors considered carefully Isla Lipana & Co.'s performance, its independence with respect to the services to be performed, and its general reputation for adherence to professional auditing standards.

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

PRINCIPAL PARTIES

THE FUND MANAGER

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

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

BPI Investment is also the Principal Distributor and Service Administrator of the Fund.

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

1. Mercedita S. Nolloedo, Chairman

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

2. Roberto Martin S. Enrile, President

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

3. Ma. Ysabel P. Sylanteng, Independent Director

Ms. Sylanteng, Filipino, born in 1951, 67 years old, was Executive Vice-President of the Bank of the Philippine Islands, and Head of the Card Banking Division and Customer Relationship Management Group from 2005 to 2012. She joined BPI in 1983 with the rank of Assistant Vice-President. Her

past directorships include Santiago Land Development Corporation, First Far East Development Corporation, FEB Speed International, Inc., BPI Direct Savings Bank, Inc., Prudential Bank and Pilipinas Savings Bank. She currently serves as an independent director of BPI Family Savings Bank, Inc. She graduated with AB-BSC major in Accounting from the Assumption College in 1973 and obtained her MBA from the Stanford University in 1977. She is a Certified Public Accountant.

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

Mr. Razon, Filipino, born in 1946, 72 years old, served as Senior Vice President of BPI and Head of the Human Resources Group. He also served as Head of the Consumer Banking Group – Metro Manila Branches. He serves as an independent director of BPI Family Savings Bank, Inc. and BPI Direct BankO Inc., A Savings Bank (formerly known as BPI Direct Savings Bank, Inc.). His past directorships include BPI Operations Management Corp.; BPI Paseo de Roxas Condominium Corp.; Ayala Life Assurance, Inc.; FGU Insurance Corp.; BPI Forex Corp.; and Premiere Development Bank. Mr. Razon graduated from the Ateneo de Manila University with an A.B. Economics degree and earned his Master in Management degree from the Asian Institute of Management.

5. Adelbert A. Legasto, Regular Director

Mr. Legasto, Filipino, born in 1947, 73 years old, is also a director of ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., and the Philippine Stock Index Fund, Corp. He has served as Governor of the Philippine Stock Exchange 1994-96, Governor of the Makati Stock Exchange 1994-97, was an incorporator of the Philippine Central Depository (PCD), and served as President of the Trust Officers Association of the Philippines in 1998-99. He graduated from the Ateneo de Manila University with an A.B. Economics degree and completed his M.B.A. academics at the Ateneo Graduate School of Business. He completed the Pension Funds and Money Management from the Wharton School of the University of Pennsylvania, and Investment Management at the CFA Institute at the Harvard Business School in Boston, Massachusetts.

LIABILITY OF BPI INVESTMENT

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

MANAGEMENT AND DISTRIBUTION CONTRACT

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

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

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

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

For its services, BPI Investment shall charge a fee of not more than the rate stipulated below, based on the average daily trading NAV of the Fund.

| Name of Fund | Management Fee | Distribution Fee | Transfer Agent Fee |
|---------------------|-----------------------|-------------------------|---------------------------|
| ALFM Growth Fund | 0.975% p.a. | 0.975% p.a. | 0.050% p.a. |

PLAN OF DISTRIBUTION

There are no Units designated to be sold to specified persons. There is no plan to apply for listing in any exchange the Units of the registrants. Consequently, none of the registrant's Units are to be allocated to an exchange and/or to its members.

The duly SEC licensed Distributors of the Fund are:

- a. BPI Investment Management, Inc. (Principal Distributor)
- b. Affinity Capital Corp
- c. Bank of the Philippine Islands
- d. BPI Capital Corporation
- e. Citicorp Financial Services & Insurance Brokerage Philippines, Inc.
- f. COL Financial Group, Inc.
- g. First Metro Securities Brokerage Corporation
- h. Unicapital Securities Inc.
- i. Wealth Securities, Inc.

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

The Distributors shall be entitled to collect a Sales Load based on each amount invested by an applicant or Unitholder in the Fund, in such percentages to a maximum 3%, and shall have the discretion to establish the sharing of such Sales Load that is entitled to be received by its Sales Agents.

THE CUSTODIAN BANK

Citibank, N.A. is the Fund's Custodian Bank. Under the Custodianship Agreement, Citibank, N.A. shall be responsible for the safekeeping of appropriate monies and securities of the Fund as Custodian. Citibank, N.A. shall be entitled to collect a fee which shall be negotiated between the Fund and Citibank, N.A.

THE RECEIVING BANKS

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

OTHER INFORMATION REQUIRED

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

HANDLING CUSTOMERS' COMPLAINT

For any concerns or complaints, investors can contact BPI Investment thru any of the following numbers: (02) 8580-0900. Investors may also send an e-mail at bpi_investment@bpi.com.ph. The fund manager will acknowledge the receipt of the concern/complaints within three (3) business days and log the same to "Complaints Log". Clients will be informed on the resolution within 14 calendar days for simple issues/request and 60 calendar days for complex issues/request.

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

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

The directors and officers of the Fund are expected to act in the best interest of the Fund in a manner characterized by transparency, accountability and fairness. Directors and officers of the Fund should conduct fair business transactions with the Fund, and ensure that his or her personal interest does not conflict with the interests of the Fund.

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

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

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

MECHANICS OF THE FUND

The Fund's Units shall be offered through the authorized Distributors of the Fund. The Distributors shall be entitled to collect a front-end Sales Load based on each amount invested by an applicant or Unitholder in the Fund, in such percentages as are stipulated on page 5 of this Prospectus. The Distributors shall have the discretion to establish the sharing of such Sales Load that their Sales Agents are entitled to receive.

PURCHASE OF UNITS OF PARTICIPATION

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

The Payment Slip or Fund Order Form shall indicate the gross amount of investment. The number of Units that an investor will be able to buy will be determined as and when the Fund's NAVPU shall have been computed and accordingly made available at the end of the day. The investor's Settlement Account will be automatically debited at the end of the day for the amount of whole units purchased, including the Sales Load, to a percentage that will not exceed 3%, if any.

Subscription Orders received on or before 2:30 p.m. (the "Cut-off Time") on any valuation day will be processed at the NAVPU applicable on that day. Subscriptions Orders received after the Cut-off Time shall be deemed to have been received on the next valuation day and will be processed at the NAVPU applicable on that day.

The Bank of the Philippine Islands and BPI Family Savings Bank have been designated by the Fund as Receiving Banks where payments for Units purchased may be made. Other appointed third-party distributors may require potential investors to open an account with other banks.

REDEMPTION OF UNITS

The applicable NAVPU, less the Early Redemption Fee, *if any*, shall be called the "Redemption Price." Any such request for redemption shall be evidenced by a duly-signed Redemption Slip or Fund Order Form, submitted to the Fund through the Distributor's Sales Agent or Receiving Bank. Redemption Orders received on or before 2:30 p.m. (the "Cut-off Time") on any valuation day will be processed at the Redemption Price applicable on that day. Redemption Orders received after the Cut-off Time shall be deemed to have been received on the next valuation day and will be processed at the Redemption Price applicable on that day. The payment for Units so redeemed shall be credited to the Unitholder's Settlement Account with the Receiving Bank within the period stipulated by existing SEC rules, currently set at no longer than seven (7) days reckoned from the date the Redemption Order is received by the Fund. The Fund shall be entitled to collect an Early Redemption Fee based on the amount redeemed, in accordance with the following schedule:

| Name of Fund | Holding Period | Early Redemption Fee |
|------------------|-------------------|----------------------|
| ALFM Growth Fund | 90 days or less | 1.00% flat |
| | more than 90 days | none |

The SEC motu proprio or, upon the request of a Fund Manager, may suspend the redemption of securities of Investment Company if:

- a. The exchange, where eighty percent (80%) of the securities in the Investment Company's portfolio, is suspended;
- b. Eighty percent (80%) of the securities in the Investment Company's portfolio, could not be traded or liquidated; or
- c. Whenever necessary or appropriate in the public interest or for the protection of investors.

If the request for suspension of redemption of shares or units is made by the Fund Manager, for any of the grounds mentioned above, the approval of the IOE must be secured.

VALUATION AND ACCOUNTING PROCEDURES

The Fund's investment securities shall be valued based on the valuation standards specified under PAS Nos. 32 and PFRS No. 9 and other amendments to the said standards. The NAV per Unit (NAVPS) shall be obtained by dividing the market value of the assets of the Fund, less the value of its liabilities, reserves for expenses and adjustments for market risk, by the total number of Units outstanding at such valuation date. (See "Determination of the Funds' Net Asset Value" below.)

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

DETERMINATION OF THE FUND'S NET ASSET VALUE

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

1. The assets of the Fund shall consist of:
 - a) Aggregate market value of the portfolio securities and other assets
 - b) Cash on hand;
 - c) Any dividends on stock trading ex-dividend; and
 - d) Any accrued interest on portfolio securities,
2. The liabilities of the Fund shall consist of:
 - a) Taxes and other charges against the fund not previously deducted;
 - b) Liabilities;
 - c) Accrued expenses and fees; and
 - d) Cash held for distribution to investors of the fund on a prior date.
3. For the purposes thereof:
 - (i) Units of participation subscribed for shall be deemed to be outstanding as of the time of acceptance of any subscription and the entry thereof in the books of the Fund, and the net proceeds thereof shall be deemed to be an asset of the Fund; and (ii) Units surrendered for purchase by the Fund pursuant to the provisions of its Articles of Incorporation or By-Laws shall be deemed to be outstanding until the close of business on the business day as of which such Net Asset Value is being determined and, thereupon and until paid, the price thereof shall be deemed to be a liability of the Fund.

On every valuation day, the Fund Manager shall compute the NAV per Unit and shall provide the same to the Fund's Distributors. The Fund Manager shall cause the regular publication of the Fund's NAV per Unit on the Fund's website, the Distributor's website, and premises.

The Fund has appointed the custodian bank to be the independent calculation agent to verify the daily NAVPU before publishing.

TAXATION

Section 32 of Republic Act 8424 excludes the gains from redemption of units in mutual funds from the computation of gross taxable income. However, investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding and redeeming units of the Fund. Tax rulings and other investment factors are subject to rapid change.

Tax on the Issuance & Redemption of Units of Participation

DST shall be imposed on the original issuance of the units of participation by the Fund at the rate of Php 2.00 on each Php 200.00, or a fractional part thereof, of the issue price of the units of participation.

The redemption of the units of participation shall not be treated as sale transaction. Hence, this shall not be subject to DST under Section 175 of the 1997 Tax Code. Gains realized by the investor upon the redemption of units of participation in a mutual fund company are excluded from gross income and are exempt from income tax.

Tax on dividends declared by the Fund

Cash or property dividends declared by the Fund are either exempt from, or subject to, final tax. Investors are advised to consult their own professional advisers as to the tax implications of Cash or property dividends declared by the Fund. Unit dividend shall not be subject to tax.

INVESTMENT OBJECTIVES AND RESTRICTIONS OF THE FUND

The primary investment objective of ALFM Growth is to provide long-term capital appreciation through investments in a diversified portfolio of predominantly local equity securities. Under normal market conditions, the Fund Manager shall invest at least 75% of the Fund in equity securities, utilizing active stock selection, asset allocation, and market timing strategies. The proportion of the Fund invested in equity securities may change from time to time depending upon the Fund Manager's tactical strategy as well as prevailing and anticipated market conditions.

Due to its investment objective, ALFM Growth Fund may be considered as suitable for investors with an aggressive risk profile.

CHANGE IN INVESTMENT OBJECTIVES

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

Liquidity Requirements

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

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

Investment Limitations

The fund shall comply with the following limitations set forth in ICA-IRR:

- a. The maximum investment of an Investment Company in any single enterprise or issuer shall not exceed an amount equivalent to fifteen percent (15%) of its net assets, nor shall the total investment of the fund exceed ten percent (10%) of the outstanding securities of the investee company.
- b. An investment company must not invest, in aggregate, more than twenty (20%) of its net assets in: a) Transferable securities; b) Money market instruments; c) Deposits; and d) OTC financial derivatives issued by any single business group, provided the investments in OTC financial derivatives with non-investment grade or unrated counterparty shall not exceed five percent (5%) of the net assets of the investment company.

- c. Deposits shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license excluding monies for liquidation of a revoked Investment Company.

d. The Investments in:

- i. Deposits placed with unrated or non-investment grade deposit-taking institution;
- ii. Debt securities or money market instruments not dealt in on organized market or issued by an unrated or non-investment grade issuing body;
- iii. Unlisted shares; and
- iv. OTC financial derivatives with non-investment grade or unrated counterparty

must not, in aggregate, exceed fifteen (15%) of the net assets of the investment company provided the investments enumerated herein shall not exceed five percent (5%) of the net assets of the investment company.

For the avoidance of doubt, the exposure to a counterparty of an OTC financial derivative should be measured based on the maximum potential loss that may be incurred by the investment company if the counterparty defaults, subject to the calculation method set out under clause 1 of the Appendix of SEC MC No. 15 s.2020 (Rules on Investment in Financial Derivatives)

The aggregate fifteen percent (15%) limit does not apply to deposits, debt securities or money market instruments or OTC financial derivatives where the:

- i. Deposit-taking institution, issuing body or counterparty is rated investment grade only with a national rating scale, which refers to a rating falling within the top four (4) long-term credit ratings or the top three (3) short-term credit ratings provided on an international scale; and
- ii. The jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade.

- e. Investment in foreign government debt securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating of investment grade may be increased to a maximum of thirty five percent (35%) of the net assets of the Investment Company;
- f. A maximum of five percent (5%) of the net assets of the Investment Company may be invested in government debt securities issued or guaranteed by a government, sovereign or central bank with an international long-term issuer rating that is non-investment grade;

g. An investment company may invest in financial derivative instruments provided that the fund manager employs a risk-management process, which captures the risks associated with the use of financial derivatives and satisfies all of the following requirements on an ongoing basis:

- i. The global exposure, calculated based on the commitment approach set out in the Appendix, to financial derivatives or embedded financial derivatives must not exceed twenty percent (20%) of the net assets of the investment company;
- ii. The investment company must, at all times, be capable of meeting all its payment and delivery obligations incurred by transactions involving financial derivative instruments;

ii.a. In the case of financial derivatives which will, or may at the option of the investment company, be cash-settled, the scheme should hold, at all times, liquid assets sufficient to cover the investment company's obligations.

ii. b. In the case of financial derivatives which will, or may at the option of the counterparty, require physical delivery of the underlying assets, the investment company should hold the underlying assets in sufficient quantities to meet the delivery obligation at all times. If the fund manager deems the underlying assets to be sufficiently liquid, the investment company may hold as coverage other liquid assets in sufficient quantities, provided that such alternative assets may be readily converted into the underlying asset at any time to meet the delivery obligations.

iii. The exposure to the underlying assets do not exceed, in aggregate, the investment limits laid down in clauses 1 to 2 of Section 2 and Rule 6.8 of the ICA-IRR except Rules 6.8 (b), 6.8 (d) (iii), and 6.8 (h); and

iv. The fund manager of the investment company may not act as the counterparty to an OTC derivative invested into by the investment company.

- h. The MFC shall be prohibited from investing in the securities it is issuing.
- i. No Investment Company shall purchase from or sell to any of its officers or directors or the officers or directors of its investment advisor/s, manager or distributor/s or firm/s of which any of them are members, any securities other than the capital stock of the Investment Company.
- j. The Investment Company shall not engage in short selling;
- k. Unless the Commission shall provide otherwise, the Investment Company shall not invest in any of the following:
 - i. margin purchase of securities (investment in partly paid shares are excluded);
 - ii. commodity futures contracts;
 - iii. precious metals; and
 - iv. unlimited liability investments.

Other Limitations

Operational expenses

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

The formula shall be as follows: Expense Ratio % = (Total Operating Expenses / Average Net Asset Value) x 100.

Borrowing limit

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

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

The Investment Company shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all borrowings of the Investment Company. Provided, however, that in the event that such asset coverage shall at any time fall below three hundred percent (300%), the Investment Company shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).

PHILIPPINE LAWS APPLICABLE TO THE COMPANY

INVESTMENT COMPANY ACT OF 1960

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

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

1. Minimum subscribed and paid-in capital of PhP 50.0 Million.
2. All shares of stock should be common and voting shares.
3. In the case of open-end companies, the Articles of Incorporation thereof should expressly waive the preemptive rights of stockholders.
4. All Filipino membership in the Board of Directors.

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

MANAGEMENT

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

GOVERNMENT POLICIES AND REGULATIONS

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

THE SECURITIES AND EXCHANGE COMMISSION

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

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

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

THE INVESTMENT COMPANY ACT OF 1960

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

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

The Act provides for several rules relative to the incorporation of investment companies, the most basic of which are as follows: (i) the subscribed and paid-up capital of the investment company must be at least PhP 50.0 Million; (ii) all units of participation must be common and non-voting shares, and, in the case of open-end companies, the Articles of Incorporation must waive the preemptive rights of shareholders; and (iii) all members of the Board of Directors must be Filipino citizens.

THE SECURITIES REGULATION CODE

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

MANAGEMENT DISCUSSION OR ANALYSIS ON PLAN OF OPERATIONS

Fund performance & financial information presented below pertains to Shares of Stock of ALFM Growth Fund. No investment has been made by or on behalf of the unitized mutual fund and no units of the said fund have been offered to the public.

BENCHMARK

The Fund's performance benchmark is 90% Philippine Stock Exchange Index (PSEi) + 10% return of the 91-day Philippine Treasury Bill (net of tax). The PSEi is publicly available in the website of the Philippine Stock Exchange while 91-day Philippine Treasury Bill rate can be found at the website of the Banko Sentral ng Pilipinas

INDEPENDENT ACCOUNTANT

ALFM Growth has appointed Isla Lipana & Co. as its external auditor.

AS OF SEPTEMBER 30, 2021

As of 30 September 2021, ALFM Growth's net asset value (NAV) per share stood at P222.06, down by 2.27% year-to-date. The Fund's total assets amounted to P5.46 billion compared to the P5.61 billion at the beginning of the year. Majority of the Fund's investments are in shares of stocks listed in the Philippine Stock Exchange. The decline in assets was attributable to the decrease in share price of the listed stocks.

Cash and cash equivalents was at P139.98 million. Financial assets valued through profit and loss stood at P5.10 billion, a decline from P5.26 billion as of 31 December 2020. Investment securities at amortized cost was at P190.00 million and other receivables was at P34.48 million.

The Fund reported income on investments of P17.22 million for the third quarter of 2021 as equity prices climbed during the period, while reporting losses on investments of P123.75 million for the first nine months of the year. Dividend income stood at P19.65 million and P78.20 million for the third quarter and first nine months of the year, respectively. Meanwhile, interest income was at P2.00 million and P6.13 million for the same quarterly and year-to-date periods.

During the quarter, total expenses amounted to P27.95 million with bulk of the expenses represented as management fees amounting to P26.67 million. Expenses for taxes and licenses were at P391 thousand, custodian fees amounted to P422 thousand, professional fees amounted to P243 thousand, and other expenses amounted to P228 thousand. For the first nine months of the year, total expenses amounted to P82.55 million with bulk of expenses from P78.85 million in management and distribution fees.

Given all these, ALFM Growth Fund generated a net income of P10.52 million for the third quarter of 2021, and a net loss of P122.65 million for the first nine months of the year.

Key performance indicators

- a) **Performance vis-à-vis the Benchmark** – ALFM Growth is an actively managed equity fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equity investment instruments. The Fund's return on investment (ROI) as of September 2021 is -2.27% net of fees and taxes whereas its benchmark had a return of -2.17%.

- b) Portfolio Quality** – The Fund's portfolio should adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities.
- c) Market Share in the Industry** – The Fund cornered 4.7% of the P115.48 Billion total net asset value of the equity mutual fund industry as of September 2021.
- d) NAV Growth vis-à-vis Industry Growth** – For the first nine months of 2021, ALFM Growth Fund's NAV declined by 2.7% compared to the 2.8% growth in equity mutual funds.
- e) Performance vis-a-vis Competition** – ALFM Growth ranked 12th in terms of year-to-date returns among equity mutual funds as of September 2021.

AS OF DECEMBER 31, 2020

As of December 2020, ALFM Growth's net asset value (NAV) per share stood at Php227.20, down 9.79% compared to the end-December 2019 level of Php251.84. The decrease in NAV per share can be attributed to the decline in market value of investments held by the Fund.

Total assets of the Fund amounted to Php5.605 Billion as of end-2020, a decrease of 11.20% compared to the Php6.312 Billion as of end-2019. Net assets amounted to Php5.553 Billion, from Php6.290 Billion in 2019.

Losses totaled Php498.401 Million in 2020, a reversal from income of Php174.843 Million in 2019. Net losses on financial assets at fair value through profit or loss amounted to Php513.422 Million in 2020 from a net gain of Php131.481 Million in 2019 primarily due to unrealized gains from equity investments during the year. Total expenses amounted to Php105.085 Million in 2020, compared to Php144.052 Million the previous year. Management fees of Php101.044 Million and Taxes and Licenses of Php1.923 Million made up most of the expenses in 2020. These resulted to a net loss of Php606.597 Million in 2020 compared to the net income of Php22.280 Million in 2019.

Top 5 Performance Indicators

- a) Performance vis-à-vis the Benchmark** – ALFM Growth is an actively managed equity fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2020 was a loss of 9.79% net of fees and taxes, while the benchmark declined by 7.20%.
- b) Portfolio Quality** – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities.
- c) Market Share in the Industry** – The Fund's average daily NAV for 2020 was at Php5.05 Billion. ALFM Growth Fund accounted for 4.94% of the PhP112.365 Billion total net asset value of equity funds based on PIFA's December 2020 report.
- d) NAV Growth vis-à-vis Industry Growth** – ALFM Growth Fund's net asset value fell by 11.71% in 2020, compared to the 1.11% reported decline of equity mutual funds.
- e) Performance vis-a-vis Competition** – ALFM Growth ranked 12th among the equity mutual funds in 2020.

AS OF DECEMBER 31, 2019

As of end December 2019, ALFM Growth's net asset value (NAV) per share stood at PhP251.84, down 0.14% compared to the end-December 2018 level of PhP252.20. The decrease in NAV per share can be attributed to the realized losses from equity investments sold within the year.

Total assets of the Fund amounted to PhP6.312 Billion as of end-2019, an decrease of 11.24% compared to the PhP7.111 Billion as of end-2018. Net assets amounted to PhP6.290 Billion, from PhP7.082 Billion in 2018.

Income totaled PhP174.843 Million in 2019, a reversal from losses of PhP1.001 Billion in 2018. Net gains on financial assets at fair value through profit or loss amounted to PhP29.136 Million in 2019 from net losses of PhP1.131 Billion in 2018 primarily due to unrealized gains from equity investments during the year. Total expenses amounted to PhP144.052 Million in 2019, compared to PhP154.976 Million the previous year. Management fees of PhP138.416 Million, Taxes and Licenses of PhP1.415 Million, and Custodian Fees of PhP1.074 Million made up most of the expenses in 2019. These resulted to a net income of PhP22.280 Million in 2019 compared to net loss of PhP1.161 Billion in 2018.

Top 5 Performance Indicators

- a) **Performance vis-à-vis the Benchmark** – ALFM Growth is an actively managed equity fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2019 was a loss of 0.14% net of fees and taxes.
- b) **Portfolio Quality** – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities.
- c) **Market Share in the Industry** – The Fund's average daily NAV for 2019 was at PhP6.92 Billion. ALFM Growth Fund cornered 5.53% of the PhP113.624 Billion total net asset value of equity funds based on PIFA's December 2019 report.
- d) **NAV Growth vis-à-vis Industry Growth** – ALFM Growth Fund's net asset value fell by 11.18% in 2019, compared to the 4.70% reported growth of equity mutual funds.
- e) **Performance vis-a-vis Competition** – ALFM Growth ranked 13th among the equity mutual funds in 2019.

AS OF DECEMBER 31, 2018

As of end December 2018, ALFM Growth's net asset value (NAV) per share stood at PhP252.20, down 13.98% compared to the end-December 2017 level of PhP293.20. The decrease in NAV per share can be attributed to the negative return of the local equities market.

Total assets of the Fund amounted to PhP7.111 Billion as of end-2018, an decrease of 15.51% compared to the PhP8.416 Billion as of end-2017. Net assets amounted to PhP7.082 Billion, from PhP8.388 Billion in 2017.

Losses totaled PhP1.001 Billion in 2018, a reversal from income of PhP1.909 Billion in 2017. Net losses on financial assets at fair value through profit or loss amounted to PhP1.131 Billion in 2018 from net gains of PhP1.754 Billion in 2017 primarily due to an increase in unrealized losses from

equity investments during the year. Total expenses amounted to PhP154.976 Million in 2018, compared to PhP176.346 Million the previous year. Management fees of PhP149.326 Million, Taxes and Licenses of PhP2.848 Million, and Custodian Fees of PhP1.065 Million made up most of the expenses in 2018. These resulted to a net loss of PhP1.161 Billion in 2018 compared to net income of PhP1.729 Billion in 2017.

Top 5 Performance Indicators

- a) **Performance vis-à-vis the Benchmark** – ALFM Growth is an actively managed equity fund whose objective is long-term capital appreciation through investments in a diversified portfolio composed of high-grade fixed-income and equities investment instruments. The Fund's return on investment (ROI) for full year 2018 was a loss of 13.98% net of fees and taxes.
- b) **Portfolio Quality** – The Fund's portfolio should, at all times, adhere to the investment parameters as indicated in the Fund's prospectus. The Fund invests in a mix of high grade fixed income instruments and local equities.
- c) **Market Share in the Industry** – The Fund's average daily NAV for 2018 was at PhP7.46 Billion. ALFM Growth Fund cornered 6.53% of the PhP108.524 Billion total net asset value of equity funds based on PIFA's December 2018 report.
- d) **NAV Growth vis-à-vis Industry Growth** – ALFM Growth Fund's net asset value fell by 15.57% in 2018, compared to the 1.53% reported contraction of equity mutual funds.
- e) **Performance vis-a-vis Competition** – ALFM Growth ranked 9th among the equity mutual funds in 2018.