

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS**

**Information Statement Pursuant to Section 20  
of the Securities Regulation Code**

1. Check the appropriate box:

Preliminary Information Statement  
 **Definitive Information Statement**

2. Name of Registrant as specified in its charter

**ALFM DOLLAR BOND FUND, INC.**

3. Country of Incorporation

**METRO MANILA, PHILIPPINES**

4. SEC Identification Number

**AS093-008439**

5. BIR Tax Identification Code

**003-977-203-000**

6. Address of Principal Office

**19/F, BPI BUENDIA CENTER, SEN. GIL J. PUYAT AVE., MAKATI CITY  
1209**

7. Registrant's telephone number, including area code

**(632) 8580-0900**

8. Date, time, and place of the meeting of security holders

**30 September 2022, 11:00 a.m., via zoom**

<https://us02web.zoom.us/j/86331225040?pwd=SFRPT2lzWXVaTmdSVjFHZ1VrZm9UZz09>

9. Approximate date on which the information statement will be sent or given to security holders

**09 September 2022**

10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding (1 August 2022)
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<b>Common Shares</b>	<b>551,387</b>
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11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes \_\_\_\_\_ No **X**

## **PART I. GENERAL INFORMATION**

### **INFORMATION REQUIRED BY ITEMS OF SEC FORM 20 - IS**

Date	-	30 September 2022
Time	-	11:00 am
Website Address	-	<a href="https://us02web.zoom.us/j/86331225040?pwd=SFRPT2lzWXVaTmdSVjFHZ1VrZm9UZz09">https://us02web.zoom.us/j/86331225040?pwd=SFRPT2lzWXVaTmdSVjFHZ1VrZm9UZz09</a>
Principal Office	-	19/F, BPI Buendia Center Sen. Gil J. Puyat Ave. Makati City

The approximate date on which the Information Statement will be sent or given to security holders is on 09 September 2022.

### **STATEMENT THAT PROXIES ARE NOT SOLICITED WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

#### **DISSENTERS' RIGHT OF APPRAISAL**

There are no matters or proposed corporate actions which may give rise to a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines.

In any instance where the appraisal rights of any stockholder may be relevant, the stockholder who shall have voted against the proposed Company's action shall make a written demand on the latter within thirty days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed Company's action is implemented or affected, the Company shall pay to such stockholder the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such Company's action. If within a period of sixty days from the date the Company's action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by the three disinterested persons. One of whom shall be named by the stockholder, another by the Company, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: and Provided, further that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

#### **INTEREST OF CERTAIN PERSONS IN OPPOSITION TO MATTERS TO BE ACTED UPON**

The Company is not aware of any person(s) who may have substantial interest, direct or indirect, by security holdings in any matter to be acted upon during the shareholders meeting except for the nominee directors for election.

No Director or Officer of the registrant or Associate of the foregoing persons has informed the Company of his opposition to any matter to be acted upon.

## **PART II. CONTROL AND COMPENSATION INFORMATION**

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

Number of shares outstanding as of 01 August 2022: **551,387 common shares**

Number of Votes Entitled: **One (1) vote per share**

All stockholders as of record date 01 August 2022 are entitled to notice and to vote at the Annual General Meeting of Stockholders.

The fund has no Voting Trust Agreement

**MANNER OF VOTING.** The holders of common stock are entitled to one vote per share but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. For example, when five directors are to be elected, a holder of 100 shares may cast 500 votes for a single nominee, apportion 250 votes each to two nominees, or apportion 500 votes in any other manner by so noting in the space provided on the accompanying Voting Ticket.

### **SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT**

#### **Security Ownership of Certain Record and Beneficial Owners**

On June 5, 2014, the SEC en banc approved the confidential treatment of the Fund's list of top 20 shareholders and/or beneficial owners of more than five percent (5%) of the Fund's outstanding securities, which is submitted separately to SEC. This is for the security of the shareholders and for the protection of their privacy.

#### **Security Ownership of Management**

- As of 30 June 2022

<b>TITLE OF CLASS</b>	<b>NAME OF OWNER</b>	<b>ADDRESS</b>	<b>POSITION</b>	<b>AMOUNT &amp; NATURE OF OWNERSHIP</b>	<b>CITIZENSHIP</b>	<b>PERCENT OF CLASS</b>
Common	Romeo L. Bernardo	Unit 1603 A. Belvedere, San Miguel Avenue, Ortigas Center, Pasig City	Chairman/ Regular Director	1 (beneficial)	Filipino	0.0002%
Common	Adelbert A. Legasto	3/F, Makati Stock Exchange Building Ayala Avenue, Makati City	Regular Director	286 (record, beneficial)	Filipino	0.0510%
Common	Simon R. Paterno	58 McKinley Road, Forbes Park, Makati City	President/ Regular Director	1 (beneficial)	Filipino	0.0002%
Common	Fernando J. Sison III	3 Jocson St., Xavierville 1,	Treasurer	296 (record)	Filipino	0.0527%

		Loyola Heights, Quezon City				
Common	Atty. Sabino Padilla IV	1678 Dasmariñas Ave., Dasmariñas Village, Quezon City	Corporate Secretary	0	Filipino	0.0000%
Common	Marion Antonio V. Paner	24 Winchester st. Hillsborough Alabang Village Cupang Muntinlupa City	Independent Director	1 (beneficial)	Filipino	0.0002%
Common	Raymund Martin T. Miranda	12 Evening News st. West Triangle Homes, West Triangle, Quezon City,	Independent Director	1 (beneficial)	Filipino	0.0002%
Common	Karl Kelvin D. Arcilla	938 Dr. Gonzales St., Sabang Baliuag Bulacan 3006	Compliance Officer, Chief Data Protection Officer and Chief Risk Officer	0	Filipino	0.0000%

## CHANGE IN CONTROL

There is no existing arrangement which is known to the Company which may result in the change of control of ALFM Dollar Bond Fund, Inc.

## DIRECTORS AND EXECUTIVE OFFICERS

The Nomination Committee is in charge of reviewing and evaluating the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board and provide assessment on the Board's effectiveness in directing the process of renewing and replacing Board members. The Head of the Committee is Mr. Simon R. Paterno with Mr. Adelbert A. Legasto and Mr. Romeo L. Bernardo as members. Mr. Adelbert A. Legasto, as Director, nominated Mr. Miranda as an Independent Director. Mr. Legasto and Mr. Miranda are not related to each other. Mr. Legasto and Mr. Miranda nominated Mr. Mario Antonio V. Paner as Independent Director. Mr. Legasto and Mr. Miranda are not related to Mr. Paner. Independent Directors are nominated and elected in the process prescribed by SRC Rule 38 and in accordance with the Company's manual of corporate governance.

Five Directors are to be elected at the annual general meeting of stockholders for a full one-year term. The Board's nominees are Mr. Romeo L. Bernardo, Mr. Simon R. Paterno, Mr. Raymund Martin Miranda, Mr. Mario Antonio V. Paner, and Mr. Adelbert A. Legasto.

The Audit Committee which oversees the corporation's external audits is headed by Mr. Mario Antonio V. Paner with Mr. Adelbert A. Legasto and Mr. Raymund Martin Miranda as members.

The following are the Incumbent Directors of the Fund:

### 1. **Romeo L. Bernardo, Chairman / Regular Director**

Mr. Romeo L. Bernardo, Filipino, born in 1954, 68 years old, is the Chairman of the fund since 2009. 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, Philippine Stock Index Fund,

Corp. from 2007 to present, and ALFM Global Multi-Asset Income Fund, Inc. from 2018 to present. He is also a director of ALFM Retail Corporate Fixed Income Fund, Inc. and ALFM Principal Preservation Fund, Inc. since 2019. He is currently the Managing Director of Lazaro Bernardo Tiu & Associates, Inc. and Global Source 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), Foundation for Economic Freedom, and Financial Executives Institute of the Philippines (FINEX) Foundation. Mr. Bernardo was an Alternate Executive 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, 63 years old, served as Head of the Financial Products and Services Group of the Bank of the Philippine Islands. He was responsible for managing the product businesses of the Bank, including Investment Banking, Corporate Loans, Transaction Banking, Retail Lending, Cards and Payments, Asset Management and Trust, Electronic Channels, and Deposits. He also supervised subsidiaries and affiliates in insurance, leasing, and merchant acquiring. He was a member of the Management Committee of BPI. 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. Raymund Martin T. Miranda, Independent Director**

Mr. Raymund Martin T. Miranda, Filipino, born in 1969, 53 years old, and has been an Asia-Pacific media executive and strategist for more than 37 years. He is currently the Chief Strategy Officer, Chief Risk Management Officer, Compliance Officer of ABS-CBN Corporation, having served as Chief Strategy Officer since 2012. Before his appointment with ABS-CBN, Mr. Miranda formed a consulting firm and served as co-founder of the Dolphin Fire Group Asia. Previously, he was the Managing Director, Global Networks Asia-Pacific of NBC Universal from 2007 to 2011, based in Singapore, heading the entertainment channels division of NBC Universal across 33 countries. Before that, Mr. Miranda spent a year in Manila as the President/CEO of Nation Broadcasting Corporation (92.3x FM) and Head of Strategy and Content for Media Quest Holdings, Inc. From 1998 to 2006, he was with The Walt Disney Company in Singapore and Manila as Managing Director South East Asia for

Walt Disney International, Managing Director for South East Asia/Korea for Walt Disney Television International, and the Head of Radio Disney Asia. He started his career in FM radio before joining the GMA Network group in 1987. He was named Vice-President, Creative Services of GMA Network, Inc. in 1992. Mr. Miranda attended college at the University of the Philippines, Diliman, and is a grade school and high school alumni of the Ateneo de Manila.

#### **4. Adelbert A. Legasto, Regular Director**

Mr. Adelbert A. Legasto, Filipino, born in 1947, 75 years old, is a director of ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Money Market Fund, Inc., ALFM Growth Fund, Inc., the Philippine Stock Index Fund, Corp., ALFM Global Multi-Asset Income Fund, Inc., ALFM Retail Corporate Fixed Income Fund, Inc., ALFM Principal Preservation 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.

#### **5. Mario Antonio V. Paner, Independent Director**

Filipino, 62 years old, Mr. Paner served as Treasurer and head of BPI's Global Markets Segment. As such, he was responsible for managing the interest rate and liquidity gaps, as well as the fixed income and currency market-making, trading, and distribution activities of BPI and its subsidiaries and affiliates— in the Philippines and abroad. Before retirement, Mr. Paner was Chairman of the Bank's Asset & Liability Committee and was a member of the Management Committee and Asset Management Investment Council.

After working with Ayala Investments and Development Corporation (1979) and Family Savings Bank (1981), Mr. Paner joined BPI in 1985, when the Bank acquired Family Savings Bank and performed various Treasury and Trust positions until 1989. Between 1989 and 1996, he worked at Citytrust, then the consumer banking arm of Citibank in the Philippines, which BPI acquired in 1996. At BPI, he has been responsible for various businesses of the bank, including Risk Taking, Portfolio Management, Money Management, Asset Management, Remittance and Private Banking.

Mr. Paner served as President of the Money Market Association of the Philippines (MART) in 1998 and remains in its Board of Advisers up to now. He also served as Vice Chairman of the Bankers Association of the Philippines' (BAP) Open Market Committee and lecturer for the BAP/Ateneo School of Banking. He was also a member of the Makati Business Club, Management Association of the Philippines, British Chamber of Commerce, and the Philippine British Business Council. He was an Independent Director and member of the Corporate Governance and Audit Committees of Ayala Energy Phils from 2020 until 2021.



He obtained an A.B. Economics degree from Ateneo de Manila University in 1979 and completed various courses in Business and Finance, including Strategic Financial Management in 2006 and the Advanced Management Program in 2009, both at the Harvard Business School.

Mr Paner retired from BPI in 2019. Aside from ALFM, he is also presently an independent director of ACE Enexor Inc (ACEX).

## **Other Officers of the Fund**

### **1. Fernando J. Sison III, Treasurer**

Mr. Fernando J. Sison III, Filipino, born in 1952, 70 years old, is the Treasurer of the Fund since inception in 2009. 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**

Atty. Sabino B. Padilla IV, born in 1960, 62 years old, is the Corporate Secretary of the ALFM Mutual Funds. 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. He is also the Corporate Secretary of other mutual funds such as the Solidaritas Fund and Ekklesia Mutual Fund.

### **3. Karl Kelvin D. Arcilla, Compliance Officer, Chief Data Protection Officer and Chief Risk Officer**

Mr. Arcilla born in 1986, 36 years old, has 14 years of combined experience in regulatory and control functions which he gained from different industries such as Banking, Telecommunications and Real Estate. He joined BPI Investment Management Inc. as Compliance Officer last January 2021. As such, he is primarily responsible for ensuring that BIMI has internal controls to adequately manage risks. He has also successfully passed the Treasury Certification Program last September 2021 and is currently enrolled in the Association of Certified Anti-Money Laundering Specialists certification program.

**Additional Information required under Annex C of SRC Rule 12:**

- The incorporators of the Fund are: Mr. Romeo L. Bernardo, Adelbert A. Legasto, Isagani G. de Castro, Ramon G. Madrid and Emilio S. De Quiros, Jr.
- Mr. Paner and Mr. Miranda are independent directors of the fund. Mr. Adelbert A. Legasto, as Director, nominated Mr. Miranda as an Independent Director. Mr. Legasto and Mr. Miranda are not related to each other. Mr. Legasto and Mr. Miranda nominated Mr. Mario Antonio V. Paner as Independent Director. Mr. Legasto and Mr. Miranda are not related to Mr. Paner. 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.
- Each Director shall serve for a term of 1 year from his appointment and until his successor has been duly elected and qualified, provided, however, that any director may be removed from office at any time with or without cause by a 3/4th 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.
- No member of the Board of ALFM Dollar Bond Fund has been the subject of any legal/criminal proceedings for the past five years.

**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.

BIMI, as a fund manager, 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, BIMI 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 BIMI a fee of not more than 2% p.a. of the Fund's average daily trading NAV.

The Fund has distribution agreements with subsidiaries of BPI, namely, BIMI and BPI Capital Corporation (BPI Capital). Under the terms of the agreement, BIMI 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 for a fee of 1% p.a. based on the outstanding daily balance of the Fund's shares distributed. Such agreements are effective year after year unless terminated by each party. BPI act as the receiving banks for the contributions and withdrawals related to the Fund as transacted by the distributors and shareholders.

### **SIGNIFICANT EMPLOYEES**

ALFM Dollar Bond Fund does not have employees of its own since the management of the fund, which includes its administrative operations, is already being handled by its fund manager, BPI Investment Management, Inc. The fund (registrant) does not have a parent company.

### **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS**

None of the Directors or Executive Officers of the fund was involved in any bankruptcy petition, was convicted by final judgment, was subject to any Order, Judgment or Decree and did not violate any Securities or Commodities Law for the past 5 years.

### **FAMILY RELATIONSHIPS**

No current member of the Board of Directors of ALFM Dollar Bond Fund, Inc., its fund manager, its service administrator, or any of its distributors is related to each other up to the fourth civil degree either by consanguinity or affinity.

### **COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

<b>Director / Officer</b>	<b>Position</b>	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other Salary</b>
Romeo L. Bernardo	Chairman/Regular Director	2010	34,000.00	-	-
		2011	46,750.00	-	-
		2012	29,750.00	-	-
		2013	19,125.00	-	-
		2014	19,125.00	-	-
		2015	19,125.00	-	-
		2016	14,875.00	-	-
		2017	19,125.00	-	-
		2018	20,250.00	-	-
		2019	15,750.00	-	-
		2020	20,250.00	-	-
		2021	11,250.00	-	-
		2022 (estimated)	30,000.00	-	-
Simon R. Paterno	President/Regular Director	2010	-	-	-
		2011	-	-	-
		2012	-	-	-

		2013	-	-	-
		2014	-	-	-
		2015	-	-	-
		2016	-	-	-
		2017	-	-	-
		2018	-	-	-
		2019	9,000.00	-	-
		2020	20,250.00	-	-
		2021	11,250.00	-	-
		2022 (estimated)	30,000.00	-	-
Adelbert A. Legasto	Regular Director (Until December 2012) (Starting June 2015)	2010	38,800.00	-	-
		2011	46,750.00	-	-
		2012	29,750.00	-	-
		2013	-	-	-
		2014	-	-	-
		2015	8,500.00	-	-
		2016	14,875.00	-	-
		2017	19,125.00	-	-
		2018	22,500.00	-	-
		2019	18,000.00	-	-
		2020	20,250.00	-	-
		2021	4,500.00	-	-
		2022 (estimated)	30,000.00	-	-
Atty. Sabino B. Padilla IV	Corporate Secretary	2010	34,000.00	-	-
		2011	46,750.00	-	-
		2012	29,750.00	-	-
		2013	23,375.00	-	-
		2014	21,250.00	-	-
		2015	21,250.00	-	-
		2016	17,000.00	-	-
		2017	19,125.00	-	-
		2018	22,500.00	-	-
		2019	18,000.00	-	-
		2020	20,250.00	-	-
		2021	6,750.00	-	-
		2022 (estimated)	30,000.00	-	-
Fernando J. Sison III	Treasurer	2012	8,500.00	-	-
		2013	23,375.00	-	-
		2014	21,250.00	-	-
		2015	6,375.00	-	-
		2016	17,000.00	-	-
		2017	17,000.00	-	-
		2018	22,500.00	-	-
		2019	13,500.00	-	-

		2020	20,250.00	-	-
		2021	60,750.00	-	-
		2022 (estimated)	30,000.00	-	-
Mario Antonio V. Paner	Independent Director	2022 (estimated)	30,000.00	-	-
Ramund Martin T. Miranda	Independent Director (Starting June 17, 2021)	2022 (estimated)	30,000.00	-	-
Karl Kelvin D. Arcilla	Compliance Officer, Chief Data Protection Officer and Chief Risk Officer	2022 (estimated)	-	-	-

Directors and Officers of the Fund are entitled to receive a per diem allowance in the amount of PhP10,000.00 for every Board meeting attended, effective July 2006. Excluded in the payment of per diem allowances are Directors and Officers of the Fund who are also Officers of the Fund Manager or the Investment Advisor. The following amounts were paid for the years 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010 respectively: PhP94,500.00, PhP101,250.00, PhP74,250.00, PhP87,750.00, PhP74,375.00, PhP63,750.00, PhP55,250.00, PhP61,625.00, PhP65,875.00, PhP97,750.00, PhP140,250.00 and PhP106,800.00. The estimated aggregate Directors and Officers fee for the year 2022 is PhP210,000.00.

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.

The Fund has no Compensation Committee.

## **INDEPENDENT PUBLIC ACCOUNTANTS**

The Board of Directors has appointed Isla Lipana & Co. (formerly Joaquin Cunanan & Co.), a member firm of PricewaterhouseCoopers, as independent public accountant of the company with respect to its operations for the year 2022, subject to ratification by the majority holders of Common Stock of the Company. Isla Lipana & Co. has been the external auditor of the company since 2001. Representatives of the firm will be present at the Annual Meeting to make a statement of the desire to do so and to answer appropriate questions that may be asked by stockholders. A proposal will be presented at the Annual Meeting for the ratification of this appointment, which the Board of Directors believe is advisable and in the best interests of the stockholders. If the appointment of Isla Lipana & Co. is not ratified, the matter of the appointment of the independent public accountants will be considered by the Board of Directors.

Ms. Blesilda A. Pestaño was the signing partner for the external auditor from fiscal year 2009 to 2013. For the Fund's Financial Statements as of December 31, 2014, December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018, December 31, 2019, and December 31, 2020 the signing partner was John-John Patrick V. Lim. For the fund's Financial Statement as of December 31, 2021 the signing partner is Mr. Zaldy Aguirre. The corporation is compliant with Revised SRC Rule 68 Part 1(3)(B)(ix) re: rotation of external auditors. 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.

There is no disagreement in the past five (5) years on any matter of accounting principles and financial statement disclosures between the fund and the Accountant.

The Audit Committee which oversees the corporation's external audits is headed by Mr. Mario Antonio V. Paner with Mr. Adelbert A. Legasto and Mr. Raymund Martin T. Miranda as members.

## **PART III. OTHER MATTERS**

### **ACTION WITH RESPECT TO REPORTS**

The minutes of the previous Annual General Meeting of Stockholders held last 20 August 2021 shall be submitted to the stockholders for approval. Also to be submitted for approval and/or ratification is the Annual Report and the Audited Financial Statements for the year ended 31 December 2021.

### **OTHER PROPOSED CORPORATE ACTION**

Action is to be taken at the Annual General Meeting of Stockholders with respect to the confirmation of BPI Investment Management, Inc. as the Company's Fund Manager, Investment Advisor, Principal Distributor and Transfer Agent for the ensuing year (continuing term unless expressly terminated). Action is to be taken with respect to the re-appointment of Isla Lipana and Co. as external auditor of the Company for the year ending 31 December 2022.

As Fund Manager, BPI Investment shall exercise full control, direction, and management as general manager to the Company in accordance with the investment policies and limitations as may be set out in the Articles of Incorporation and By-Laws of the Company.

The stockholders shall vote to ratify the acts, proceedings, and resolutions of the Board of Directors and officers and the Fund Manager during the fiscal year 2021. Subject for ratification are the various investment instruments of ALFM Dollar Bond Fund that were acquired in accordance with the fund's prospectus as well as the approval of the Board of Directors to set the date for the Annual General Meeting as 30 September 2022 via virtual meeting as approved by the board.

The stockholders shall also vote to amend Article II of the Fund's Articles of Incorporation to include the business of selling Unitized Mutual Fund (UMF). The Implementing Rules and Regulations of the Investment Company Act provides that a Mutual Fund Company that already registered its common shares for offer or sale may also be allowed to register units of participation. The italicized phrases will be added to Article II.

“ x x x to establish and carry on the business of an open-ended investment company ('mutual fund') *and/or a Unitized Mutual Fund ('UMF')* insofar as may be permitted by and subjected to existing laws *and regulations;*”

The stockholders shall also vote to amend Article III of the Fund's Articles of Incorporation to change the principal office address of the Fund to “*19/F, BPI Buendia Center, Sen. Gil J. Puyat Ave., Makati City, Metro Manila, Philippines*” in order to indicate the Fund's new location.

The stockholders shall also vote to amend the Fund's By-Laws to reflect the following changes/provisions:

1. Change in the period of sending out the Notice of Stockholders' Meeting to *at least twenty-one (21) calendar days prior to the date of the meeting*, in accordance with Section 49 of the Revised Corporation Code, Section 14 of SEC MC No. 6; s. 2020, and to allow the stockholders to plan their participation in the meeting under Recommendation 13.2 of SEC MC No. 24; s. 2019.
2. Participation of stockholders in the Stockholders' Meeting through remote communication or other alternative modes of communication, in accordance with Sections 1 and 10 of SEC MC No. 6; s. 2020, to give the stockholders who cannot physically attend the meeting a reasonable opportunity to participate.
3. Right to vote of stockholders through remote communication or *in absentia*, pursuant to Sections 23 and 49 of the Revised Corporation Code and to allow the stockholders who cannot vote in person to still be able to exercise the right to vote.

Lastly, the stockholders shall also vote to delegate the authority to amend the Fund's By-laws to the Board of Directors in order to expedite the implementation of the changes in the By-laws, subject to the approval of the Securities and Exchange Commission.

## **VOTING PROCEDURES**

### **Vote Required for Approval or Election**

The matters to be acted upon by the stockholders as contained in the agenda would require the affirmative vote of at least two-thirds of the shares of the Company's common stock (for the amendment of Articles of Incorporation and delegation of authority to amend the Fund's By-laws to the Board of Directors) and the affirmative vote of at least a majority of the shares of the Company's common stock (for other proposals) present and/or represented and entitled to vote.

### **Method by which Votes will be Counted**

Votes shall be manually counted and tallied by the Corporate Secretary.

### **Participation of Stockholders through Remote Communication**

Given the restrictions posed by the enhanced community quarantine, stockholders may only attend the meeting remotely through

<https://us02web.zoom.us/j/86331225040?pwd=SFRPT2lzWXVaTmdSVjFHZ1VrZm9UZz09>

.

As approved by the Board of Directors, stockholders who intend to participate in the meeting through remote communication shall notify the Corporate Secretary by sending an email to [alfm\\_asm@bpi.com.ph](mailto:alfm_asm@bpi.com.ph) before 20 September 2022. Stockholders may exercise the right to vote through remote communication or *in absentia*, subject to validation.

Stockholders may pose questions prior to or during the meeting by sending an email to [alfm\\_asm@bpi.com.ph](mailto:alfm_asm@bpi.com.ph).

## **SEC FORM 17-A**



A COPY OF THE COMPANY'S 2021 ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON ADDRESSED TO:

**ALFM DOLLAR BOND FUND, INC.  
OFFICE OF THE CORPORATE SECRETARY  
19/F, BPI BUENDIA CENTER, SEN. GIL J. PUYAT AVE.  
MAKATI CITY, PHILIPPINES**

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 02 September 2022.



BY: ATTY. SABINO B. PADILLA IV  
*Corporate Secretary*  
Issuer: ALFM Dollar Bond Fund, Inc.

## MANAGEMENT REPORT

### PART I - BUSINESS AND GENERAL INFORMATION

#### DESCRIPTION OF THE BUSINESS

##### 1. Business Development

ALFM Dollar Bond Fund, Inc. (“ALFM Dollar” or the “Fund”), formerly Far East Dollar Bond Fund, Inc., was organized on October 23, 1993 to engage primarily in a business of investing, reinvesting and trading of securities and to operate as an open-end investment company established under the Philippine Investment Company Act of 1960 (R.A. 2629). The Securities and Exchange Commission authorized the Fund to operate as such and to sell its securities within the Philippines by virtue of SEC Order No. 012 and 013, respectively, issued on February 23, 1999. The Fund only started commercial operations on May 10, 1999. On August 18, 2000, ALFM Dollar’s Board of Directors and Shareholders approved certain amendments to the Fund’s Articles of Incorporation including which is the change in the par value of each common share from PhP1.00 to PhP100.00. Such an amendment effectively converted the Fund’s Authorized Capital Stock of PhP200,000,000 into an equivalent of 2,000,000 common shares of PhP100.00 par each. Subsequently, on December 12, 2001, the Commission has likewise approved the amendment in the Fund’s Articles of Incorporation effectively changing the corporate name from Far East Fund, Inc. to Far East Dollar Bond Fund, Inc. On October 29, 2003, the Board of Directors and Stockholders of the Fund approved the proposed restructuring of the Fund which included the change in corporate name from Far East Dollar Bond Fund, Inc. to ALFM Dollar Bond Fund, Inc., increase in authorized capital stock from PhP200,000,000 to PhP5,400,000,000, and change in par value from PhP100.00 to PhP10,000. The Commission approved such amendments on January 21, 2004. Similarly, the ALFM Dollar Bond Fund, Inc. increased authorized capital stock further to PhP6,000,000,000 from PhP5,400,000,000 with a par value of PhP10,000. The Commission approved these amendments on February 27, 2006. Once again, the ALFM Dollar Bond Fund, Inc. increased authorized capital stock further to PhP6,790,000,000 from PhP6,000,000,000 with a par value of PhP10,000. The Commission approved these amendments on June 5, 2013.

The investment objective of the Fund is capital preservation with returns and inflows derived out of investments in primarily foreign-currency denominated investment securities which can provide the Fund with a steady stream of fixed income. The Fund can be classified as a moderate risk investment and shall have a base currency in Dollar. The proceeds from the sales of the Fund’s shares are invested into a diversified portfolio of prime-grade securities and instruments which can the provide the Fund with a steady stream of fixed income such as but not limited to US dollar denominated securities issued by Philippine and Major Foreign Governments, Prime Philippine and Foreign Corporations, and Financial Institutions including, but not limited to Treasury Bills or Notes, Bonds, Debt, and Quasi-debt instruments, and other securities issued by or otherwise guaranteed by the Philippine or other Major Foreign Governments.

The Fund's shares are primarily available through the authorized distributors and sales agents of the BPI Capital Corporation, BPI Investment Management Inc. (BPI-IMI), First Metro Securities Brokerage Corporation, and Affinity Capital Corp. The Fund has also entered into an Investment Management Agreement with BPI Investment Management, Inc., and as such, has authorized the Investment Manager to purchase and otherwise make or dispose of investments for the account of the Fund, within the limits of the guidelines set by law and the SEC regulations, and within the established investment policy of the Fund. With no business subsidiaries, the Fund's risks are limited to its own operations. To mitigate these, the Fund follows strict compliance to its established Corporate Governance policies and procedures. Monthly reporting of the Fund's operations to the Board of Directors is also being instituted to properly identify, assess and manage risk that may arise anytime during the Fund's daily operations.

BPI Investment Management, Inc. ("BPI Investment") shall act as the Fund's Investment Manager and, as such, is tasked to formulate and implement the investment strategy of the Fund, and to provide and render management and technical services to prospective investors. BPI Investment, a wholly-owned subsidiary of the Bank of the Philippine Islands, was incorporated in 1974 to principally engage in the business of managing an investment company. BPI Investment is licensed by the SEC to act as fund manager (or "investment company adviser") as well as a distributor of mutual funds. BPI Investment shall also provide transfer agency services including the maintenance of the official stock and transfer book of the Fund, the issuance of shareholders' 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, the Fund Manager shall charge a fee of not more than 1.25% per annum of the Fund's average daily trading NAV.

The date of the last renewal by the SEC of BPI Investment Management, Inc.'s license as investment company manager is November 2021

The Fund's Shares shall be made available to the public primarily through the Fund's authorized distributors AFFINITY CAPITAL CORP, BPI CAPITAL, CFSI, FIRST METRO SECURITIES BROKERAGE CORP, 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.

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 5.0%.

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

Fund Manager and Investment Advisor: BPI Investment Management, Inc.

Fund Distributors:

AFFINITY CAPITAL CORP  
BPI CAPITAL  
CFSI  
FIRST METRO SECURITIES  
BROKERAGE CORP

## **Risk Factors and Investment Considerations**

The NAV 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 monitors movements in interest rates.

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

**4) Credit Risk** - the risk that the bond issuer may not be able to pay its debt when interest payments and maturity falls due. Credit risk is minimized through diversification. Investment and counterparty limits are also established and monitored regularly. All investment outlets and counterparties go through accreditation prior to the execution of investment transactions.

**5) Inflation Risk** - the risk that the return of your investments will not keep in pace with the increase in consumer prices. To mitigate inflation risk, the Fund Manager closely monitors inflation.

**6) Reinvestment Risk** - the risk associated with the possibility of having lower return when maturing securities or the interest earnings of funds are re-invested. To mitigate reinvestment risk, the Fund Manager closely monitors interest rate trends so as to re-invest at higher interest rates.

**7) Foreign Exchange Risk** - this is the possibility for an investor to experience losses from a decline in fund value when the market value of fixed income securities, settled in any other

currency, held by the fund are converted/translated to Philippine Peso. To mitigate foreign exchange risk, the fund manager closely monitors the movements in the spot market.

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

1) Investors in an open-end fund are exposed to the risk of dilution, since other investors are allowed to purchase shares and/or redeem their entire holdings any time. Given this inherent risk, the Fund Manager tries to lessen the frequency of withdrawals by imposing an early redemption fee for investors who redeem from the Fund during the stipulated minimum holding period. By doing this, investors are discouraged to redeem during the minimum holding period, thereby allowing the Fund Manager to maximize the investments during the said period.

2) 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.

3) Unlike bank accounts, investment companies / mutual funds are neither insured with the PDIC 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.

4) Mutual funds are subject to "manager risk," which is the potential for a fund to fail to achieve its objectives due to investment decisions by the 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.

**2. Distribution methods of the products or services**

ALFM Dollar is being distributed by SEC Certified Investment Solicitors (CISols) of AFFINITY CAPITAL CORP, BPI CAPITAL, CFSI, FIRST METRO SECURITIES BROKERAGE CORP. ALFM Dollar is sold to a wide investor base composed of individuals and corporations, which seek a steady fixed-income stream from a portfolio of high quality fixed income securities.

**3. Competition**

ALFM Dollar belongs to the dollar mutual bond fund industry. As of December 31, 2021, the total net asset value of bond funds primarily invested in foreign currency securities (US Currency based) as reported by the Philippine Investment Funds Association, Inc. amounted to Php 17.5 Billion. Of this amount, 78.61% was cornered by ALFM Dollar. Its main competitors in the dollar fund category are Philam Dollar Bond Fund, Inc., Sun Life

Prosperity Dollar Abundance Fund, Inc., and ATRAM Total Return Dollar Bond Fund, Inc. (formerly, ATR KimEng Total Return Bond Fund, Inc.)

The fund manager believes that the high dollar liquidity as well as the resilient Philippine economy will provide support to the continuous growth of ALFM Dollar.

**4. Effects of existing or probable governmental regulations on the business**

ALFM Dollar believes that government regulations are intended to strengthen the industry for the benefit of the investing public and will, thus, comply with the regulations imposed as may be instituted by the regulatory authorities.

**5. Number of employees**

ALFM Dollar does not have employees of its own since management of the Fund, which includes the administrative operations, is already being handled by its fund manager, BPI Investment Management, Inc.

**PROPERTIES**

The Fund does not own any property described under Annex C of SRC Rule 12 such as real estate, plant and equipment, mines, patents, etc.

**LEGAL PROCEEDINGS**

The Fund is not aware of any pending legal proceedings to which it is a party.

**SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

There were no matters submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

#### 1. Market Information

Market Price (NAVPS in USD)	2022	2021	2020	2019	2018	2017
Quarter ending March 31	485.05	481.59	466.79	453.72	442.72	435.87
Quarter ending June 30	481.28	486.13	473.85	458.12	442.40	440.47
Quarter ending September 30		487.88	478.41	465.18	445.54	444.47
Quarter ending December 31		506.89	484.02	468.36	448.40	445.94

Source: Daily Price and NAVPS schedule

Stated below are the High and Low Net Asset Value Per Share (NAVPS) for each quarter from 2018 to 2022.

		2022		2021		2020		2019		2018	
<b>Jan-Mar</b>	<b>high</b>	1/3/22	489.63	2/15/21	485.5	3/6/20	473.15	03/29/19	453.65	01/09/18	446.50
	<b>low</b>	3/28/22	484.63	3/9/21	480.81	3/30/20 and 3/31/20	466.76	01/02/19	448.46	03/01/18	441.73
<b>Apr-Jun</b>	<b>high</b>	4/4/22	484.89	6/25/21	486.22	6/30/20	473.85	06/20/19	458.13	04/12/18	443.30
	<b>low</b>	6/17/22	481.02	4/5/21	481.73	4/7/20, 4/8/20 and 4/13/20	466.59	04/03/19	453.53	05/18/18	441.17
<b>Jul-Sep</b>	<b>high</b>			9/16/21	488.63	8/11/20	478.97	09/25/19	465.50	09/28/18	445.47
	<b>low</b>			7/1/21	486.13	7/1/20	473.78	07/01/19	458.24	07/04/18	442.34



<b>Oct-Dec</b>	<b>high</b>			12/22/21	489.72	12/29/20	483.87	12/27/19	468.22	12/28/18	448.28
	<b>low</b>			10/12/21	487.46	10/1/20	478.41	10/01/19	465.14	10/08/18	445.47

ALFM Dollar's shares are unlisted and as such are not traded in any exchange. The shares are being sold by SEC Certified Investment Solicitors (CISols) thru ALFM Dollar's authorized distributors enumerated under Distribution Methods of this report.

## 2. Dividends

ALFM Dollar has not declared any cash or stock dividend since inception. Declaration of cash dividends is limited to the declaration made by the Board of Directors subject to the restriction that no dividends will be declared that will impair the capital stock of the company.

## 3. Number of holders

ALFM Dollar has a total of 9,547 security holders as of the 30 June 2022. The corporation has only of common stock.

## 4. Institutional and retail investors

The table below shows the Fund's total number of institutional and retail investors and the percentage of their investments as of 30 June 2022.

<b>ALFM Dollar Bond Fund</b>	<b>Institutional</b>	<b>Retail</b>
Number of investors	111	9,436
Percentage of investments	1.16%	98.84%

## 5. Geographic concentration of investments

The geographic concentration of investments as of 30 June 2022, is as follows: Luzon (100%).

## 6. Investment company return information

Stated below is the Fund's return in the last five (5) recently completed fiscal years.

<b>1 YR</b>	<b>2 YRS</b>	<b>3 YRS</b>	<b>4 YRS</b>	<b>5 YRS</b>
-1.00	0.78	1.66	2.13	1.79

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

Not applicable.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

### AS OF JUNE 30, 2022

US GDP shrank at a 0.9% annualized rate in the second quarter of 2022 following the 1.6% decline in the first quarter of the year according to preliminary estimates. Personal consumption, the biggest part of the economy, rose at a 1% pace, a deceleration from the prior period. Declines in business investment, government outlays and housing also contributed to the slower economic growth, along with a narrower trade deficit. Meanwhile, inflation remained elevated as it came in at 8.3% in April and 8.6% in May before accelerating further to 9.1% in June. To control the accelerating inflation, the Federal Reserve raised policy rates by 50 basis points in May and 75 basis points in June. Chair Jerome Powell said a similar move was possible again, rejecting speculation that the US economy is in recession.

### **ALFM Dollar Bond Fund Top 5 Performance Indicators as of 30 June 2022**

1. **Performance vis-à-vis the Benchmark** – As of end-June 2022, the Fund posted a year-to-date return of -1.70%, net of fees and taxes, lagging behind its benchmark of 3-month US Treasury bill plus 1% by 252 basis points.
2. **Market Share in the Industry** - The local US Dollar fixed income mutual bond fund industry is comprised primarily of three major players namely ALFM Dollar Bond Fund, Philam Dollar Bond Fund and ATRAM Total Return Dollar Fund. ALFM Dollar Bond Fund maintained its number one position in terms of market share ending 2Q2022 at 78.3%.
3. **NAV Growth vis-à-vis Industry Growth** - The Fund's average daily NAV for the second quarter of 2022 was at USD 270.16 Million. The US Dollar fixed income mutual bond fund industry registered a decline in net asset value by USD 92.81 Million or by 21.20% by the 2Q2022. The NAV of ALFM Dollar Bond Fund declined by USD 74.02M to USD 270.16M while the entire industry size stood at USD 345.04 Million.
4. **Portfolio Quality** – As of end-June, the fund's portfolio had 24.03% invested in government bonds, 67.79% in corporate debts, 4.53% in fixed income funds, and 3.65% in cash and deposits.
5. **Performance vis-à-vis Competition** – ALFM Dollar ranked first out of six funds based on its year to date return.

### AS OF DECEMBER 31, 2021

The U.S. economy grew by 5.7% in 2021, capping the strongest year of growth in nearly four decades as the country rebounded quickly from the pandemic-induced recession due to the burst of government spending along with the loose monetary policy. The Federal Reserve has kept policy rates at historic lows since the pandemic broke out, facilitating the economic recovery of the country. With strong consumer demand and low interest rates, U.S. consumer prices soared in 2021 and by the most in nearly four decades. Inflation climbed 7% in 2021 driven by higher prices for shelter and used vehicles, food, and energy, significantly higher than the 1.4% inflation rate recorded in 2020. For the year, the yield on the 10-year U.S. Treasury rose by about 60 basis points, closing at 1.51% as of December 31, 2021.

In the Eurozone, economic activity also rebounded as the region grew 5.2% in 2021, a reversal from the 6.7% contraction seen in 2020 as activity restrictions were lifted along with near-zero policy rates. Meanwhile, inflation has risen steadily in 2021, ending at 5.0% for the year as the economy rebounded from the shock of the pandemic, activity restrictions have been lifted and supply struggles to keep pace with demand, driving up energy costs and creating shortages of many materials. For the year, the yield on the 10-year Bund rose by about 39 basis points to -0.18%.

Philippine GDP grew 5.6% in 2021 after posting a 7.7% growth in the fourth quarter as loosened pandemic-related restrictions lifted business activity. The annual performance slightly beat the adjusted target range of 5% to 5.5% and reversed a record 9.6% contraction in 2020, when the country imposed prolonged lockdowns to contain the spread of COVID-19. The Philippine economy also benefited from the loose monetary policy set by the Bangko Sentral ng Pilipinas, which kept policy rates at 2.0% since November 2020. Meanwhile, inflation in the country accelerated from 2.6% in 2020 to 3.6% in 2021, rising to as high as 4.9% in August due to higher fuel and food prices arising from supply-side shocks.

Consequently, the elevated inflation rate pushed yields of government securities higher across the board in 2021. For the year, the yield on the 1-year rose by about 44 basis points to 2.0%, the 5-year yield rose by about 169 points to 4.20%, while the yields on 6-10-year securities rose by about 184 basis points on average. As a result, 2021 was a challenging year for the bond markets.

## **TOP FIVE KEY PERFORMANCE INDICATORS**

1. **Performance vis-à-vis the Benchmark** – As of December 2021, the Fund posted a full year return of 1.19%, net of fees and taxes, outperforming its benchmark of 3-month US Treasury bill plus 1% by 16 basis points.
2. **Market Share in the Industry** – There are two major players in the local US Dollar fixed income mutual bond fund industry. These are namely, ALFM Dollar Bond Fund, and the PhilAm Dollar Bond Fund. ALFM Dollar Bond Fund maintained its dominant market share by the end of 2021 at 78.6%.
3. **NAV Growth vis-à-vis Industry Growth** - The Fund's average daily NAV for 2021 was at USD 290,692 Million. The US Dollar fixed income mutual bond fund industry registered an increase in net asset value by USD 56.2 Million or by 14.7% for the year 2021. The NAV of the Fund increased by 26.5% through a combination of subscriptions

to the fund and through an increase in market value. The entire industry stood at USD 437.8 Million while ALFM Dollar Bond Fund is at USD USD 344.0 Million.

4. **Portfolio Quality** – As of December 2021, the fund’s portfolio was invested in 20.3% in sovereign bonds, 55.3% in corporate bonds and 24.3% in short-term investments, fixed income funds, cash, deposits and other receivables – net of liabilities. The duration of the Fund was decreased from 4.6 in December 2020 to 3.90 by December 2021.
5. **Performance vis-à-vis Competition** – ALFM Dollar Bond Fund ranked 1st out of seven mutual funds in the same category based on its full year ROI in 2020.

## **MANAGEMENT DISCUSSION AND ANALYSIS / MANAGEMENT REPORT**

### a) Full fiscal years

1. Discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for each of the last 3 fiscal years.

ALFM Dollar Bond Fund increased in size, as total assets as of December 31, 2021 amounted to \$346M compared to \$275M and \$250M as of yearend-2020 and 2019, respectively. Liquidity significantly rose to \$52M while financial assets valued through profit and loss decreased to \$93M as of yearend-2021.

Total liability increased to \$13.5M as of December 31, 2021, from only \$3.2M and \$903K in 2020 and 2019, respectively. The bulk of the increase came from the capital shares redeemed payable which amounted to \$11.6M.

Total shareholders’ equity also increased to \$332.5M as there had been net contribution during the period amounting \$57M as well as net income at \$3.6M.

2. If FS shows losses from operation, explain the causes underlying these losses and the steps the registrant has taken or is taking to address these cause.

***None to report.***

3. Past and future financial condition and results of operation, **with particular emphasis on the prospects for the future.**

Total income during 2021 is at \$8.2M, lower than the fund’s 2020 figures at \$14M. This also came with the increase in expenses incurred at \$4.2M, higher than that of 2020 at \$3.4M. The performance of the fund during 2021 came at \$3.6M, which had decreased from the \$7.2M and \$10.2M net income during 2020 and 2019, respectively.

The fund now looks into buying securities that are performing well on the market, as the main driver for the decrease in 2021 performance is on the loss incurred from financial assets valued through profit and loss.

4. Interim Periods: Comparable discussion to assess material changes (last fiscal year and comparable interim period in the preceding year). ***Disclose the required information required under subparagraph (2)(a)(I) to (viii) above.***

Total assets of ALFM Dollar Bond Fund decreased by 22% from \$346M to \$270M as of December 31, 2021 and June 30, 2022, respectively. Liquidity also declined by 86% at \$7.2M while financial assets value through profit and loss diminished by 25% to \$69M. Total liabilities, on the other hand, positively decreased by 88% as capital shares redeemed payable diminished by \$11M.

The reduction in size of the fund came from the net withdrawal amounting to \$57M or 25% of yearend-2021 figures.

The fund also incurred net loss for the period ending June 30, 2022 at \$5.7M which is due to loss from underlying securities valued through profit and loss.

### **AS OF MARCH 31, 2020**

First quarter 2020 was plagued with Covid-19 across the globe as governments rushed to close their respective country's borders in an attempt to slow down and contain the spread of the virus. Majority of businesses were ordered to halt/ minimize operations and citizens were ordered to stay-at-home, which curbed and restricted consumer spending. Economic contraction was expected as economists try to grapple the effect of weeks/months of unprecedented worldwide economic closure. Global growth for 2020 was revised down with most countries seeing flat to negative growth.

For the US, 1Q GDP contracted for the first time since 2014 to 4.8% vs survey of 4% contraction. Nevertheless, there was an increase demand for its treasury notes and bonds as there was a rotation from riskier assets (such as from Asia) to safe haven assets and currencies. The US Fed had also pledged to increase secondary bond buying amounting to US\$700 Billion which includes investment grade US bonds. The economic damage of this health crisis is remained to be seen. However, data such as the unemployment rate tells a gloomy outlook as 26 million individuals filed for new unemployment claims in the month of March. Retail sales has also plunged by 8.7% in March, suggesting a sharp drop in consumer spending, and that causes an alarm since it comprises 70% of the country's economic activity. Expectations for the forthcoming quarters will be worse as the world grapples to find a cure and prevent a second wave of virus contraction. As a result, the Fed cut its policy rates by 150bps and US President Trump signed a US\$2.2 Trillion package in their bid to stimulate the economy when it reopens.

For the US Dollar denominated bonds of the Republic of the Philippines, yields climbed up and spreads more than doubled by 282 bps versus the US Treasury. The 5yr CDS was trending around 48 points in Jan to Feb but rose up to as high as 170 points intra-month in March. For the quarter, the JACI Philippines index gave a negative return of 4.02%.

ALFM Dollar Bond Fund remains to be the largest in the US dollar denominated bond fund segment. The Fund's market share slightly contracted from the previous year's 73.6% to 71.7%. For the quarter, the fund returned -0.34% as it is heavily weighted in Philippine securities and market preference amidst the health crisis turned to cash and safe haven securities. As a result, EPS turned south to -\$4.19 for the quarter versus year end's \$19.6. The Fund also saw net redemptions in March which partially contributed to a lower trading NAV of US\$ 243.87 Mn vs prior quarter of US\$248.18 Mn.

It is also notable that the interest earned for the quarter is lower in comparison to previous quarters as reinvestment yields are much lower since policy rates across the globe were reduced at an unprecedented level as Central Banks rushed in cushioning their economies. Net unrealized losses is notably large and expected for the quarter since the Marked-to-market level of the fund is around 36% and mostly in the Philippine credit. Current liquidity ratio was lowered to 35.98 but remains healthy.

No other notable matter left to be reported.

Moving forward as the threat Covid-19 remains, the Fund will take a more defensive stance. Potential re-ignition of the US and China tension lures as US President Trump blames China for the health crisis that the world is currently experiencing. No vaccine has been deemed effective and safe for mass production as of writing, hence, potential re-emergence of contamination might happen and further damage economies. As in the past, the Fund will continue to favor higher yielding corporate securities.

## **TOP FIVE KEY PERFORMANCE INDICATORS**

6. ***Performance vis-à-vis the Benchmark*** – As of end-March 2020, the Fund posted a quarter-to-date decline of 0.34%, net of fees and taxes, lagging behind its benchmark of 3-month US Treasury bill plus 1% by 85 basis points.
7. ***Market Share in the Industry*** - The local US Dollar fixed income mutual bond fund industry is comprised mostly of three major players namely ALFM Dollar Bond Fund, Philam Dollar Bond Fund and Sun Life Prosperity Dollar Abundance Fund. ALFM Dollar Bond Fund maintained its number one market share by the end 1Q2020 at 71.7%. Philam Dollar Bond Fund is far behind at 14.7%.
8. ***NAV Growth vis-à-vis Industry Growth*** - The Fund's average daily NAV for the first quarter of 2020 was at USD 250.47 Million. The US Dollar fixed income mutual bond fund industry registered an increase in net asset value by USD 2.8 Million or by 0.86% for the 1Q2020. The NAV of the Fund declined by 1.74%, mostly due to redemption. The entire industry stood at USD 339.97 Million while ALFM Dollar is at USD 243.87 Million.

9. **Portfolio Quality** – As of end-March, in terms of its trading NAV, 27.24% is invested in sovereign bonds, 47.72% in corporate debts, 2.05% in short-term investments, 2.68% in fixed income funds, and 20.31% in cash, deposits and other receivables – net of liabilities. Duration of the fund is at 3.27.
10. **Performance vis-à-vis Competition** – ALFM Dollar ranked first out of six funds based on its first quarter return.

**Discussion and analysis of material event/s and uncertainties known to the management that would address the past and would have an impact on future operations**

**Any known trends, demands, commitments, events or uncertainties that will have material impact on the issuer's liquidity:**

Liquidity of the fund may be affected by the market's depth or the existence of readily available buyers and sellers in the market.

**Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation:**

None

**All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period:**

None

**Any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures:**

None

**Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations:**

None

**Any significant elements of income or loss that did not arise from the issuer's continuing operations:**

The Fund Manager is not aware of any significant element of income or loss that did not arise from the Fund's continuing operations.

BPI Investment Management, Inc. (BIMI) has registered under the Foreign Account Tax Compliance Act (FATCA) as a sponsoring entity for the Funds it manages. These Funds include the ALFM Mutual Funds, Ekklesia Mutual Fund, and Solidaritas Fund. As a sponsoring entity, BIMI will perform the due diligence, withholding, and reporting obligations of the sponsored entities.

In accordance with this, investors who make initial subscriptions to the Fund from July 1, 2014 onwards have been asked to submit the necessary documents if they are identified as US citizens, or if they fall under any of the US indicia categories.

## **FINANCIAL STATEMENTS**

Audited Financial Statements attached herewith.

## **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There are no disagreements with the external auditors on the accounting and financial disclosures of the Fund.

## **EXTERNAL AUDIT FEES**

The fund paid a total of PhP5,432,000.00 in audit fees for the 2020 Audited Financial Statements paid in 2021.

The fund engaged the external auditor to audit the 2021 financial statements. No final billing has been made for the year 2021 as of the date of filing. However, an estimate of the amount is at PhP380,640.00.

The fund did not engage the external auditor for other services apart from those mentioned above.

The audit committee approves any engagement for the services of the external auditor. After reviewing the need for the services of the auditor, the audit committee reviews the engagement proposal submitted. The committee then agrees on the fees to be charged by the external auditors.



## **PART III - CONTROL AND COMPENSATION INFORMATION**

### **DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER**

The Nomination Committee is in charge of reviewing and evaluating the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board and provide assessment on the Board's effectiveness in directing the process of renewing and replacing Board members. The Head of the Committee is Mr. Simon R. Paterno with Mr. Adelbert A. Legasto and Mr. Romeo L. Bernardo as members. Mr. Adelbert A. Legasto, as Director, nominated Mr. Miranda as an Independent Director. Mr. Legasto and Mr. Miranda are not related to each other. Mr. Legasto and Mr. Miranda nominated Mr. Mario Antonio V. Paner as Independent Director. Mr. Legasto and Mr. Miranda are not related to Mr. Paner. Independent Directors are nominated and elected in the process prescribed by SRC Rule 38 and in accordance with the Company's manual of corporate governance.

Five Directors are to be elected at the annual general meeting of stockholders for a full one-year term. The Board's nominees are Mr. Romeo L. Bernardo, Mr. Simon R. Paterno, Mr. Raymund Martin Miranda, Mr. Mario Antonio V. Paner, and Mr. Adelbert A. Legasto.

The following, who are all Filipino citizens, are the Fund's Directors and Officers:

#### **1. Romeo L. Bernardo, Chairman / Regular Director**

Mr. Romeo L. Bernardo, Filipino, born in 1954, 68 years old, is the Chairman of the fund since 2003. He is also the Chairman of ALFM Peso Bond Fund, Inc. from 2003 to present, ALFM Growth Fund, Inc. from 2007 to present, ALFM Money Market Fund, Inc. from 2009 to present, ALFM Euro Bond Fund, Inc. from 2005 to present, Philippine Stock Index Fund, Corp. from 2007 to present, and ALFM Global Multi-Asset Income Fund, Inc. from 2018 to present. He is also a director of ALFM Retail Corporate Fixed Income Fund, Inc. and ALFM Principal Preservation Fund, Inc. since 2019. He is currently the Managing Director of Lazaro Bernardo Tiu & Associates, Inc. and Global Source 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), Foundation for Economic Freedom, and Financial Executives Institute of the Philippines (FINEX) Foundation. Mr. Bernardo was an Alternate Executive 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, 63 years old, served as Head of the Financial Products and Services Group of the Bank of the Philippine Islands. He was responsible for managing the product businesses of the Bank, including Investment Banking, Corporate Loans, Transaction Banking, Retail Lending, Cards and Payments, Asset Management and Trust, Electronic Channels, and Deposits. He also supervised subsidiaries and affiliates in insurance, leasing, and merchant acquiring. He was a member of the Management Committee of BPI. 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, 75 years old, is a director of ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Money Market Fund, Inc., ALFM Growth Fund, Inc., the Philippine Stock Index Fund, Corp., ALFM Global Multi-Asset Income Fund, Inc., ALFM Retail Corporate Fixed Income Fund, Inc., ALFM Principal Preservation 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. Raymund Martin T. Miranda, Independent Director**

Mr. Raymund Martin T. Miranda, Filipino, born in 1969, 53 years old, and has been an Asia-Pacific media executive and strategist for more than 37 years. He is currently the Chief Strategy Officer, Chief Risk Management Officer, Compliance Officer of ABS-CBN Corporation, having served as Chief Strategy Officer since 2012. Before his appointment with ABS-CBN, Mr. Miranda formed a consulting firm and served as co-founder of the Dolphin Fire Group Asia. Previously, he was the Managing Director, Global Networks Asia-Pacific of NBC Universal from 2007 to 2011, based in Singapore, heading the entertainment channels

division of NBC Universal across 33 countries. Before that, Mr. Miranda spent a year in Manila as the President/CEO of Nation Broadcasting Corporation (92.3xFM) and Head of Strategy and Content for Mediaquest Holdings, Inc. From 1998 to 2006, he was with The Walt Disney Company in Singapore and Manila as Managing Director South East Asia for Walt Disney International, Managing Director for South East Asia/Korea for Walt Disney Television International, and the Head of Radio Disney Asia. He started his career in FM radio before joining the GMA Network group in 1987. He was named Vice-President, Creative Services of GMA Network, Inc. in 1992. Mr. Miranda attended college at the University of the Philippines, Diliman, and is a grade school and high school alumni of the Ateneo de Manila.

## **5. Mario Antonio V. Paner, Independent Director**

Filipino, 62 years old, Mr. Paner served as Treasurer and head of BPI's Global Markets Segment. As such, he was responsible for managing the interest rate and liquidity gaps, as well as the fixed income and currency market-making, trading, and distribution activities of BPI and its subsidiaries and affiliates— in the Philippines and abroad. Before retirement, Mr. Paner was Chairman of the Bank's Asset & Liability Committee and was a member of the Management Committee and Asset Management Investment Council.

After working with Ayala Investments and Development Corporation (1979) and FamilySavings Bank (1981), Mr. Paner joined BPI in 1985, when the Bank acquired Family Savings Bank and performed various Treasury and Trust positions until 1989. Between 1989 and 1996, he worked at Citytrust, then the consumer banking arm of Citibank in the Philippines, which BPI acquired in 1996. At BPI, he has been responsible for various businesses of the bank, including Risk Taking, Portfolio Management, Money Management, Asset Management, Remittance and Private Banking.

Mr. Paner served as President of the Money Market Association of the Philippines (MART) in 1998 and remains in its Board of Advisers up to now. He also served as Vice Chairman of the Bankers Association of the Philippines' (BAP) Open Market Committee and lecturer for the BAP/Ateneo School of Banking. He was also a member of the Makati Business Club, Management Association of the Philippines, British Chamber of Commerce, and the Philippine British Business Council. He was an Independent Director and member of the Corporate Governance and Audit Committees of Ayala Energy Phils from 2020 until 2021.

He obtained an A.B. Economics degree from Ateneo de Manila University in 1979 and completed various courses in Business and Finance, including Strategic Financial Management in 2006 and the Advanced Management Program in 2009, both at the Harvard Business School.

Mr Paner retired from BPI in 2019. Aside from ALFM, he is also presently an independent director of ACE Enexor Inc (ACEX).

## **Other Officers of the Fund**

### **1. Fernando J. Sison III – Treasurer**

Mr. Fernando J. Sison III, Filipino, born in 1952, 70 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**

Atty. Sabino B. Padilla IV, born in 1960, 62 years old, is the Corporate Secretary and Compliance Officer of the ALFM Mutual Funds. 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. He is also the Corporate Secretary of other mutual funds such as the Solidaritas Fund and Ekklesia Mutual Fund.

## **3. Karl Kelvin D. Arcilla, Compliance Officer, Chief Data Protection Officer and Chief Risk Officer**

Mr. Arcilla born in 1986, 36 years old, has 14 years of combined experience in regulatory and control functions which he gained from different industries such as Banking, Telecommunications and Real Estate. He joined BPI Investment Management Inc. as Compliance Officer last January 2021. As such, he is primarily responsible for ensuring that BIMF has internal controls to adequately manage risks. He has also successfully passed the Treasury Certification Program last September 2021 and is currently enrolled in the Association of Certified Anti-Money Laundering Specialists certification program.

### **Additional Information required under Annex C of SRC Rule 12:**

- The incorporators of the Fund are Messrs. James L. Go, Ramon V. Del Rosario, Sr., Wilfredo V. Vergara, Antonio A. Picazo, Purisimo S. Buyco, Mario C. Lorenzo, and Ms. Adelina S. Gatdula.

- Mr. Paner and Mr. Miranda are independent directors of the fund. Mr. Adelbert A. Legasto, as Director, nominated Mr. Miranda as an Independent Director. Mr. Legasto and Mr. Miranda are not related to each other. Mr. Legasto and Mr. Miranda nominated Mr. Mario Antonio V. Paner as Independent Director. Mr. Legasto and Mr. Miranda are not related to Mr. Paner. 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.
- Each Director shall serve for a term of 1 year from his appointment and until his successor has been duly elected and qualified, provided, however, that any director may be removed from office at anytime with or without cause by a 3/4 vote of the subscribed capital stock entitled to vote.
- No member of the Board of ALFM Dollar Bond Fund has been the subject of any legal/criminal proceedings for the past five years.

## EXECUTIVE COMPENSATION

Director / Officer	Position	Year	Salary	Bonus	Other Salary
Romeo L. Bernardo	Chairman/Regular Director	2010	34,000.00	-	-
		2011	46,750.00	-	-
		2012	29,750.00	-	-
		2013	19,125.00	-	-
		2014	19,125.00	-	-
		2015	19,125.00	-	-
		2016	14,875.00	-	-
		2017	19,125.00	-	-
		2018	20,250.00	-	-
		2019	15,750.00	-	-
		2020	20,250.00	-	-
		2021	11,250.00	-	-
	2022 (estimated)	30,000.00	-	-	
Simon R. Paterno	President/Regular Director	2010	-	-	-
		2011	-	-	-
		2012	-	-	-
		2013	-	-	-
		2014	-	-	-
		2015	-	-	-
		2016	-	-	-
		2017	-	-	-
		2018	-	-	-
		2019	9,000.00	-	-
		2020	20,250.00	-	-

		2021	11,250.00	-	-
		2022 (estimated)	30,000.00	-	-
Adelbert A. Legasto	Regular Director (Until December 2012) (Starting June 2015)	2010	38,800.00	-	-
		2011	46,750.00	-	-
		2012	29,750.00	-	-
		2013	-	-	-
		2014	-	-	-
		2015	8,500.00	-	-
		2016	14,875.00	-	-
		2017	19,125.00	-	-
		2018	22,500.00	-	-
		2019	18,000.00	-	-
		2020	20,250.00	-	-
		2021	4,500.00	-	-
		2022 (estimated)	30,000.00	-	-
Atty. Sabino B. Padilla IV	Corporate Secretary	2010	34,000.00	-	-
		2011	46,750.00	-	-
		2012	29,750.00	-	-
		2013	23,375.00	-	-
		2014	21,250.00	-	-
		2015	21,250.00	-	-
		2016	17,000.00	-	-
		2017	19,125.00	-	-
		2018	22,500.00	-	-
		2019	18,000.00	-	-
		2020	20,250.00	-	-
		2021	6,750.00	-	-
		2022 (estimated)	30,000.00	-	-
Fernando J. Sison III	Treasurer	2012	8,500.00	-	-
		2013	23,375.00	-	-
		2014	21,250.00	-	-
		2015	6,375.00	-	-
		2016	17,000.00	-	-
		2017	17,000.00	-	-
		2018	22,500.00	-	-
		2019	13,500.00	-	-
		2020	20,250.00	-	-
		2021	60,750.00	-	-
2022 (estimated)	30,000.00	-	-		
Mario Antonio V. Paner	Independent Director	2022 (estimated)	30,000.00	-	-
Ramund	Independent				

Martin T. Miranda	Director (Starting June 17, 2021)	2022 (estimated)	30,000.00	-	-
Karl Kelvin D. Arcilla	Compliance Officer, Chief Data Protection Officer and Chief Risk Officer	2022 (estimated)	-	-	-

Directors and Officers of the Fund are entitled to receive a per diem allowance in the amount of PhP10,000.00 for every Board meeting attended, effective July 2006. Excluded in the payment of per diem allowances are Directors and Officers of the Fund who are also Officers of the Fund Manager or the Investment Advisor. The following amounts were paid for the years 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010 respectively: PhP94,500.00, PhP101,250.00, PhP74,250.00, PhP87,750.00, PhP74,375.00, PhP63,750.00, PhP55,250.00, PhP61,625.00, PhP65,875.00, PhP97,750.00, PhP140,250.00 and PhP106,800.00. The estimated aggregate Directors and Officers fee for the year 2022 is PhP210,000.00.

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.

The Fund has no Compensation Committee.

## SECURITY OWNERSHIP OF MANAGEMENT

- As of 31 June 2022

TITLE OF CLASS	NAME OF OWNER	ADDRESS	POSITION	AMOUNT & NATURE OF OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Common	Romeo L. Bernardo	Unit 1603 A. Belvedere, San Miguel Avenue, Ortigas Center, Pasig City	Chairman/ Regular Director	1 (beneficial)	Filipino	0.0002%
Common	Adelbert A. Legasto	3/F, Makati Stock Exchange Building Ayala Avenue, Makati City	Regular Director	286 (record, beneficial)	Filipino	0.0510%
Common	Simon R. Paterno	58 McKinley Road, Forbes Park, Makati City	President/ Regular Director	1 (beneficial)	Filipino	0.0002%
Common	Fernando J. Sison III	3 Jocson St., Xavierville 1, Loyola Heights, Quezon City	Treasurer	296 (record)	Filipino	0.0527%
Common	Atty. Sabino Padilla IV	1678 Dasmaringas Ave., Dasmaringas Village, Quezon City	Corporate Secretary	0	Filipino	0.0000%
Common	Marion Antonio V. Paner	24 Winchester st. Hillsborough Alabang Village Cupang Muntinlupa City	Independent Director	1 (beneficial)	Filipino	0.0002%

Common	Raymund Martin T. Miranda	12 Evening News st. West Triangle Homes, West Triangle, Quezon City,	Independent Director	1 (beneficial)	Filipino	0.0002%
Common	Karl Kelvin D. Arcilla	938 Dr. Gonzales St., Sabang Baliuag Bulacan 3006	Compliance Officer, Chief Data Protection Officer and Chief Risk Officer	0	Filipino	0.0000%

## **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.

BIMI, as Fund Manager, 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, BIMI 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. In consideration for the above management, distribution, administration and advisory services, the Fund pays BIMI a fee of not more than 1.25% p.a. in in 2021, 2020, 2019, 2018 and 2017 of the Fund's average daily trading NAV.

The Fund has distribution agreements with subsidiaries of BPI, namely, BIMI and BPI Capital Corporation (BPI Capital). Under the terms of the agreement, BIMI 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 for a fee of 0.625% p.a. in 2021, 2020, 2019, 2018 and 2017 based on the outstanding daily balance of the Fund's shares distributed. Such agreements are effective year after year unless terminated by each party. BPI act as the receiving banks for the contributions and withdrawals related to the Fund as transacted by the distributors and shareholders.



## **PART IV - CORPORATE GOVERNANCE**

### **COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE**

The company continuously evaluates level of compliance of the Board of Directors and top level management with its Manual on Corporate Governance through a self-rating and peer evaluation system complemented by 180 degrees feedback mechanism. To ensure that no deviation is committed from the company's manual, such evaluation is performed at least once every quarter. There has been no deviation from the company's Manual of Corporate Governance as of the date of this report.

**PART IV - EXHIBITS AND SCHEDULES**

**EXHIBITS AND REPORTS ON SEC FORM 17-C**

- 1. Exhibits NONE
- 2. Reports on SEC Form 17-C

<b>Items Reported</b>	<b>Date Filed</b>
Item taken up and approved during the Special Board of Directors Meeting held on August 17, 2021	20-Aug-21
Items taken up and approved during the Organizational Meeting of the Board of Directors held on August 20, 2021	25-Aug-21
Items taken up and approved during the Special Board of Directors Meeting held on August 23, 2021	27-Aug-21
Item taken up and approved during the Special Board of Directors Meeting held on December 16, 2021	21-Dec-21