

AMENDED PROSPECTUS

PHILAM STRATEGIC GROWTH FUND, INC.

TWENTY FIVE MILLION NINE HUNDRED FORTY THREE THOUSAND NINE HUNDRED EIGHTY (25,943,980) PHILAM STRATEGIC GROWTH FUND, INC. (PSGF) SHARES OF COMMON AND VOTING STOCKS AMOUNTING TO PHP2,594,398,000.00 AT A PAR VALUE OF PHP100.00 PER SHARE WILL BE OFFERED TO THE PUBLIC AT THE CURRENT NET ASSET VALUE PER SHARE ("NAVPS"). THE FUND SHALL BE READY TO BUY AND SELL SHARES TO THE PUBLIC IN ANY OF ITS OFFICES AND BRANCHES.

THE FUND'S SHARES WILL BE SOLD OVER THE COUNTER. PHILAM ASSET MANAGEMENT, INC. IS THE FUND'S DISTRIBUTOR AND INVESTMENT MANAGER.

May 26, 2017

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.

THE PHILAM STRATEGIC GROWTH FUND, INC.

This Prospectus pertains to the registration and offer to the public of an additional 25,943,980 new shares pursuant to the application for increase in authorized capital from 35,793,244 to 61,737,224 which was approved by the Securities and Exchange Commission ("SEC") on October 06, 2016.

The registration of the additional shares in the Company's authorized capital stock, approved by the SEC on October 06, 2016, was brought about by the Fund's successful distribution activities which is a direct result of the Fund's impressive performance in 2015. With the registration of the additional 25,943,980 shares with the SEC, the offering of the same to the public will allow the Fund to further improve its diversification and overall performance.

PSGF's shares will be offered to the public based on its net asset value per share, with a minimum investment of Php5,000.00¹ and a minimum additional investment of Php1,000¹ unless the SEC prescribes otherwise. All sales shall be on a cash basis and installment sales are prohibited.

Estimated gross proceeds of the 25,943,980 shares, if sold at net asset value per share ("NAVPS") (i.e., Php511.01) as of March 22, 2017, is Php13,257,633,219.80. All proceeds will be held by the custodian bank.

The Company plans to use the proceeds from the sale of PSGF shares to build up its investment in equities of companies listed in the primary and secondary boards of the Philippine Stock Exchange ("PSE"). PSGF is a stock fund and is moderate to high in risk. The Fund's investments are made pursuant to the Investment Restrictions and Guidelines, which are set out in detail in the body of this Prospectus.

The Fund is exposed to financial risk through its financial assets and financial liabilities. The more important components of this financial risk are, in order of importance, credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate which are exposed to general and specific market movements. This risk that PSGF primarily faces due to the nature of its investments is interest rate risk and liquidity risk due to the open-end nature of the Fund. More details are discussed in the "Risk Factors" section of this Prospectus.

The Fund does not plan to invest in foreign securities. However, the SEC, pursuant to SEC Memorandum Circular No. 7, series of 2005, or the "Guidelines on the Evaluation of Foreign Investments by Mutual Fund Companies" allows mutual fund companies to invest up to 100% of its assets in foreign securities.

Aside from market conditions, timing will also be a critical area of consideration in the purchase or sale of the Fund's securities.

The Company does not plan to declare cash dividends². Surplus profits of the Company (if any), will be used as additional proceeds to invest in eligible securities.

Under the Investment Company Act, it shall be unlawful for the Company to pay any dividend, or make any distribution in the nature of a dividend payment, wholly or partly

¹ As amended by a majority vote of the Board of Directors during its Regular Meeting on 27 October 2016 at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City and subject for approval by its stockholders during the Annual Shareholders' Meeting on 27 July 2017.

² As amended by a majority vote of the Board of Directors during its Regular Meeting on 27 October 2016 at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City and subject for approval by its stockholders during the Annual Shareholders' Meeting on 27 July 2017.

from any source other than: (i) from the Company's accumulated undistributed net income, determined in accordance with good accounting practice and including profits or losses realized upon the sale of securities or properties; or (ii) from the Fund's earned surplus so determined for the current or preceding fiscal year, unless such payment is accompanied by a written statement which adequately discloses the source or sources of such payment. The SEC may prescribe the form of such statement by rules or regulations or by order in the public interest and for the protection of investors. It shall also be unlawful to advertise such dividends in terms of centavos or pesos per share without also stating the percentage they bear to the par value per share.

The Company is a domestic corporation, incorporated on April 27, 1998, with principal business office address at:

17th FLOOR NET LIMA BUILDING
 5th AVENUE CORNER 26th STREET
 BONIFACIO GLOBAL CITY, TAGUIG 1634
 TELEPHONE NUMBERS: (632) 5216300
 FAX NUMBERS: (632) 5285093

The Company acquired its secondary license as an open-end investment company or "mutual fund" from the SEC on April 27, 1998. It is engaged primarily in the business of investing, reinvesting and trading in securities and the sale of its shares. As a licensed open-end investment company, it offers to the public, on a continuing basis, redeemable shares of stock, at the current Net Asset Value Per Share.

The Investment Manager (or "Fund Manager") of the Fund is Philam Asset Management, Inc. (PAMI). As investment manager and principal distributor, PAMI is entitled to a monthly management fee equivalent to 1/6 of 1% of the average net value of the Company's assets, computed on a daily basis or not more than 2.0% of the average net value of the Company's assets per year. Furthermore, PAMI is entitled to an incentive fee equivalent to 1/10 of the increase in NAVPS, if any, multiplied by the average daily number of shares outstanding of the Company for such year.

The Fund Manager will also receive from the Fund a sales load fee based on the following schedule:

Total Relationship Amount (in Php)	Sales Load	Sales Load with VAT
less than 100,000	3%	3.36%
100,000 – 499,999.99	2.5%	2.80%
500,000 – 999,999.99	2%	2.24%
1 M – 4.99M	1.5%	1.68%
5 M – 9.99M	1%	1.12%
10M & up	0.5%	0.56%

This Prospectus includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business and operations. Words including, but not limited to "believes", "may", "will", "estimates", "continues", "anticipates", "intends", "expects" and similar words are intended to identify forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances in this Prospectus may not

occur. The Company's actual results could differ significantly from those anticipated in the Company's forward-looking statements.

The PSGF shares are offered solely on the basis of the information contained and the representations made in this Prospectus. No dealer, salesman or other person has been authorized by the Company or the Fund Manager to issue any advertisement or to give any information or make any representation in connection with the offering other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Company or the Fund Manager to subscribe for or purchase any of the PSGF Shares. Neither may this Prospectus be used as an offer to, or solicitation by, anyone in any jurisdiction or in any circumstance in which such offer or solicitation is not authorized or lawful. The distribution of this Prospectus and the offer in certain jurisdictions may be restricted by law. Persons who come into possession of this Prospectus are required by the Company and the Fund Manager to inform themselves about, and to observe any, such restrictions.

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THE PHILAM STRATEGIC GROWTH FUND, INC.

The Philam Strategic Growth Fund, Inc. ("PSGF") is an open-end investment company incorporated on April 27, 1998 and established in accordance with Republic Act No. 2629, otherwise known as the Investment Company Act ("RA 2629"), and duly registered with and regulated by the Securities and Exchange Commission.

PSGF's shares will be offered to the public based on its net asset value per share. All sales shall be on a cash basis and installment sales are prohibited.

PSGF is a stock fund and is moderate to high in risk. The investment objective of the Fund is capital growth with returns and inflows derived out of investments in equity securities. PSGF considers a medium to long-term investment horizon for its shareholders. The Fund will be positioned to compete directly with other stock mutual funds and unit investment trust funds offered by commercial banks.

The Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in market value may occur as a result of various factors, including material changes in the Fund, general economic conditions or interest rate policy changes.

PAMI is the Investment Manager. PAMI, through its Treasury Manager, will handle all investments of the Fund with the guidance from PAMI's Asset Liability Committee (ALCO) and the officers of the Treasury Division of Philamlife.

RISKS OF INVESTING

GENERAL RISK WARNING

- The price of securities can and does 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 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. He/she 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 to invest in or the nature of risks involved in trading securities specially those high risk securities.

For a description of the additional risk factors associated with the purchase of PSGF shares, see "Risk Factors" and other information.

PHILAM STRATEGIC GROWTH FUND, INC. FINANCIAL HIGHLIGHTS

	Interim Year for the Period Ending March 31, 2017 (Unaudited)	For the Year Ending December 31, 2016 (Audited)	For the Year Ending December 31, 2015 (Audited)	For the Year Ending December 31, 2014 (Audited)
Gross Investment Income	1,352,113	498,624	382,804	2,523,546
Operating Expenses	167,897	1,255,800	2,011,645	357,981
Provision for Income Tax	3,920	17,935	15,934	14,822
NET INVESTMENT INCOME (LOSS)	1,180,296	(775,111)	1,644,775	2,150,743
TOTAL ASSETS				
	27,818,344	25,595,495	23,113,180	17,586,704
TOTAL LIABILITIES				
	71,488	166,334	5,447,806	635,979
NET ASSETS	27,746,856	25,429,161	17,665,374	16,950,725
NAVPS	512.9284	490.24	391.01	540.57

GLOSSARY

Term	Definition
BSP	Bangko Sentral ng Pilipinas
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
PAMI or Fund Management Company or Fund Manager	Philam Asset Management, Inc.
PHP or Php	Philippine Pesos
Philamlife	The Philippine American Life and General Insurance Company
PSE	Philippine Stock Exchange
PSGF or Fund or Company	Philam Strategic Growth Fund, Inc.
R.A. 2629	Republic Act No. 2629 or the Investment Company Act
SEC	Securities and Exchange Commission

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.

RISK FACTORS

The Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. With the adoption of Philippine Accounting Standards (PAS) 39 that requires all assets to be valued on a mark-to-market basis, PSGF's NAVPS will experience volatility due to changes in local interest rates.

The Fund is exposed to financial risk through its financial assets and financial liabilities. The more important components of this financial risk are, in order of importance, credit risk, liquidity risk and market risk. These risks arise from open positions in interest rate which are exposed to general and specific market movements. This risk that PSGF primarily faces due to the nature of its investments is interest rate risk and liquidity risk due to the open-end nature of the Fund.

A summary of each Risk Factor is listed by order of importance below:

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

The Fund manages the level of credit risk it accepts through the following: setting up of exposure limits by each counterparty or group of counterparties and industry segments; right of offset where counterparties are both debtors and creditors; guidelines on obtaining collateral and guarantees; reporting of credit risk exposures; monitoring compliance with credit risk policy and review of credit risk policy for pertinence and changing environment.

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

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

The Fund manages liquidity through the following activities: specifies minimum proportion of funds to meet emergency calls; sets up contingency funding plans; specifies the sources of funding and the events that would trigger the plan; determines concentration of funding sources; reports liquidity risk exposures; monitors compliance with liquidity risk policy and reviews the liquidity risk policy for pertinence and changing environment.

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

The Fund structures levels of market risk it accepts through a market risk policy that determines the following: what constitutes market risk for the Fund; basis used to fair value financial assets and liabilities; asset allocation and portfolio limit structure; diversification benchmarks by type of instrument; the net exposure limits by each counterparty or group of counterparties and industry segments; control over hedging activities; reports market risk exposures; compliance with market risk policy and review of market risk policy for pertinence and changing environment.

Since the transactions of the Fund are generally carried out in its functional currency, its exposure to currency risk is minimal. Likewise, since the Fund is established to invest in fixed-income securities, it is not exposed to cash flow interest rate risk and price risk.

- ❖ **Interest Rate Risk:** Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments exposed the Fund to cash flow interest risk, whereas fixed interest rate instruments expose the Fund to fair value risk. PSGF's fixed rate investments in particular are exposed to fair value risk.

The Fund's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

Please find below additional risk control techniques that PAMI employs in the process:

1. Team approach to decision making: PAMI applies a team approach to account management. PAMI always assigns two portfolio managers per account to have a back-up in case of absence. Decisions on most trades involve an analyst, trader, and two portfolio managers, therefore enforcing quality and consistency in our decisions.
2. Industry review: Once a quarter, every industry in the investment grade universe is reviewed. The objective is to formulate an outlook for each industry. The portfolio managers in conjunction with the traders will then determine from this review what the appropriate industry weightings will be for the next 3 months. This way we maintain consistency in industry weightings across portfolios and time.
3. Investment Committee: The Committee meets monthly and reviews all new purchases. Written and oral presentations are given on new issuers added to the portfolios. Also, even though PAMI's clients' portfolios are constrained by their investment guidelines, PAMI applies a consistent investment process across all accounts. This practice further ensures the alignment of interest with our clients.
4. Performance risk: This is managed through the independent production of performance data by a separate performance department. That data is distributed monthly to all portfolio managers, as well as senior management. Pricing of portfolios is carried out by the back office, independently of the portfolio managers. The PAMI Performance Team runs performance attribution for the investment teams using Wilshire Axiom. These reports help PAMI analyze the sources of our return and value added.

The Team uses the following portfolio analytical systems to monitor existing positions and risk exposures.

Risk Management System is a proprietary system fed by the Investment DataBase (IDB). It allows portfolio managers to view a group of portfolios and answer the following questions related to credit default risks:

- How much exposure do we have to a specific industry?
- How much exposure do we have to a specific credit?
- What securities of the credit do we own and how much of each?

- Which accounts have the exposure?
- What are our analysts' current outlook and recommendations for the credit?
- When was the outlook last changed?

All holdings and individual security characteristics, including duration, call data, book value, and yield are analyzed for each portfolio. This system is used to view the key structural parameters of a portfolio. The system provides on a daily basis: index weightings; summary statistics; access to specific holdings; and comparisons between each portfolio and its index benchmark.

Investment risk (for example, tracking error, position size, diversification, etc.) is tracked utilizing a number of external systems as well as internal proprietary systems and frameworks. PAMI uses an approach whereby total tracking error at any given time is subdivided in a variety of sources. The aim is to ensure the ordering of tracking error contributions reflects both diversification and the confidence level in the views that prompt us to take on each source of risk.

□ **Fiduciary duty**

In managing client portfolios, PAMI has a fiduciary responsibility to treat clients fairly. This duty requires a course of conduct, consistent with other statutory and regulatory obligations, that seeks to be prudent and in the client's best interest. When there is a conflict of interest between PAMI and a client, PAMI must make full disclosure to the client, and in certain instances, obtain the client's informed consent prior to pursuing a course of action.

Accordingly, employees and officers of PAMI are required to report to Compliance any activities that appear to violate any laws or the Compliance Manual. PAMI has a policy of non-retaliation, so employees may report apparent violations without fear that such action will have a negative impact on their career in the company. Reports of apparent violations may be made anonymously with Compliance.

FUND FEATURES

Investment Objective

PSGF is an aggressive type of investment dealing with equity securities. An adequate portion of the portfolio will be invested in cash or near cash assets to ensure that redemptions will be adequately and immediately serviced.

Investment Plans

PSGF will invest in a combination of stocks with large and medium capitalization that can provide good value and capital appreciation over the medium term. Management, earnings potential, strong balance sheet, and attractive valuations will be the primary criteria for stock selection. Changes in the macroeconomic conditions can dictate the equities that the Fund will invest in. Temporary shifts to cash or fixed-income instruments may be done as a defensive move.

The minimum investment amount is Php5,000.00³, unless the SEC shall prescribe otherwise.

Shares Offered

The investor may choose to buy shares of the Funds on a “front-end” (Option A) or a “back-end” (Option B) basis.

INVESTMENT RESTRICTIONS

1. Unless ordered otherwise by the Securities and Exchange Commission, the Fund shall not sell securities short or invest in any of the following:
 - a. Margin purchase of securities (investments in partially paid shares are excluded);
 - b. Commodity future contracts;
 - c. Precious metals;
 - d. Unlimited liability investments;
 - e. Other investments as the SEC shall, from time to time, prescribe.
2. The Fund shall not incur any further debt or borrowings unless at the time of its occurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall fall below three hundred percent (300%), the Fund 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%).
3. The Fund shall not participate in an underwriting or selling group in connection with public distribution of securities except for its own capital stock.
4. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of the Fund Management Company, managers or distributors or firms of which any of them are members any security other than the capital stock of the Fund.
5. The Fund shall not make any investment for the purpose of exercising control of management.

³ As amended by a majority vote of the Board of Directors during its Regular Meeting on 27 October 2016 at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City and subject for approval by its stockholders during the Annual Shareholders' Meeting on 27 July 2017.

6. Total operational expenses of the Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in the previous year's audited financial statements of the Fund. The formula shall be as follows:

$$\text{Expense Ratio (\%)} = \frac{\text{Total Operating Expenses}}{\text{Average Net Asset Value}} * 100$$

The average daily net asset value shall be indicated in the investment company's Quarterly and Annual Reports.

7. The maximum investment of the Fund in any single enterprise shall not exceed an amount equivalent to fifteen percent (15%) of the Fund's net asset value except obligations of the Philippine government or its instrumentalities; provided that in no case shall the total investment of the Fund exceed ten percent (10%) of the outstanding securities of any one investee company.
8. For liquidity purposes, unless otherwise prescribed by the SEC, in case of open-end companies, at least five percent (5%) of its fund shall be invested in liquid/semi-liquid assets such as:
- Treasury notes or bills, BSP Certificates of Indebtedness which are short term, and other government securities or bonds and such other evidences of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines.
 - Savings or time deposits with government owned banks or commercial banks, provided that in no case shall any such savings or time deposits account be accepted or allowed under a "bearer", "numbered" account or other similar arrangement.

Provided that, the open-end company fund shall submit a liquidity contingency plan to the Commission before it implements a decreased investment of less than ten percent (10%) in liquid/semi-liquid assets.

9. The Fund does not plan to invest in foreign securities. However, SEC Memorandum Circular #7 Series of 2005 "Guidelines on the Evaluation of Foreign Investments by Mutual Fund Companies" allows mutual fund companies to invest up to 100% of its assets in foreign securities.
10. The Fund may not lend to individual borrowers.
11. Change in the Fund's investment objective should be with notice and prior approval of the SEC. An investment company shall not change its investment objective without the approval from the majority of the Fund's shareholders
12. The Fund's equity portfolio shall be invested in securities listed in the primary board of the PSE. However, the Fund may also invest on companies listed on the secondary board and from time to time on shares of non-listed companies that are about to get listed within three months. The total investment in the secondary board of the PSE may not, in total, exceed twenty percent (20%) of the fund.

Portfolio Mix

The Fund's equity portfolio shall be invested in securities listed in the primary board of the PSE. However, the Fund may also invest in companies listed on the secondary board and

from time to time in shares of non-listed companies that are about to get listed within three months. The total investment in the secondary board of the PSE may not, in total, exceed twenty percent (20%) of the fund.

For defensive purposes, the Fund may invest in SEC-registered debt papers or other certificate of indebtedness/obligations, issuers of whom had been determined as financially sound and approved by the investment committee of the Fund Management Company.

The Fund shall also trade in medium to long-term government securities⁴ (notes, bonds, and other certificate of indebtedness issued by the Philippine Government).

Under normal circumstances, the Fund will invest up to 90% of its assets in equity securities. However, the Manager may, at its discretion, and when in its judgment the conditions so warrant, invest a substantial amount of the Fund's assets in equity securities up to the maximum allowed under prevailing Philippine laws, subject to any existing liquidity requirements as may be required by law.

Eligible Applicant

Shares of the Fund may be held by any person of legal age or any duly organized and existing corporation, partnership, or any other legal entity regardless of citizenship or nationality. If the applicant is a corporation, partnership or other legal entity, copies of the Articles of Incorporation and By-Laws, Certificate of Registration, and the Resolution of the applicant's Board of Directors authorizing the investment, all duly certified, must be submitted with the application.

Offering Price

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

Sales Load

The investor may choose to buy shares of the Funds on a "front-end" (Option A) or a "back-end" (Option B) basis.

Option A or A-shares

Sales commission will be paid to the investor's mutual fund dealer when shares of the Fund are bought. Under this purchase option, the investor may redeem his shares free of charge after the minimum holding period of 6 months has been satisfied. The commission shall not exceed 3% of the investor's total purchase.

Total Relationship Amount (in Php)	Sales Load	Sales Load with VAT
less than 100,000	3%	3.36%
100,000 – 499,999.99	2.5%	2.80%
500,000 – 999,999.99	2%	2.24%
1 M – 4.99M	1.5%	1.68%
5 M – 9.99M	1%	1.12%
10M & up	0.5%	0.56%

⁴ Disclosure of tenor of government securities is deleted subject to PSGF Board Approval during the Regular Meeting scheduled on July 27, 2017.

Option B or B-shares

Allows investments with no initial sales commission deducted. PAMI pays a commission to the dealer on the investor's purchase. In return, the investor agrees to "repay" PAMI a deferred sales charge ("DSC") plus VAT, if he sells the investment, or a portion thereof, within 5 years. The DSC rate decreases as an investor holds on to the investment, and approaches zero by year five (5). In order to reduce the DSC payable, treatment of redemptions of the shares of the fund will be "first in, first out".

Placement Period	Exit Fee	12% VAT on Exit	Exit Fee + 12%
Less than 1 year	5.00%	0.60%	5.60%
More than 1 year but less than 2	4.00%	0.48%	4.48%
More than 2 years but less than 3	3.00%	0.36%	3.36%
More than 3 years but less than 4	2.00%	0.24%	2.24%
More than 4 years but less than 5	1.00%	0.12%	1.12%

The management fee to be charged by PAMI is a maximum of 2.0% per year.

Income Distribution Policy

Surplus profits of the Company (if any), will be used as additional proceeds to invest in eligible securities. The Company does not plan to declare cash dividends.

PROCEDURES IN THE SUBSCRIPTION AND REDEMPTION OF SECURITIES

Opening an Account

Any qualified investor may purchase PSGF shares, through the principal distributor, PAMI, or through any authorized investment solicitor.

1. Individual Accounts

- Client Information Sheet (CIS) for the primary, secondary and principal investors, including Bureau of Internal Revenue (BIR) Tax Identification Number (TIN)
- Subscription Transaction Form (STF)
- Photocopy of one (1) valid ID with photo from each “AND” and “OR” joint investors (authenticated copy).

Examples of acceptable IDs issued by an official authority as contained in the CIS are listed below:

1. Bureau of Internal Revenue (BIR) Tax Identification No. (TIN) I.D.
 2. Department of Foreign Affairs I.D.
 3. Social Security System (SSS) I.D.
 4. Government Service Insurance System (GSIS) I.D.
 5. Philippine Health Insurance Corp. (Philhealth) I.D.
 6. Home Development Mutual Fund (PAG-IBIG) I.D.
 7. Commission on Election (COMELEC) Voters I.D.
 8. Philippine Regulatory Commission (PRC) I.D.
 9. Philippine Postal Office I.D.
 10. Land Transportation Office (LTO) Driver’s License
 11. Philippine Passport
 12. Barangay Office or Center I.D.
- Copy of Trust Agreement in case of ITF account

The receiving agent, PAMI sales or sales & administrative assistant personnel should confirm that the original IDs were personally shown to him by writing in the STF the statement: *ID authenticated by “name of receiving personnel”* and affixing his signature after the statement.

2. Corporate Accounts

- Client Information Sheet (CIS) for corporate accounts, including Bureau of Internal Revenue (BIR) Tax Identification Number (TIN)
- Subscription Transaction Form (STF)
- Articles of Incorporation or Partnership
- By-laws
- Board Resolution or Secretary’s Certificate to invest in the Fund
- Board Resolution or Secretary’s Certificate on the authorized signatories
- Latest General Information Sheet
- Contact numbers
- Sworn statement as to the existence or non-existence of beneficial owners
- Verification of the authority and identification of the person purporting to act on behalf of the client

The receiving agent, PAMI sales or sales & administrative assistant personnel should confirm that he has verified the authority and identification of the person transacting in

behalf of the corporate client by writing in the STF: *“Capacity of Mr. X to transact in behalf of “name of company” authenticated by “name of receiving”* and affixing his signature after the statement.

Additional Investment

To add to an existing account, a STF is accomplished and, together with the check or payment order, submitted to the account manager. For existing joint, any one of the investors can add to the investment and sign the documents. To add to an existing account, an STF should be accomplished and, together with the cash, check or payment order, submitted to a PAMI Certified Investment Solicitor or thru any of the PAMI branches nationwide. For existing joint accounts, any one of the investors may add to the investment and sign the STF documents.

Additional investments can also be made over-the-counter and via online thru any of the cash management banks designated as such by PAMI.

Acceptance of Applications

Applications to purchase are subject to confirmation by PAMI as to the amount of shares, the applicable NAVPS and the final approval by the investment manager. Applications that do not comply with the purchase terms, rules and regulations may be rejected at the sole discretion of the Fund Manager.

PAMI reserves the right to reject subscriptions, or to restrict purchases by an investor, when such purchase is disruptive to the interests of the other shareholders and management of the Fund as determined by the Fund Manager. The subscription amount will be returned to the investor without interest and after deducting applicable bank charges, within five business days.

Determination of NAVPS

The offering price of one share is the Fund’s NAVPS plus an entry fee or sales load and any applicable taxes. The NAVPS is normally calculated as of 8:00 P.M. of each banking day. It is determined by taking the fair value of the Fund’s total assets less all liabilities and divided by the total number of shares outstanding. Other trades which do not meet the custodian’s cut-off time are deemed to have been received the following banking day. Income and expenses are accrued daily and applied when computing for the NAVPS.

Issuance of Stock Certificates

A letter confirming the investment will be given to the shareholder upon approval of the investment application. Stock certificates evidencing ownership of shares shall only be issued by the transfer agent upon the written request of the shareholder and delivered after approval of the application to purchase and receipt of payment, at the address of the investor indicated in the official application to purchase or, upon instruction, to PAMI. Costs of issuance of stock certificates shall be borne by the shareholder.

Should shareholders opt not to receive stock certificates, these shall remain in the custody of the transfer agent.

Statements and Reports

Investors will receive a statement of account on a periodic basis. PAMI shall also send reports, fund updates, fund manager reports and various information materials on a periodic basis to apprise investors of the outlook and performance of the Company and its

funds. Upon the request of the investor, PAMI shall issue certifications, for a fee, and annual reports, which can also be viewed or downloaded from the PAMI website.

NAVPS Computation

NAVPS is defined as the difference of total assets of the Fund less its total liabilities, divided by the number of shares outstanding. The Fund shall compute the NAVPS daily. The price of the Fund will be posted on a conspicuous place in the principal office of the Company and published daily in at least two newspapers of general circulation in the Philippines.

MANNER & METHOD OF REDEMPTION

How to Redeem

Shareholders can file their redemption request forms in any PAMI office. Redemption from the Fund requires filling-out, disclosing and presenting the following information and documents:

- Redemption Request Form (RRF)
- Reason for Redemption (monitoring form)
- 2 Valid IDs (for walk-in redemptions)

The receiving agent, PAMI sales or sales & administrative assistant personnel should make sure that the forms are completely filled-out with the client's signature affixed on the RRF and SAF. If the redemption is coursed thru fax, the original redemption documents must be submitted before the proceeds will be released. Redemption proceeds will be available three days after the transaction date.

Amount of Redemption

Shareholders can redeem their shares in partial or in full. Partial redemption is allowed if number of shares do not go below the prescribed minimum investment.

Redemption

The redemption price of the securities surrendered before the daily cut-off time shall be the same banking day's NAV per share after the request for redemption is received, while those surrendered after the daily cut-off time shall be deemed to have been received on the following banking day. The daily cut-off time shall be 12:00 noon. Payments for securities redeemed shall be effected within seven (7) banking days from receipt of the request for redemption.

Claim of Payment for Redeemed Shares

A shareholder must bring a proper ID. In case of a proxy, an authorization letter should accompany the ID of the duly authorized person.

- Submit stock certificate(s) and fill-up an original redemption request form and/or stock assignment(s), if the redemption order was made through phone.
- Together with the check, shareholders may be given a copy of the redemption request form upon request.

Redemption Fee

For Option A or A-Shares

The applicable holding period for option A or A-shares is six (6) months. Redemptions made within six (6) months are subject to an exit fee of no more than 1% (exclusive of twelve percent VAT) of the redemption proceeds. Redemption fee is based on the following schedule:

Placement Period	Exit Fee	12% VAT on Exit Fee	Exit Fee + 12% VAT
Less than six (6) months	1.00%	0.12%	1.12%
Six months and above	0.00%	0.00%	0.00%

For option B or B-shares

The applicable holding period for option B or B-shares is five (5) years. Redemptions made before 5 years are subject to an exit fee of no more than 5% (exclusive of twelve percent VAT) of the redemption proceeds. Redemption fee is based on the following schedule:

Placement Period	Exit Fee	12% VAT on Exit Fee	Exit Fee + 12% VAT
Less than 1 year	5.00%	0.60%	5.60%
More than 1 year but less than 2 years	4.00%	0.48%	4.48%
More than 2 years but less than 3 years	3.00%	0.36%	3.36%
More than 3 years but less than 4 years	2.00%	0.24%	2.24%
More than 4 years but less than 5 years	1.00%	0.12%	1.12%

Special Considerations

PSGF shall not suspend the right of redemption or postpone the date of payment or satisfaction upon redemption of any redeemable security for more than seven banking days after the tender of such security to the Company, except on the following cases:

1. for any period during which banks are closed other than customary weekend and holiday closings;
2. for any period during which an emergency exists as a result of which (a) disposal by the Company of securities owned by it is not reasonably practicable or (b) it is not reasonably practicable for the Company to determine the value of its net assets; or
3. For such other periods as the SEC may, by order, permit for the protection of security holders of the Company.
4. The Commission may, whenever necessary or appropriate in the public interest and for the protection of investors, suspend the redemption of securities of open-end investment companies.

Note: Shareholders can file their redemption request forms in any PAMI office.

USE OF PROCEEDS

The Company plans to use the proceeds from the sale of the PSGF shares to build up its investment in equities of companies listed in the primary and secondary boards of the PSE. The Fund does not plan to invest in foreign securities. SEC Memorandum Circular #7 Series of 2005 or the "Guidelines on the Evaluation of Foreign Investments by Mutual Fund Companies" nevertheless allows mutual fund companies to invest up to 100% of its assets in foreign securities.

The company may also invest in fixed-income instruments including but not limited to treasury bills, BSP Certificate of Indebtedness, other government securities or bonds and such other evidences of obligations issued by the BSP or guaranteed by the Philippine Government. The proceeds from the sale of securities, including the original subscription of payments at the time of incorporation including the original paid-in capital of the investment company shall be held by the custodian bank.

Estimated gross proceeds of the additional 25,943,980 PSGF shares, if sold at NAVPS (i.e., Php511.01) as of March 22, 2017, is Php13,257,633,219.80. In accordance with the SEC's Investment Restrictions and Guidelines, the following table lists the estimated expenses pertaining to the Fund's issuance and distribution as well as the estimated net proceeds from the sale of the PSGF shares.

PARTICULARS	AMOUNT
Estimated Gross Proceeds	13,257,633,219.80
Less Estimated Expenses:	
SEC Registration & Filing Fees	3,915,677.38
Documentary Stamp Taxes	439,734.50
Legal Fees	150,000.00
Management Fees	198,864,498.30
Directors Fees	200,000.00
Advertising (Print)	150,000.00
Sales & Marketing	100,000.00
Prospectus, Letters & Envelopes	50,000.00
Postage	5,000.00
<i>Total Estimated Expenses</i>	<i>203,874,910.18</i>
Estimated Net Proceeds	13,053,758,309.62

No material amount of the proceeds will be used to acquire or finance the acquisition of other businesses. The proceeds will not be used to discharge debt or reimburse any officer, director or shareholder for services rendered, assets previously transferred, money advanced or otherwise, or any other expenses. The proceeds derived by the Fund from the sale of its shares, will be held by the custodian bank.

DETERMINATION OF OFFERING PRICE

The offering price of one share is its NAVPS plus the entry fee or sales load together with twelve percent (12%) Value Added Tax (V.A.T.). The Fund's investing and trading activities on the trade date shall be included in the NAVPS calculation on the same day. Other trades which do not meet the custodian's cut-off time are included in the NAVPS calculation one business day from trade date (T+1). Total number of shares subscribed to and redeemed from the Fund will be included in the NAVPS calculation one (1) day after

the day of transaction. The daily cut-off time shall be 12 o'clock noon of a banking day. A banking day is defined as a day when commercial banks in Metro Manila are not required or authorized to close by law.

PLAN OF DISTRIBUTION

Based on Portion II Section 7 and 8 of the Management & Distribution Agreement, PAMI functions only as the principal distributor of the Fund and will sell on a best efforts basis. PAMI does not have any arrangement to designate or nominate a member or members of the board of directors of PSGF. Similarly, PAMI does not have the right to designate or sell shares to specified persons.

The Market Regulation Department of SEC issued PAMI its license to operate as an Investment Company Adviser on November 27, 2015, subject to the provisions of the Investment Company Act, the Securities Regulation Code and its implementing rules and regulations, as well as other pertinent laws, rules and regulations applicable. The Confirmation of the Payment of Annual Fees was issued by the same SEC Department last November 29, 2016 with the provision that the terms and conditions imposed upon the original/amended registration of the company shall continuously apply and their licenses shall remain valid unless otherwise revoked for cause or suspended or voluntarily surrendered or cancelled by the Commission.

Also licensed by the SEC to engage in the distribution of securities to the public, PAMI will directly distribute Fund shares through its licensed account managers and sales officers. Campaigns will utilize print media, direct mailers, and telemarketing. Promotions will be directed at both the distribution channels and the retail investor.

As investment manager and principal distributor, PAMI is entitled to Management fees pegged at an equivalent to 1/6 of 1% of the average net value of the Company's assets per month computed on a daily basis or not more than 2.0% of the average net asset of the Company's assets per year. The sales load, which will be directly used for commissions, will not be more than three percent (3%) of the amount invested.

DESCRIPTION OF SECURITIES TO BE REGISTERED

PSGF was incorporated with an authorized capital stock of Five Hundred Seventy Five Million Pesos (Php575,000,000.00), divided into five million seven hundred fifty thousand 5,750,000 redeemable common shares with par value of One Hundred Pesos (Php100.00) for each share.

During the annual meeting on May 30, 2002, the stockholders owning or representing at least two-thirds of the outstanding capital stock of the Fund approved the recommendation of the Board of Directors of the Fund to (a) increase the authorized capital stock of PSGF from Five Hundred Seventy Five Million Pesos (Php575,000,000.00) to Ten Billion Pesos (Php10,000,000,000.00) to be implemented in tranches and (b) to amend, from time to time as determined by the Board of Directors, the Seventh Article of Incorporation to reflect each partial increase in the authorized capital stock. All actions are in compliance with Section 38 of the Corporation Code of the Philippines and the Investment Company Act.

On February 20, 2008, the Board of Directors of the Fund, by a vote of the majority of all its members, resolved to increase PSGF's authorized capital stock from Nine Hundred Twenty Million Three Hundred Fifty One Thousand Two Hundred Pesos (Php920,351,200.00) to Three Billion Five Hundred Seventy Nine Million Three Hundred Twenty Four Thousand Four Hundred Pesos (Php3,579,324,400.00) as the second

tranche. On July 16, 2008, the SEC approved the Amended Articles of Incorporation of PSGF thereby increasing its authorized capital stock to Three Billion Five Hundred Seventy Nine Million Three Hundred Twenty Four Thousand Four Hundred Pesos (Php3,579,324,400.00), divided into thirty five million seven hundred ninety three thousand two hundred forty four shares (35,793,244) with par value of One Hundred Pesos (Php100.00) per share and registered on August 12, 2009. Of the increase in the authorized capital stock, twenty six million five hundred eighty nine thousand seven hundred thirty two (26,589,732) new shares were offered to the public with an offer price equivalent to the Net Asset Value per Share (“NAVPS”) plus an entry fee or sales load.

On December 10, 2015, the Board of Directors of the Fund, by a vote of the majority of its members, resolved to increase PSGF’s authorized capital stock from Three Billion Five Hundred Seventy Nine Million Three Hundred Twenty Four Thousand Four Hundred Pesos (Php3,579,324,400.00) divided into Thirty Five Million Seven Hundred Ninety Three Thousand Two Hundred Forty Four (35,793,244) shares with par value of One Hundred Pesos (Php100.00) each to Six Billion One Hundred Seventy Three Million Seven Hundred Twenty Two Thousand Four Hundred Pesos (Php6,173,722,400.00) divided into Sixty One Million Seven Hundred Thirty Seven Thousand Two Hundred Twenty Four (61,737,224) shares with par value of One Hundred Pesos (Php100.00), representing the third tranche of the increase in the authorized capital stock of the Corporation to up to Ten Billion Pesos (Php10,000,000,000.00). The Application for the Increase in Authorized Capital Stock for PSGF was filed on February 23, 2016 and approved by the SEC on 06 October 2016.

Each share of PSGF stock is a voting stock with voting rights equal to every other outstanding stock. Furthermore, each share of stock is subject to the following rights:

1. Right of Redemption at NAVPS
2. Power of Inspection
3. Right to Information
4. Right to Dividends
5. Appraisal Right

However, each share of PSGF stock is subject to the following restrictions:

1. Waiver of pre-emptive rights – No stockholder shall, because of his ownership of stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the Corporation.
2. Restriction on transfer – No transfer of stock of the Corporation which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the proper books of the Corporation.

There is no provision in the Company’s Articles of Incorporation or By-Laws that would delay, deter, or prevent a change in control of the registrant.

The Company has not sold any unregistered or exempt securities and is prohibited from selling these types of securities. Hence, no exceptions from registration were claimed nor were there any dealings with underwriters to that effect.

CORPORATE PROFILE OF PSGF

PSGF is a stock corporation incorporated on April 27, 1998. The company's sole product is shares (securities) of PSGF. PAMI will directly distribute the PSGF shares. For the fiscal year ending December 31, 2015, PSGF's net investment loss was Php1.64 billion. This is Php506 million or 76.47% lower as compared with Php2.16 billion of net investment income for the period ended December 31, 2014. The movement is highly characterized by the performance of the market for the period.

There are currently 57 registered mutual funds in the industry with over Php257B in assets under management⁵. The principal method of competition within the mutual fund industry is performance and service. Distributed nationwide, PSGF belongs to the peso-denominated stock fund segment with 13 other competitors.

The following table summarizes a comparison of PSGF against its competitors for January to December 2016⁶:

FUND NAME	SALES	REDEMPTIONS	NET SALES
ALFM Growth Fund, Inc.	654,665,242.87	1,299,748,208.45	(645,082,965.58)
ATRAM Alpha Opportunity Fund, Inc.	33,178,690.49	14,285,764.26	18,892,926.23
ATRAM Phil. Equity Opportunity Fund, Inc.	192,439,686.75	1,396,345,535.04	(1,203,905,848.29)
First Metro Save and Learn Equity Fund, Inc.	400,004,609.08	1,278,440,669.74	(878,436,060.66)
One Wealthy Nation Fund, Inc.	1,128,462.97	13,802,891.39	(12,674,428.42)
PAMI Equity Index Fund, Inc.	1,008,792,902.69	403,830,305.43	604,962,597.26
Philam Strategic Growth Fund, Inc.	3,840,184,703.82	1,956,213,639.64	1,883,971,064.18
Philequity Dividend Yield Fund, Inc.	297,203,192.98	251,047,714.06	46,155,478.92
Philequity Fund, Inc.	1,146,475,336.46	1,769,438,619.65	(622,963,283.19)
Philequity PSE Index Fund, Inc.	473,221,929.13	172,469,025.23	300,752,903.90
Philippine Stock Index Fund Corp.	2,476,678,421.82	2,689,380,279.86	(212,701,858.04)
Soldivo Strategic Growth Fund, Inc.	209,485,743.79	51,373,287.53	158,112,456.26
Sun Life Prosperity Philippine Equity Fund, Inc.	1,343,742,357.74	4,466,222,214.73	(3,122,479,856.99)
Sun Life Prosperity Phil. Stock Index Fund, Inc.	1,128,009,113.61	257,867,775.03	870,141,338.58
United Fund, Inc.	2,925,974.07	53,301,913.86	(50,375,939.79)

The following table summarizes a comparison of PSGF against its competitors for January to December 2015⁷:

⁵ Source: Philippine Investment Fund Association (PIFA)

⁶ Source: Philippine Investment Fund Association (PIFA)

⁷ Source: Philippine Investment Fund Association (PIFA)

FUND NAME	SALES	REDEMPTIONS	NET SALES
ALFM Growth Fund, Inc.	998,836,512.51	1,127,613,732.88	(128,777,220.37)
ATRAM Alpha Opportunity Fund, Inc.	46,131,336.99	126,744,354.69	(80,613,017.70)
ATRAM Phil. Equity Opportunity Fund, Inc.	989,085,108.45	2,769,512,842.15	(1,780,427,733.70)
First Metro Save and Learn Equity Fund, Inc.	1,386,512,812.94	1,407,974,532.54	(21,461,719.60)
PAMI Equity Index Fund, Inc.	1,567,617,832.45	2,668,227.43	1,564,949,605.02
Philam Strategic Growth Fund, Inc.	10,867,097,242.16	3,268,773,113.81	7,598,324,128.35
Philequity Dividend Yield Fund, Inc.	1,425,519,745.78	384,737,220.05	1,040,782,525.73
Philequity Fund, Inc.	3,709,210,636.63	2,843,633,541.42	865,577,095.21
Philequity PSE Index Fund, Inc.	539,220,533.47	70,091,408.19	469,129,125.28
Philippine Stock Index Fund Corp.	2,190,497,354.31	5,215,748,535.88	(3,025,251,181.57)
Soldivo Strategic Growth Fund, Inc.	327,311,172.39	8,205,065.99	319,106,106.40
Sun Life Prosperity Philippine Equity Fund, Inc.	5,220,836,375.87	4,802,476,325.84	418,360,050.03
Sun Life Prosperity Phil. Stock Index Fund, Inc.	1,527,092,993.59	28,787,649.45	1,498,305,344.14
United Fund, Inc.	80,742,939.23	28,863,345.67	51,879,593.56

The following table summarizes a comparison of PSGF against its competitors for January to December 2014⁸:

FUND NAME	SALES	REDEMPTIONS	NET SALES
ALFM Growth Fund, Inc.	4,697,971,981.02	2,369,111,122.14	2,328,860,858.88
ATRAM Alpha Opportunity Fund, Inc.	158,162,194.80	170,977,547.74	(12,815,352.94)
ATRAM Phil. Equity Opportunity Fund, Inc.	2,460,748,713.80	4,745,239,489.32	(2,284,490,775.52)
First Metro Save and Learn Equity Fund, Inc.	1,521,883,649.31	2,641,154,744.98	(1,119,271,095.67)
PAMI Equity Index Fund, Inc.	6,954,670,744.92	3,353,948,541.29	3,600,722,203.63
Philam Strategic Growth Fund, Inc.	4,304,772,411.51	1,492,995,761.69	2,811,776,649.82
Philequity Dividend Yield Fund, Inc.	2,844,035,602.31	1,105,596,014.30	1,738,439,588.01
Philequity Fund, Inc.	16,353,910.57	8,275,757.18	8,078,153.39
Philequity PSE Index Fund, Inc.	9,207,274,941.67	3,861,361,628.06	5,345,913,313.61
Philippine Stock Index Fund Corp.	119,539,062.46	296,500.77	119,242,561.69
Soldivo Strategic Growth Fund, Inc.	4,751,419,100.34	5,649,524,713.37	(898,105,613.03)
Sun Life Prosperity Philippine Equity Fund, Inc.	65,147,654.19	169,292,364.27	(104,144,710.08)
Sun Life Prosperity Phil. Stock Index Fund, Inc.	4,697,971,981.02	2,369,111,122.14	2,328,860,858.88
United Fund, Inc.	158,162,194.80	170,977,547.74	(12,815,352.94)

The major competitor of PSGF is the Sun Life Prosperity Philippine Equity Fund, Inc. (the "Sun Life Equity Fund"). Sold by distribution agents, the Sun Life Equity Fund has over Php15 Billion in assets (as of end-Dec 2015). Other competitors include the Philequity Fund, Inc., Philippine Stock Index Fund Corp., and ALFM Growth Fund, Inc., as well as another PAMI-managed fund, PAMI Equity Index Fund, Inc.

⁸ Source: Philippine Investment Fund Association (PIFA)

PSGF competes very well with all the other stock funds given PAMI's financial muscle and distribution capabilities. PAMI's main distribution channels are the Philamlife agency force, which has over 8,000 agents. A major distribution channel is the third party distributor group which grows their customer relationships by expanding their product and service offerings.

Hence, based on the above discussion, we believe that the Fund will perform well in terms of both yield and sales. Furthermore, the Fund's cash flow facility will be a major differential advantage that will attract long-term investors.

As investment manager, PAMI is tasked to provide and render management and technical services to PSGF. PAMI also functions as the principal distributor of PSGF. As such, it takes charge of sales of the PSGF shares to prospective investors. Through its Management and Distribution Agreement with PSGF, the guidelines for the management of the resources and operations of PSGF by PAMI are set. PAMI is wholly owned by Philamlife.

PAMI will charge a monthly management fee equivalent to 1/6 of 1% of the average net value of the Company's assets computed on a daily basis or not more than 2.0% per year, of the average net value of the Fund's assets. A sales load of not more than three percent (3%) of the investment will also be charged. Waiver of sales loads can be negotiated with institutional investors on a case-to-case basis. PAMI is also entitled to an incentive fee equivalent to 1/10 of the increase in net asset value multiplied by the average daily number of shares outstanding of the Company for such year. These rates have been arrived at after a study of the fees currently charged by bank CTFs, the most logical competitor benchmark.

The Custodial Agreement establishes the relationship among PSGF, PAMI, and Citibank N.A. ("Citi"), as the custodian bank. The Custodial Agreement covers the custodian bank's duties on receipt of securities, identification and segregation of assets, registration of assets, reports and records to be accomplished by the custodian bank, custody of PSGF investments and fees of the custodian bank. Based on the Fund's Assets Under Management, Citibank N.A. custodian fees are computed at 1.35 bps per annum. The bank fee of Php100 is charged per transaction.

The transfer agent of PSGF is the Philam Asset Management, Inc. (PAMI), pursuant to a Transfer Agency Agreement executed by PSGF and PAMI. The primary responsibility of the transfer agent is the accurate record keeping of individual shareholdings and the issuance and cancellation of stock certificates. PAMI charges PSGF a fee computed at the rate of 5 bps per annum based on the Fund's Assets Under Management.

COMPLIANCE WITH REGULATIONS

Investment Company Act of 1960

Investment companies are primarily regulated by Republic Act No. 2629, the Investment Company Act of 1960, and its implementing rules and regulations. Subject to exceptions under RA 2629, 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, reinvesting, or trading in securities. Investment companies may be either open-end or closed-end. An open-end company is an investment company that offers for sale, or has outstanding, any redeemable security of which it is the issuer. A closed-end company is any investment company other than an open-end company.

Investment companies must be organized as stock corporations and must comply with the requirements of the Corporation Code of the Philippines, as well as with the following additional requirements under RA 2629:

1. Minimum subscribed and paid-in capital of at least PhP50,000,000.00;
2. All members of the Board of Directors must be Filipino citizens;
3. All shares of its capital stock must be common and voting shares; and
4. In the case of open-end companies, the Articles of Incorporation shall provide for the waiver of pre-emptive rights of shareholders.

The Company has complied with the above requirements.

RA 2629 requires every investment company organized or created under Philippine laws to register by filing with the SEC a registration statement, which shall set forth such information that the SEC may require. Furthermore, any securities proposed to be issued and distributed or sold by the investment company must likewise be registered with the SEC.

For the protection of its investors, every registered investment company is required to place and maintain its securities and similar investments in the custody of a duly organized local commercial bank of good repute; or a company which is a member of a securities exchange as defined in the Securities Act (now the Securities Regulation Code), subject to such rules and regulations as the SEC may from time to time prescribe; or such registered company, but only in accordance with such rules and regulations or orders as the SEC may from time to time prescribe for the protection of investors.

Registered investment companies are subject to the reporting provisions of SRC Rule 17.1. Moreover, ICA Rule 35-1(i) requires the registered investment companies, within the first ten (10) days of every month, to submit to the SEC reports under oath executed on behalf of the investment companies by their Treasurer or any other officer, showing the following information:

1. the total amount received from the sale of shares;
2. the total amount of redemption;
3. the number of shares outstanding at the beginning of the month;
4. the number of shares sold during the month;
5. the number of shares redeemed during the month;
6. the number of shares outstanding at the end of the month; and
7. the percentage of the outstanding shares owned by Filipinos.

Investment companies are also required to file with the SEC such information and documents including financial statements as the SEC may require, on a semi-annual or quarterly basis, to keep reasonably current the information and documents contained in the registration statements filed by the investment companies when they registered as investment companies as required under RA 2629.

Anti-Money Laundering Act

SEC Memorandum Circular No. 2, Series of 2015, describes Money Laundering as “the processing of the proceeds of a crime to disguise their origin. It is a process intended to mask the benefits derived from serious offenses or criminal conduct as described under the Act, so that they appear to have originated from a legitimate source.” Money Laundering, whether it be facilitating or assisting in such act, is considered as a criminal offense.

PAMI strictly enforces its PAMI Anti-Money Laundering SOP and Guidelines, procedures and training. This is also in compliance with the laws and regulations under the Anti-Money Laundering Act.

PAMI Sales Representatives shall ascertain the identity of each client by performing their KYC (Know Your Customer). PAMI Sales Representative shall also obtain competent evidence of their client's identity and/or proof of source of funds by requiring the submission of certain documents as stated in the Anti-Money Laundering Guidelines prior to opening an account. Any additional subscriptions /top ups should also be in compliance of the said guidelines.

PAMI reserves the right to reject any application to purchase shares of the Fund if found to be non-compliant with the foregoing.

Foreign Account Tax Compliance Act ("FATCA")

The U.S. Foreign Account Tax Compliance Act ("FATCA") has the objective of preventing tax evasion by U.S. persons by placing certain compliance and reporting obligations on Foreign Financial Institutions ("FFIs") including mutual funds such as PAMI Income Payout Fund. If the Fund is found to be non-compliant it may be subject to a 30% withholding on U.S. source income or proceeds. As such, establishing and continually maintaining FATCA-compliant processes across all business functions is of critical importance to PAMI and the mutual funds it manages.

The requirements of FATCA are complex and requires FFIs to undertake due diligence to identify U.S. customers, report U.S. customers to the U.S. Inland Revenue Services ("IRS") or the Philippines Bureau of Internal Revenue ("BIR") together with customers who are unable or unwilling to confirm their corresponding U.S. status (recalcitrant customers) and in certain circumstances to withhold against or terminate accounts of recalcitrant customers. In line with this, PAMI strictly enforces its PAMI FATCA SOP and Guidelines, procedures and training.

Similarly, as an internal control, PAMI will not accept clients who are U.S. Citizens. However, PAMI will accept clients with U.S. Indicias provided that, together with the Customer Information Sheet or Subscription form, they submit the required FATCA documents.

PAMI reserves the right to reject any application to purchase shares of the Fund if found to be non-compliant with the foregoing.

Employees

PSGF employs no personnel as it functions solely through its Fund Manager, PAMI.

Properties

PSGF does not own any real or personal properties (such as real estate, plant and equipment, mines, patent, etc.). Neither does the Fund lease any property nor does it intend to acquire any real or personal properties within the next 12 months.

Legal Proceedings

There is no pending litigation or arbitration proceedings where the Company is a party and no litigation or claim of material importance is known to the Directors of PSGF to be

pending or threatened against the Company during the past five (5) years up to the date of this Prospectus.

MARKET FOR ISSUER'S COMMON EQUITY & RELATED STOCKHOLDERS' MATTERS

Market Information

PSGF is not listed in the Philippine Stock Exchange and is sold by PAMI's main distribution channels - the Philam Life licensed agents and PAMI's branches nationwide.

There is no public trading market for PSGF shares.

The registrant can satisfy cash requirements in the medium term (5 years) through internally generated funds. This is so because the registrant does not have substantial fixed overhead costs to cover. Therefore, the registrant does not have to raise additional funds in the next twelve months to meet its cash requirements.

Net Asset Value per Share per Quarter

QTR		YEAR	DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
1	LOW	2015	6-Jan	543.32	2016	21-Jan	453.54	2017	3-Jan	489.71
	HIGH		4-Mar	582.72		21-Mar	531.96		24-Jan	520.75
2	LOW		9-Jun	539.2		5-May	510.11			
	HIGH		13-Apr	595.58		29-Jun	558.45			
3	LOW		24-Aug	500.11		14-Sep	541.15			
	HIGH		23-Jul	557.88		21-Jul	580.13			
4	LOW		14-Dec	491.34		23-Dec	471.23			
	HIGH		26-Oct	533.48		4-Oct	551.73			

Holdings

As of April 30, 2017, there were a total of 16,720 holders of redeemable common stock (one class of shares only) totaling 54,615,253.00 shares⁹. Following are the top 20 shareholders:

	NAME	NO. OF SHARES	% OF TOTAL SHARES
1	THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE)	25,561,292	51.5105%
2	BPI-PHILAM LIFE ASSURANCE CORPORATION	8,640,882	15.8214%
3	RESINS INCORPORATED	1,341,125	2.4556%
4	CITICORP FINANCIAL SERVICES & INSURANCE BROKERAGE PHILS INC FAO CITIBANK N.A. VARIOUS CLIENTS	1,135,140	2.0784%
5	CEBU CFI COMMUNITY COOPERATIVE	295,735.00	0.5415%
6	LBP-PROVIDENT FUND	275,281.00	0.5040%
7	TPG CORPORATION	246,101.00	0.4506%
8	GO, GERRY Q.	190,592.00	0.3490%
9	NOVALICHES DEVELOPMENT COOPERATIVE	175,597.00	0.3215%

⁹ Of which 35,793,244 shares are registered and 18,822,009 shares are unregistered.

10	HOLY ANGEL UNIVERSITY	171,888.00	0.3147%
11	PHILCOMSAT HOLDINGS CORPORATION	110,408.00	0.2022%
12	RAMPVER INSURANCE AGENCY TRADE & DEVT INC	102,447.00	0.1876%
13	RIVERBANKS DEVELOPMENT CORPORATION	98,969.00	0.1812%
14	LEE, JAMES CHIEW	92,001.00	0.1685%
15	LHULLIER, JEAN HENRI D.	90,944.00	0.1665%
16	PALARAN, ANITA SALES	76,566.00	0.1402%
17	MARILAG CORPORATION	73,761.00	0.1351%
18	MONTILLANO, FRANCISCO E.	72,019.00	0.1319%
19	ALIMAN, LESLIE ANNE C	70,383.00	0.1289%
20	LUSTRE, ALEC S	68,777.00	0.1259%

Dividends

PSGF has not declared any cash dividends for the last three (3) years. The Company does not plan to declare cash dividends. Surplus profits of the Company (if any), will be used as additional proceeds to invest in eligible securities¹⁰.

Under R.A. 2629, it shall be unlawful for any registered investment company to pay any dividend, or make any distribution in the nature of a dividend payment, wholly or partly from any source other than: (i) from the investment company's accumulated undistributed net income, determined in accordance with good accounting practice and including profits or losses realized upon the sale of securities or properties; or (ii) from the Fund's earned surplus so determined for the current or preceding fiscal year, unless such payment is accompanied by a written statement which adequately discloses the source or sources of such payment. The SEC may prescribe the form of such statement by rules or regulations or by order in the public interest and for the protection of investors. It shall also be unlawful to advertise such dividends in terms of centavos or pesos per share without also stating the percentage they bear to the par value per share.

¹⁰ As amended by a majority vote of the Board of Directors during its Regular Meeting on 27 October 2016 at Net Lima Building, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City and subject for approval by its stockholders during the Annual Shareholders' Meeting on 27 July 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

OPERATIONAL HIGHLIGHTS/TOP 5 PERFORMANCE INDICATORS

1. Assets Under Management ("AUM")

Interim Year for the Period Ending March 31, 2017 vs. 2016

The Fund's net assets increased by Php2.37 billion or 9.11% as of March 31, 2017 as compared to the same period in 2016. The increase is due to continuous client subscriptions along with the positive market movement for the period ended and the strategy of the fund manager in the management of the Fund's assets.

Fair Values of Assets and Gain for the Period Ending March 31, 2017

The Fund's total assets as of March 31, 2017 increased by Php2.222 billion or 8.68% as compared with the December 31, 2016 balance. Large portion of the increase is attributable to the increase of the Fund's investments in financial assets measured at fair value through profit or loss amounting to Php2.219 billion or 99.81% of Php2.222 billion. This is in addition to the good performance of the market for the period then ended, continuing client subscription and the strategy of the Fund manager in managing the Fund's assets.

FY 2016 vs. FY 2015

The Fund's Assets Under Management as of the year ending December 31, 2016 increased by almost 44% at Php25.595 Billion as compared to the net assets as of December 31, 2015, posted at Php17.665 Billion.

Fair Values of Assets and Gain for the Period Ending December 31, 2016

The movement in the financial performance for the past three years is highly characterized by the movement of fair value gains (losses) as a result of the market's movement. Moreover, the accruals increased as a result of the fluctuation of the Fund AUM which is the basis of its computation.

With PAMI's strategy to distribute and manage the Fund's assets, there is no known event that may affect the continuity of operation of the Fund.

FY 2015 vs. FY 2014

PSGF's AUM grew by 34.8% from Php16.95 billion in 2014 to Php22.85 billion in 2015. This is attributable to the strong selling efforts of the PAMI Sales Teams and Agents.

FY 2014 vs. FY 2013

The Fund's Assets Under Management increased by 51.27% from Php11.20 billion in 2013 to Php16.95 billion in 2014.

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

QTR		YEAR	DATE	NAVPS	YEAR	DATE	NAVPS	YEAR	DATE	NAVPS
1	LOW	2015	6-Jan	543.32	2016	21-Jan	453.54	2017	3-Jan	489.71
	HIGH		4-Mar	582.72		21-Mar	531.96		24-Jan	520.75

2	LOW	9-Jun	539.2	5-May	510.11		
	HIGH	13-Apr	595.58	29-Jun	558.45		
3	LOW	24-Aug	500.11	14-Sep	541.15		
	HIGH	23-Jul	557.88	21-Jul	580.13		
4	LOW	14-Dec	491.34	23-Dec	471.23		
	HIGH	26-Oct	533.48	4-Oct	551.73		

3. Sales and Redemptions

The following table summarizes the performance of PSGF (January to December 2015) in Php¹¹:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Philam Strategic Growth Fund, Inc.	10,867,097,242.16	3,268,773,113.81	7,598,324,128.35

The following table summarizes the performance of PSGF (January to December 2016) in Php¹²:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Philam Strategic Growth Fund, Inc.	5,845,986,396.00	2,487,153,060.07	3,358,833,335.93

The following table summarizes the performance of PSGF (January to March 2017) in Php¹³:

FUND NAME	SALES	REDEMPTIONS	NET SALES
Philam Strategic Growth Fund, Inc.	1,378,977,118.72	237,256,575.29	1,141,720,543.43

4. Funds Performance Against Competitors

The following table summarizes a comparison of PSGF against its competitors for January to March 2017¹⁴:

FUND NAME	SALES	REDEMPTIONS	NET SALES
ALFM Growth Fund, Inc.	173,020,832.68	222,619,381.39	(49,598,548.71)
ATRAM Alpha Opportunity Fund, Inc.	80,217,353.25	46,846,027.83	33,371,325.42
ATRAM Phil. Equity Opportunity Fund, Inc.	100,843,112.34	104,716,012.86	(3,872,900.52)
First Metro Save and Learn Equity Fund, Inc.	96,270,075.36	80,054,857.90	16,215,217.46
One Wealthy Nation Fund, Inc.	192,113.50	2,917,406.15	(2,725,292.65)
PAMI Equity Index Fund, Inc.	422,934,489.83	73,731,622.76	349,202,867.07
Philam Strategic Growth Fund, Inc.	1,378,977,118.72	237,256,575.29	1,141,720,543.43
Philequity Dividend Yield Fund, Inc.	720,085,360.03	1,034,355,630.18	(314,270,270.15)
Philequity Fund, Inc.	243,527,623.11	737,414,305.45	(493,886,682.34)
Philequity PSE Index Fund, Inc.	101,770,974.81	34,548,615.77	67,222,359.04
Philippine Stock Index Fund Corp.	612,505,434.88	1,258,842,326.82	(646,336,891.94)

¹¹ Source: Philippine Investment Funds Association (PIFA)

¹² Source: Philippine Investment Funds Association (PIFA)

¹³ Source: Philippine Investment Funds Association (PIFA)

¹⁴ Source: Philippine Investment Funds Association (PIFA)

Soldivo Strategic Growth Fund, Inc.	50,920,241.25	14,143,504.82	36,776,736.43
Sun Life Prosperity Philippine Equity Fund, Inc.	222,264,385.24	478,988,020.61	(256,723,635.37)
Sun Life Prosperity Phil. Stock Index Fund, Inc.	233,999,562.59	101,953,540.56	132,046,022.03
United Fund, Inc.	7,784,224.83	625,396.39	7,158,828.44

The following table summarizes a comparison of PSGF against its competitors for January to December 2016¹⁵:

FUND NAME	SALES	REDEMPTIONS	NET SALES
ALFM Growth Fund, Inc.	934,063,627.04	1,424,903,479.57	(490,839,852.53)
ATRAM Alpha Opportunity Fund, Inc.	130,226,110.07	20,304,017.08	109,922,092.99
ATRAM Phil. Equity Opportunity Fund, Inc.	380,528,299.47	1,469,077,042.76	(1,088,548,743.29)
One Wealthy Nation Fund, Inc.	487,935,139.48	1,404,162,989.73	(916,227,850.25)
First Metro Save and Learn Equity Fund, Inc.	1,359,699.97	13,922,574.88	(12,562,874.91)
PAMI Equity Index Fund, Inc.	1,763,330,917.79	503,886,384.43	1,259,444,533.36
Philam Strategic Growth Fund, Inc.	5,845,986,396.00	2,487,153,060.07	3,358,833,335.93
Philequity Dividend Yield Fund, Inc.	332,748,205.25	532,653,054.42	(199,904,849.17)
Philequity Fund, Inc.	1,376,660,879.34	2,126,155,076.36	(749,494,197.02)
Philequity PSE Index Fund, Inc.	809,282,246.44	180,620,501.29	628,661,745.15
Philippine Stock Index Fund Corp.	2,976,680,344.45	3,139,489,910.85	(162,809,566.40)
Soldivo Strategic Growth Fund, Inc.	326,507,555.97	56,404,146.87	270,103,409.10
Sun Life Prosperity Philippine Equity Fund, Inc.	1,776,812,763.93	4,851,361,690.62	(3,074,548,926.69)
Sun Life Prosperity Phil. Stock Index Fund, Inc.	1,629,405,601.77	325,848,425.03	1,303,557,176.74
United Fund, Inc.	7,326,736.72	56,310,627.31	(48,983,890.59)

The following table summarizes a comparison of PSGF against its competitors for January to December 2015¹⁶:

FUND NAME	SALES	REDEMPTIONS	NET SALES
ALFM Growth Fund, Inc.	998,836,512.51	1,127,613,732.88	(128,777,220.37)
ATRAM Alpha Opportunity Fund, Inc.	46,131,336.99	126,744,354.69	(80,613,017.70)
ATRAM Phil. Equity Opportunity Fund, Inc.	989,085,108.45	2,769,512,842.15	(1,780,427,733.70)
First Metro Save and Learn Equity Fund, Inc.	1,386,512,812.94	1,407,974,532.54	(21,461,719.60)
PAMI Equity Index Fund, Inc.	1,567,617,832.45	2,668,227.43	1,564,949,605.02
Philam Strategic Growth Fund, Inc.	10,867,097,242.16	3,268,773,113.81	7,598,324,128.35
Philequity Dividend Yield Fund, Inc.	1,425,519,745.78	384,737,220.05	1,040,782,525.73
Philequity Fund, Inc.	3,709,210,636.63	2,843,633,541.42	865,577,095.21
Philequity PSE Index Fund, Inc.	539,220,533.47	70,091,408.19	469,129,125.28
Philippine Stock Index Fund Corp.	2,190,497,354.31	5,215,748,535.88	(3,025,251,181.57)
Soldivo Strategic Growth Fund, Inc.	327,311,172.39	8,205,065.99	319,106,106.40

¹⁵ Source: Philippine Investment Funds Association (PIFA)

¹⁶ Source: Philippine Investment Funds Association (PIFA)

Sun Life Prosperity Philippine Equity Fund, Inc.	5,220,836,375.87	4,802,476,325.84	418,360,050.03
Sun Life Prosperity Phil. Stock Index Fund, Inc.	1,527,092,993.59	28,787,649.45	1,498,305,344.14
United Fund, Inc.	80,742,939.23	28,863,345.67	51,879,593.56

5. Fund Management & Environmental Analysis

Market and Economic Review

The PSEi was back in the green in March, advancing by 1.4% to close at 7,312. This despite a continued lack of news flow and acceleration in net foreign selling to \$251 million. Average daily value traded rose 11% month-on-month to P6.7 billion per day, though much of this increase was related to rebalancing in the PSEi and FTSE indices.

Investors continue to await the passage of the first tax reform package, which is critical to the government's lofty infrastructure spend targets. Failure to pass this package will negatively impact GDP growth, interest rates and/or the Peso.

March inflation inched up to a new multi-year high of 3.4%. The 10-year treasury yield rose 69 bps to 5.0554. The Peso held steady this time, appreciating 14bps to 50.2.

Outlook

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

The table below summarizes the accounts with material movements (+/- 5%) and their corresponding explanations¹⁷:

Accounts	2016	2016	Change in Amount	Change in %
	(Php in thousands)	(Php in thousands)	(Php in thousands)	
Cash and cash equivalents	888,441.00	749,091.00	139,350.00	18.60%
Financial assets at fair value through profit or loss	23,935,990.00	20,219,456.00	3,716,534.00	18.38%
Available-for-sale securities	587,200.00	2,079,369.00	(1,492,169.00)	-71.76%
Loans and receivables	178,769.00	63,289.00	115,480.00	182.46%
Other assets	5,095.00	1,975.00	3,120.00	157.97%
Deposit for share subscription		5,183,832.00	(5,183,832.00)	-100.00%
Accounts payable and accrued expenses	119,325.00	223,446.00	(104,121.00)	-46.60%
Due to Philam Asset Management, Inc.	47,009.00	40,528.00	6,481.00	15.99%
Share capital	3,579,324.00	3,135,733.00	443,591.00	14.15%
Deposits for future subscriptions	8,515,804.00		8,515,804.00	100.00%
Reserve for fluctuation on available-for-sale financial assets	(31,758.00)	(34,325.00)	2,567.00	-7.48%
Retained earnings	1,642,907.00	2,418,018.00	(775,111.00)	-32.06%
Dividend	415,106.00	309,450.00	105,656.00	34.14%
Interest	83,518.00	73,354.00	10,164.00	13.86%
Fair value losses, net	639,086.00	1,501,731.00	(862,645.00)	-57.44%
Management fees	580,087.00	470,941.00	109,146.00	23.18%
Fees and other charges	28,162.00	26,354.00	1,808.00	6.86%
Taxes and licenses	6,756.00	10,931.00	(4,175.00)	-38.19%

Cash & cash equivalents – The increase is highly attributable to continuous client subscription all throughout the year.

¹⁷ Source: SEC Form 17-A filed on May 19, 2017.

Financial assets at FVTPL – The increase is mainly due to the higher volume of investments in equity securities as a result of the increasing assets under management of the Fund coming from client subscriptions.

Available-for-sale securities – The decrease is due to the disposal of investment of the Fund classified as available-for-sale securities which consists of government securities.

Loans and receivables – The increase is highly attributable to higher amount of settlement receivable from brokers due to securities purchases that have been transacted at reporting date which settled after year-end.

Accounts payable & accrued expense – The decrease is generally due to the amount of settlement payable to brokers due to securities purchases that have been transacted as of reporting date but settled on T+3.

Due to Philam Asset Management, Inc. – The increase is attributable to the higher AUM which is the basis for the computation of its accrual.

Share capital, Share premium, Deposit for share subscriptions – The increase is principally attributed to the continuing client subscription.

Retained earnings – The decrease is due to Fund's incurred net loss for the year 2015.

Reserve for fluctuation of available-for-sale financial asset and Fair value gains/losses, net – The decrease is due to the movement of the Fund's investment in financial assets measured at OCI arising from the performance of the market during the year.

Dividend – The increase is due to more entitlements for the year resulting from increased equity investments in 2015.

Interest – The increase is due to higher interest income from government securities acquired.

Management fees – The increase is attributable to the higher AUM which is the basis for the computation of the expense incurred.

Fees and other charges – The increase is characterized mainly by the higher amount of administration fees, professional fees, custodian fees, directors' fees, marketing fees and transfer agency fees for the year as a result of higher AUM.

FINANCIAL HIGHLIGHTS

Income

Interim Year for the Period Ending March 31, 2017 vs. 2016

The net investment income of the Fund closed at Php1.18 billion. This is 26.86% or Php249.88 million higher as compared with the same period for 2016. The movement is highly characterized by the performance of the market for the quarter ended with 94.26% of the Fund's net assets being invested in financial assets measured at fair value through profit or loss.

Earnings Per Share (EPS) at March 31, 2017 posted at Php21.82, an Php2.42 drop from the year ending December 31, 2016 with a Php24.24 EPS.

FY 2016 vs. FY 2015

PSGF ended the year 2016 with a Php775 Million Net Investment Loss. Compared to the same period the previous year 2015, the Fund posted a 52.85% improvement in investment loss from Php1.684 Billion as of December 31, 2015 to an investment loss of Php772 Million as of December 31, 2016.

Loss Per Share by the end of the year, December 31, 2016, showed an almost 63% improvement from the same period in 2015 with Php15.91 against a loss of Php42.49 as of December 31, 2015.

FY 2015 vs. FY 2014

The Fund closed at Php1.684 Billion of investment loss. This is Php3.80 Million or 176.27% lower as compared with Php2.16 Billion of net investment income for the period ended December 31, 2014. The movement is highly characterized by the performance of the market for the period.

Loss Per Share as of December 31, 2015 was Php42.4941, a Php118.8862 decline from the same period last year. EPS as of December 31, 2014 was Php76.3921.

Net Assets and Net Asset Value Per Share

Interim Year For the Period Ending March 31, 2017

The Fund's net assets increased by Php2.37 billion or 9.11% year-to-date compared to the net assets as of the year ending December 2016. The increase is due to continuous client subscriptions along with the positive market movement for the period ended and the strategy of the fund manager in the management of the Fund's assets.

NAV per share is computed by dividing net assets attributable to shareholders (total assets less total liabilities) by the total number of shares issued and outstanding at the reporting date. NAVPS as at March 31, 2017 posted a Php22.6878 increase with Php512.9284 when compared to the NAVPS as of year ending December 31, 2016 posted at Php490.2405.

FY 2016 vs. FY 2015

The Fund's Net Assets increased by Php7.76 billion or 10.74% at the end of the year 2016 compared to the year ending December 31, 2015. Net assets as at December 31, 2016 is posted at Php25.429 Billion whereas the net assets as at December 31, 2015 is posted at

Php17.665 Billion. The increase is due to continuous client subscriptions along with the positive market movement for the period ended and the strategy of the Fund Manager in the management of the Fund's assets.

NAVPS on December 31, 2016 was at Php490.24, an increase amounting to 25.38% of the previous year's NAVPS posted at Php391.01. The positive performance of the Fund as at December 31, 2016 when compared with December 31, 2015 is mainly due to the continuous client subscriptions coupled with a market condition on the upturn and in conjunction with the Fund Manager's strategic plan in handling the assets of the Fund.

FY 2015 vs. FY 2014

The net assets of the Fund increased by Php5.9 billion or 34.80% compared to the December 31, 2014 figure. This is depicted by continuous client subscriptions and the strategy of the fund manager in the managing of the Fund's assets despite the poor market movement.

NAVPS on December 31, 2015 was at Php391.04, a decrease of 27.66% from the NAVPS of December 31, 2014.

Liquidity and Other Issues

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

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANT ON ACCOUNTING AND FINANCIAL DISCLOSURES

There are no changes in and disagreements with Isla Lipana on accounting and financial disclosures.

CORPORATE GOVERNANCE

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

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

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

PSGF has no material deviations from its Manual of Corporate Governance since it filed its CG-SRF with the SEC on January 5, 2012.

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

Other Disclosures

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

PSGF DIRECTORS AND EXECUTIVE OFFICERS

Incorporated on April 27, 1998, PSGF incorporators are, as follows:

Jose L. Cuisia, Jr.
 Rex. Ma. A. Mendoza
 Reynaldo C. Centeno
 Jesus G. Hofileña
 Francisco M. Ortigas III
 Victor A. Lim

As of the date of this Prospectus, the Board of Directors and Executive Officers of PSGF are the following:

Name	Age	Citizen ship	Position	Term of Office	Years of Service
Roberto F. De Ocampo	70	Filipino	Chairman	2016 - 2017	8 Years
Reynaldo G. Geronimo	71	Filipino	President	2016 - 2017	5 Years
Arleen May S. Guevara	54	Filipino	Director	2016 - 2017	5 Years
Eric S. Lustre	54	Filipino	Director	2016 - 2017	<1 Year
Elenita G. Villamar	53	Filipino	Director and	2016 - 2017	2 Years
Armand F. Braun, Jr.	78	Filipino	Independent Director	2016 - 2017	8 Years
Meliton B. Salazar, Jr.	50	Filipino	Independent Director	2016 - 2017	2 Years
Jose Ivan T. Justiniano	57	Filipino	Compliance Officer	2016 - 2017	1 Year
Ma. Adelina S. Gatdula	53	Filipino	Corporate Secretary	2016 - 2017	1 Year
Charles Albert R. Lejano	31	Filipino	Asst. Corporate	2016 - 2017	1 Year

ROBERTO F. DE OCAMPO

Chairman

Dr. De Ocampo is a Cum Laude graduate with a Bachelor of Arts degree in Economics from the Ateneo de Manila University. He has a Master's degree in Business Administration from the University of Michigan and a post-graduate diploma from the London School of Economics. He has also been conferred three Doctorates (Honoris Causas). Since 2014, Dr. De Ocampo is Chairman of the Board of the following PAMI-managed funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund, Inc., PAMI Asia Balanced Fund, Inc. (since 2009), PAMI Horizon Fund, Inc. (since 2011), and PAMI Equity Index Fund, Inc. (since 2014). Dr. De Ocampo was previously the President of the Asian Institute of Management. From 1992 to 1998, he served as the Secretary of Finance under the Ramos administration and was widely recognized as the principal architect of the resurgence of the Philippine economy. He was the first Filipino and the first ASEAN Finance Minister to be recognized and was cited as the "Finance Minister of the Year" in 1996 by Euromoney. He was conferred the Legion of Honor in 1998, the highest honor conferred on Filipino civilians by the Philippine government and was conferred the Ordre National de la Legion d' Honneur by the Republic of France with the rank of Chevalier.

REYNALDO G. GERONIMO

President

Atty. Geronimo is a Cum Laude graduate of Bachelor of Arts (A.B.) at the Ateneo de Manila University. He graduated Second Honors from Ateneo Law School in 1968. He also has a Master of Laws with specialization in Trusts and Estates from the University of Pennsylvania. He is currently a partner in the Romulo Mabanta Buenaventura Sayoc & de los Angeles Law Firm and a co-Chairman of the Banking Group. Atty. Geronimo is known

as the Trust Guru, with a regular column in the Manila Standard Today. He is also a bar reviewer in Taxation at the UP Law Center, the UP College of Law, the Law School of UST's Civil Law Faculty, the College of Law of Liceo de Cagayan, and the Ateneo Law School. Atty. Geronimo is President and Director of the following PAMI-managed funds since 2014: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc. (since 2014).

ARLEEN MAY S. GUEVARA

Director

Ms. Guevara is the Senior Vice President and Chief Investment Officer of Philamlife and is currently a Director of PAMI. Ms. Guevara was the PAMI Chairman from 2011-2013. Since 2012, Ms. Guevara has been the director of Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc. (since 2014). She is also a director (since 2008) at the following - Science Park of the Phils., Inc., Manila Exposition Complex, Inc., Beacon Property Ventures, Inc., Regatta Properties, Inc., and Cebu Light Industrial Park, Inc. Prior to joining Philamlife, she was Deputy Director of the Treasury Department of the Bangko Sentral ng Pilipinas. Ms. Guevara is a Magna Cum Laude graduate of Bachelor of Science in Applied Mathematics from the University of the Philippines. She holds a Master of Policy Science from the Saitama University, Japan under a Monbusho (Japan Ministry of Education) scholarship and has completed Academic units towards a Masters in Economics at the De La Salle University, Manila.

ERIC S. LUSTRE

Director

Mr. Eric S. Lustre is the President and Chief Executive Officer of Philam Asset Management, Inc. Mr. Lustre is also currently serving as the President of Tower Club Corporation since October 2014, as the Chief Executive Officer of Philam Properties since March 2015, as the Head of Real Estate Investment of Philam Life since 2011, as the Country Credit Officer of Philam Life since 1993, and as the Head of Corporate Finance of Philam Life since 1994. Since October 2009, Mr. Lustre is a Director in the following companies representing Philam Life: Philam-Equitable Life Assurance Company, ICCP Holdings, Inc., Science Park of the Philippines, Inc., Regatta Properties, Inc., Beacon Property Ventures, Inc., Pueblo de Oro Development Corporation, Cebu Light Industrial Park, Inc., and RFM-Science Park of the Philippines, Inc. He is also a Director of PHINMA Corporation as a representative of Philam Life since February 2011. Since November 2016, Mr. Lustre served as Director of the following PAMI-managed Funds: PAMI Asia Balanced Fund, Inc., PAMI Equity Index Fund, Inc., PAMI Global Bond Fund, Inc., PAMI Horizon Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Fund, Inc., Philam Managed Income Fund, Inc., and Philam Strategic Growth Fund, Inc. Prior to joining Philam Life and PAMI, Mr. Lustre served in the Analyst, Credit & Corporate Banking Group of Far East Bank & Trust Company and as Assistant Manager in the Local Corporate Department of Citibank N.A. Manila Branch. Mr. Lustre obtained his Bachelor of Science Degree in Business Management from the Ateneo de Manila University and he holds a Masters in Business Management Major in Finance from the Asian Institute of Management.

ELENITA G. VILLAMAR

Director and Treasurer

Ms. Villamar is the Head of Finance for Philam Asset Management, Inc. (PAMI). As PAMI's Head of Finance, she is responsible for developing financial strategies and its related performance metrics, ensuring adequate and effective financial control measures, and managing capital requirements and budget process. She has been with Philam Life for 30 years and has occupied various senior positions within the company. Prior to joining Philam Life, she worked for SGV & Co. Ms. Villamar is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. She is a Fellow with distinction at the Life Management Institute. She has also completed various certification courses like the Advanced Life Insurance Course and the Trust Operations and Investment Management Course. She was a National State Scholar and received her Bachelor's degree in Commerce, Accountancy from the University of Santo Tomas, graduating cum laude. Since 2014, Ms. Villamar has been a Director of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

ARMAND F. BRAUN, JR.
Independent Director

Mr. Armand Braun, Jr. is a graduate of the Ateneo de Manila University where he earned a degree of Bachelor of Science in Business Administration. He also took an Advance Management Program for Overseas Bankers at the Wharton School in Philadelphia, USA. He is an Independent Director of the following: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc. (each since 1998), Philam Managed Income Fund, Inc. (since 2005), and PAMI Global Bond Fund, Inc. (since 2008) PAMI Asia Balanced Fund, Inc. (since 2009), PAMI Horizon Fund, Inc. (since 2011), and PAMI Equity Index Fund, Inc. (since 2014). Mr. Braun also sits on the board of various other companies: AFBraun & Co. Holdings (1995 – present), A-1 Microfinance, Inc. (2002 – present), Iligan Pizza Corp. (1999 – present), North Iligan Foods Corp. (2004 – present), and Al-Rose Foods Corp. (1999 – present). Also, Mr. Braun was an independent director of Union Bank of the Philippines (2003 – May 2014).

MELITON B. SALAZAR, JR.
Independent Director

Mr. Salazar has a Ph.D. in International Relations, Major in International Development and Development Management from the School of International Service, The American University, Washington, D.C.; an M.A. in International Political Economy and Development from Fordham University, New York and a B.S. Management Engineering degree from the Ateneo de Manila University. Dr. Salazar is an established figure in the academe being currently the president of the following: University of Iloilo, Iloilo City (since 2009), University of Pangasinan (since 2009 to present), Cagayan de Oro College (since 2005), and Araullo University (since 2004). Dr. Salazar is also Senior Vice President of PHINMA Education Network (since 2003). Among Dr. Salazar's previous positions were President & CEO, STI International (2002 to 2003), President & CEO, iAcademy (2002 to 2003), President & CEO, Systems Technology Institute, Inc. (2001 to 2002) and COO of Systems Technology Institute, Inc. (2000 to 2001). Since November 2013, Mr. Salazar has been Director of the following PAMI-managed mutual funds - Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

JOSE IVAN T. JUSTINIANO
Compliance Officer

Mr. Justiniano is currently the Head of Compliance of PhilamLife. He has over 15 years of senior management experience in compliance, governance and risk management. He held various compliance roles in PRU Life U.K., PNO-Exploration Corporation and Sun Life Financial Plans. Mr. Justiniano is a Certified Public Accountant with a Bachelor of Science degree in Accounting from San Beda College. He has an M.A. in Business Administration from De La Salle University; and holds several certifications in the financial services industry. Mr. Justiniano has been the Compliance Officer since October 2015 of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

MA. ADELINA S. GATDULA

Corporate Secretary

Atty. Gatdula has been a Partner in Picazo Buyco Tan Fider & Santos Law Office since July 1995. She joined the said law office in September 1989. Prior thereto, she worked as a Confidential Attorney of Justice Irene R. Cortes in the Supreme Court. Atty. Gatdula obtained her Bachelor of Laws from the University of the Philippines in 1987, and Bachelor of Arts in Economics (*cum laude*) also from the same university in November 1982. She represents private companies engaged in real estate development and services, outsource business processing, software development, finance, investment, insurance and insurance brokerage and consultancy, manufacturing and trading, and radio broadcasting, in a wide array of corporate and financial matters, and various condominium corporations and non-government religious and charitable organizations. Atty. Gatdula has served as Corporate Secretary since October 2015 of the following PAMI-managed Funds: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

MAUREEN CHRISTINE O. LIZARONDO

Assistant Corporate Secretary

Atty. Maureen O. Lizarondo-Medina was born on November 30, 1986. She graduated cum laude with the degree of Bachelor Arts, Major in Political Science, from the University of the Philippines in 2003, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 2011. She is currently a Senior Associate at Picazo Buyco Tan Fider & Santos Law Offices. She also serves as Assistant Corporate Secretary of 8990 Holdings, Inc. and the Corporate Secretary of Tullett Prebon (Philippines), Inc. Since April 2017, Atty. Lizarondo is also the Assistant Corporate Secretary of the PAMI-managed funds, including: Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

Significant Employee

There is no significant employee who is expected by the Company to make a significant contribution to the business.

Family Relationships

None of the Company's Directors and Executive Officers is related to each other up to the fourth civil degree of consanguinity or affinity.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years up to the date of this Prospectus of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer or controlling person of the Company:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Executive Compensation

The Fund pays its directors a per diem of Php7,500 for every Board Meeting. The Fund estimates total aggregate per diems of Php150,000 for the year 2017.

There are no other arrangements between the Fund and each of the Directors, pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director, including any additional amounts payable for committee participation or special assignments, for the last completed fiscal year and the ensuing year. Neither are there arrangements, including consulting contracts, pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, since incorporation, for any service.

Information as to the aggregate compensation paid or accrued during the last previous fiscal year and the preceding two fiscal years to the PSGF Board of Directors is, as follows:

Year	Total Compensation (in Php)
2015	1,255,000
2016	1,261,000
2017 (Estimated)	150,000
Total	2,666,000

Directors' Compensation

The Fund does not have any executive under its employ and therefore does not pay any executive compensation. For every board meeting attended by each Director, he will receive a per diem of Php7,500.00.

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

None of the Executive Officers have employment contracts with the Company.

There are no arrangements that exist which could result in a change in control of the Company.

Warrants and Options Outstanding

As of the date of this Prospectus, none of the Company's common shares are subject to outstanding options or warrants to purchase, or securities convertible into common shares of the Company.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS (AS OF APRIL 30, 2017)

Prior to the offer, and after the increase in the number of common shares, the following shareholders are the only owners of more than 5.0% of the Company's voting capital stock, whether directly or indirectly, as record owner or beneficial owner:

TITLE OF CLASS	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO OF SHARES HELD	PERCENT
Common	THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE) 17th FLOOR NET LIMA BUILDING, 5TH AVENUE CORNER 26TH STREET BONIFACIO GLOBAL CITY, TAGUIG 1634 The Record Owner is an affiliate of the Issuer.	The Record Owner is the Beneficial Owner ¹⁸	Filipino	29,235,593	53.53%
Common	BPI-PHILAM LIFE ASSURANCE CORPORATION 15/F AYALA LIFE-FGU CENTER, 6811 AYALA AVENUE, MAKATI CITY The Record Owner is an affiliate of the Issuer.	The Record Owner is also the Beneficial Owner. ¹⁹	Filipino	8,640,882	15.82%

SECURITY OWNERSHIP OF MANAGEMENT (AS OF APRIL 30, 2017)

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT & NATURE OF OWNERSHIP (INDICATE RECORD &/OR BENEFICIAL)	CITIZENSHIP	PERCENT OF CLASS
Common	Roberto F. De Ocampo Eugenio Lopez Foundation Bldg., Col. Joseph R. McMicking	1 R	Filipino	0.000003%

¹⁸ THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE CO (PHILAM LIFE) Ms. Arleen May S. Guevara is the person with the power to vote and dispose of the shares of the Philippine American Life and General Insurance, Co. Ms. Guevara is the Chief Investment Officer of the said company.

¹⁹ BPI-PHILAM LIFE ASSURANCE CORPORATION. Mr. Surendra Menon is the person with the power to vote and dispose of the shares of the BPI-Philam Life Assurance Corporation. Mr. Menon is the Chief Executive Officer of the said company.

	Campus, 123 Paseo de Roxas, Makati City (Chairman)				
Common	Reynaldo G. Geronimo No. 5 Zinia St., Valle Verde 2, Pasig City (President)	1	R	Filipino	0.000003%
Common	Arleen May S. Guevara 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Director)	1	R	Filipino	0.000003%
Common	Eric S. Lustre 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Director)	1	R	Filipino	0.000003%
Common	Elenita D.G. Villamar 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Treasurer)	1	R	Filipino	0.000003%
Common	Armand F. Braun, Jr. No. 45 Magdalena Circle , Magallanes Village, Makati City (Independent Director)	1	R	Filipino	0.000003%
Common	Meliton B. Salazar, Jr. No. 28 Hunt Street, Filinvest East, Quezon City (Independent Director)	1	R	Filipino	0.000003%
Common	Ma. Adelina S. Gatdula Penthouse Liberty Center 104HV De La Costa St Salcedo Village Makati City (Corporate Secretary)	0		Filipino	0%
Common	Maureen Christine O. Lizarondo- Medina Penthouse Liberty Center 104HV De La Costa St Salcedo Village Makati City (Assistant Corporate Secretary)	0		Filipino	0%
Common	J. Ivan Justiniano 17/F Net Lima Bldg., 5th Ave. cor. 26th St., Bonifacio Global City, Taguig (Compliance Officer)	0		Filipino	0%

Voting Trust

The Company knows of no persons holding more than 5.0% of its shares under a voting trust or similar agreement which may result in a change in control of the Company.

Change of Control

No change in control of PSGF occurred since the beginning of its last fiscal year.

Certain Relationships and Related Transactions

During the last two years, there are no transactions - either proposed 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 total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

PARTIES INVOLVED IN THE FUND

THE FUND MANAGER PHILAM ASSET MANAGEMENT, INC.

Philam Asset Management, Inc. (PAMI) is an asset management company that resulted from a strategic partnership between Philippine American Life & General Insurance Company and AIG Asset Management, Inc. PAMI was established in 1992 to take advantage of the improved business climate and expected recovery of the economy.

INVESTMENT MANAGER AND PRINCIPAL DISTRIBUTOR

PAMI is the Fund Manager of PSGF. As Fund Manager, PAMI is tasked to provide and render management and technical services to PSGF. PAMI also functions as the principal distributor of PSGF shares. As such, it takes charge of sales and distribution of PSGF shares to prospective investors. The guidelines for the management of the resources and operations of PSGF by PAMI are set under its Management and Distribution Agreement with PSGF.

PAMI is wholly-owned by the Philippine American Life Insurance Company (Philamlife) and is an affiliate of AIA Group Limited. Philam Life, which started in 1947, is the country's largest and most diversified insurance company and the market leader for over half a century. Philam Life is a wholly owned subsidiary of AIA. At present, PAMI manages and distributes eight other investment companies, namely: PAMI Equity Index Fund, Inc., PAMI Global Bond Fund, Inc., Philam Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Fund, Inc., PAMI Asia Balanced Fund Inc., Philam Fund, Inc., Philam Managed Income Fund, Inc. and PAMI Horizon Fund, Inc. (formerly GSIS Mutual Fund, Inc.).

The management fee to be charged by PAMI is a maximum of 2.0% per year. A sales load not exceeding 3% shall also be charged for investments under the A Shares. Load arrangements can be negotiated with institutional investors on a case-to-case basis.

PAMI Board of Directors

Ferdinand L. Berba

Chairman of the Board

Mr. Ferdinand Berba is the Chairman of the Board of Philam Asset Management, Inc. He has more than 23 years of experience in the insurance industry. He held various senior roles in Philam Life including President and CEO of PAMI, Director of Philam Financial Advisory Services and Group Training Director. Previously, he was Director of Agency Development, Director of Client Services, and President of Sun Life Financial Plans. Mr. Berba also worked in other insurance companies such as Pioneer Life and Pioneer Group and Great Pacific Life Assurance Corporation. He holds an AB Psychology degree from De La Salle University.

Eric S. Lustre

President and Chief Executive Officer

Mr. Eric S. Lustre is the President and Chief Executive Officer of Philam Asset Management, Inc. Mr. Lustre is also currently serving as the President of Tower Club Corporation since October 2014, as the Chief Executive Officer of Philam Properties since March 2015, as the Head of Real Estate Investment of Philam Life since 2011, as the Country Credit Officer of Philam Life since 1993, and as the Head of Corporate Finance of Philam Life since 1994. Since October 2009, Mr. Lustre is a Director in the following companies representing Philam Life: Philam-Equitable Life Assurance Company, ICCP Holdings, Inc., Science Park of the Philippines, Inc., Regatta Properties, Inc., Beacon Property Ventures, Inc., Pueblo de Oro Development Corporation, Cebu Light Industrial Park, Inc., and RFM-Science Park of the Philippines, Inc. He is also a Director of PHINMA Corporation as a representative of Philam Life since February 2011. Since November 2016, Mr. Lustre served as Director of the following PAMI-managed Funds: PAMI Asia Balanced Fund, Inc., PAMI Equity Index Fund, Inc., PAMI Global Bond Fund, Inc., PAMI Horizon Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Fund, Inc., Philam Managed Income Fund, Inc., and Philam Strategic Growth Fund, Inc. Prior to joining Philam Life and PAMI, Mr. Lustre served in the Analyst, Credit & Corporate Banking Group of Far East Bank & Trust Company and as Assistant Manager in the Local Corporate Department of Citibank N.A. Manila Branch. Mr. Lustre obtained his Bachelor of Science Degree in Business Management from the Ateneo de Manila University and he holds a Masters in Business Management Major in Finance from the Asian Institute of Management.

Gerard Raymond M. Cariaso

Director

Mr. Cariaso is Senior Vice President and Head of Corporate Solutions Resources of Philam Life and has been with the company since 2010. Prior to his position at Philam Life, Mr. Cariaso was Managing Director of Mercer Philippines, Inc. from 2007 to 2009 and President of Via Sacra, Inc. from 2005 to 2007. Mr. Cariaso was also a Director and Regional HR Head – Asia for Cemex Philippines (Cemex SA De CV) from 1997 to 2005. Prior to his stint at Cemex, Mr. Cariaso was Vice President – HR for Rockwell Land Corporation. Mr. Cariaso obtained his Bachelor of Arts degree, Major in Psychology from De La Salle University and he holds a Masters in Industrial Relations Major in Human Resource Development from the University of the Philippines.

Arleen May S. Guevara

Director

Ms. Guevara is the Senior Vice President and Chief Investment Officer of Philam Life. She is also a director at the following companies - Science Park of the Phils., Inc., Manila Exposition Complex, Inc., Beacon Property Ventures, Inc., Regatta Properties, Inc., and Cebu Light Industrial Park, Inc. Prior to joining Philam Life, she was Deputy Director of the Treasury Department of the Bangko Sentral ng Pilipinas. Ms. Guevara is a magna cum laude graduate of Bachelor of Science in Applied Mathematics from the University of the Philippines. She holds a Master of Policy Science from the Saitama University, Japan under a Monbusho (Japan Ministry of Education) scholarship and has completed Academic units towards a Masters in Economics at the De La Salle University, Manila.

Ling Chi Kevin Ng

Director

Mr. Ng holds a degree in Bachelor of Information Technology (Economics) from the Australian National University and completed his MSc in International Management and

MSc in Financial Economics from the University of London. He is likewise a Chartered Financial Analyst. He is currently the Vice-President, Head of Asset Allocation Advisory of AIA. He was formerly the Vice-President for Wealth Management Products, Asia at ABNAMRO Bank, where he set up a regional investment advisory platform and a structured product development platform for all ABN AMRO branches in Asia.

Edgardo A. Grau

Independent Director

Mr. Grau is a graduate of the De La Salle University with a degree in Bachelor of Science in Mechanical Engineering and graduated with an MBA degree, major in Industrial Management at Wharton Graduate School, University of Pennsylvania. He was previously the Executive Vice-President and Chief Investment Officer of Philamlife. Mr. Grau also held positions at Meralco's Technical Services Group as Assistant Vice-President, Philippine Commercial International Bank as Vice-President, Atlantic Gulf & Pacific Company of Manila, Inc. as Executive Vice-President & Chief Operating Officer, Magellan Capital Holdings Corporation as Senior Vice-President and Chief Financial Officer, and Philippine Asia Equity Securities, Inc. as Senior Vice-President for Investment Banking.

Javier J. Calero

Independent Director

Mr. Calero was previously Senior Adviser for the International Foundation for Elections Systems based in Washington D.C. which is currently working on strengthening national and provincial legislative governance in Pakistan. He was also the Chairman of the Zenith Optimedia and ZMG Signium Ward Howell, an executive development Search Firm. He was involved in the Indonesian presidential elections in 1999, where he became part of the post-election program funded by the United States Agency for International Development. He was then President and Chief Executive Office of J. Walter Thompson, Philippines. He was thereafter promoted as its Regional Director in countries like Sri Lanka, Malaysia, Indonesia, and Singapore where he was responsible in ensuring the profitability of the said countries. He currently serves as a director in various organizations, such as the Institute of Corporate Directors, Philippine Band of Mercy, Asian Institute for Journalism and Communication, Dearborn Motors-Ford Dealership, Performance Auto Motors Group, Inc. and World Association of Psychosocial Rehabilitation. He is also a Trustee and Vice Chairman of the University of Asia and the Pacific.

CITIBANK, N.A.

CUSTODIAN BANK

The Custodial Agreement establishes the relationship among PSGF, PAMI, and Citibank, N.A. ("CTI") as the custodian bank. The Custodial Agreement covers the custodian bank's duties on receipt of securities, identification and segregation of assets, registration of assets, reports and records to be accomplished by the custodian bank, custody of PSGF investments and fees of the custodian bank. The custodian bank is entitled to a custodianship fee amounting to 0.12% per annum based on the market value of the portfolio at the end of each month. Furthermore, transaction charges (for receipt, delivery, payment, stock rights, dividend/income collection) of PHP500.00 per transaction will likewise be charged by the custodian bank.

Address: Citibank Tower, 8741 Paseo de Roxas, Makati City Tel No.: 894-7921

PHILAM ASSET MANAGEMENT, INC.

TRANSFER AGENT

Philam Asset Management, Inc. (PAMI) serves as the Stock Transfer agent of PSGF.

Address: 17th Floor Net Lima Building, 5th Avenue Corner 26th Street
BONIFACIO GLOBAL CITY, TAGUIG 1634
Telephone Numbers: (632) 5216300
Fax Numbers: (632) 5285093

PICAZO BUYCO TAN FIDER & SANTOS
LEGAL COUNSEL

Picazo Buyco Tan Fider & Santos serves as the legal counsel for the Fund.
Address: Penthouse, Liberty Center, 104 H.V. Dela Costa St., Salcedo Village, Makati
City Tel No.: (632) 888-0999 ; 888-0311

ISLA LIPANA AND CO.
EXTERNAL AUDITOR

The accounting firm of Isla Lipana & Co. (Isla Lipana) has been retained by the Company as its external auditor.

Address: 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City
Tel No.: (632) 845 2728; Fax: (632) 845 2806

Scope of Service

Isla Lipana's professional service for PSGF is limited only to the regular annual audit report.

Audit and Audit-Related Fees

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

Year	Amount
2015	Php750,000
2016	Php517,000
2017 (Estimated)	Php750,000
Total	Php2,017,000

Note:

- No tax fees were paid since there were no professional services rendered by Isla Lipana for tax accounting compliance, advice, planning and any other form of tax service.
- Similarly, no other fees were paid for products and services provided by Isla Lipana other than the regular annual audit report.

Audit Committee

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

The following are the PSGF Audit Committee's approval policies and procedures for the External Auditor:

1. Recommend to the Board of Directors the selection of the external auditor, who is accountable to the Board and to the Audit Committee as representatives of the shareholders, considering independence and effectiveness and approve the fees

and other compensation to be paid to the external auditor. On an annual basis, the Committee should review and discuss with the accountants all significant relationships the accountants have with PSGF to determine the accountants' independence.

2. Review the performance of the external auditor and approve any proposed discharge of the external auditor when circumstances warrant.
3. Periodically consult with the external auditor out of the presence of PSGF about internal controls and the fullness and accuracy of the organization's financial statements.
4. The Committee will actively engage the external auditor in a dialogue regarding independence.
5. Adhere to the following procedures for the approval of services by the external auditor:
 - a. The Audit Committee will annually approve the scope of, and fees payable for, the year-end audit to be performed by PSGF's external auditor for the next fiscal year.
 - b. PSGF may not engage the external auditor for any services unless they are approved by the
 - c. Audit Committee in advance of the engagement
 - d. If PSGF wishes to engage the external auditor for any services, PSGF will define and present to the Audit Committee specific projects and categories of service, and fee estimates, for which the advance approval of the Audit Committee is required. The Audit Committee will review these requests and determine whether to pre-approve the engagement of the external auditor for the specific projects and categories of service.
 - e. PSGF will report to the Audit Committee regarding the actual spending for these projects and services, compared to the approved amounts on a quarterly basis.
 - f. The Audit Committee Chairperson will report to the Committee at each regularly scheduled meeting the nature and amount of any non-audit services that he has approved.

DIRECT OR INDIRECT INTEREST OF EXTERNAL AUDITOR AND INDEPENDENT COUNSEL

Isla Lipana and Picazo Law, PSGF External Auditor and Legal Counsel, respectively, have not been retained on a contingency basis. Both will not receive any direct or indirect interest in the Fund pursuant to or in connection with the offer.

With the exception of Attys. Gatdula and Lizarondo-Medina, the Fund's Corporate Secretary and Assistant Corporate Secretary, respectively, Picazo Law has not acted or will not act as promoter, voting trustee, officer or employee of the Company.

MATERIAL CONTRACTS AND AGREEMENTS

Management and Distribution Agreement

Under this Agreement, Philam Asset Management, Inc. ("PAMI") was engaged by PSGF to act as the Fund Manager.

The services to be rendered by PAMI under the Fund Management Agreement include the following:

1. Investment and re-investment of the assets of PSGF;
2. Preparation of reports, circulars, notices and other information on internal corporate affairs as may be required by PSGF, its stockholders or its Board of Directors, including monthly reports on:
 - a. revenues and disbursements broken down as investments and expenses,
 - b. sales and redemption, and
 - c. performance of PSGF's investment portfolio and changes in the net asset value of the Fund;
3. Preparation and submission of such reports that the SEC may require;
4. Registration and/or transfer of all investments made and/or held by PAMI under the Fund Management Agreement in PSGF's name, or its nominee, or to retain the investments unregistered or in any form permitting transferability by delivery, but the books and records of PAMI should at all times show that all such investments belong to PSGF;
5. Procurement of any and all licenses, permits and authorizations in making, holding and disposing of the investments as well as the distribution of PSGF's capital stock;
6. Transactions with stockbrokers for the account of PSGF in connection with PAMI's investment and re-investment of PSGF's assets; and
7. Execution of any and all acts necessary to collect or realize any securities or investments, in the event of default.

In purchasing and selling securities or otherwise making or disposing of investments for the account of the Fund, PAMI may act without need of prior approval or notification from PSGF, provided that it acts within the limits of the investment policies and guidelines prescribed by PSGF's Board of Directors and subject to the provisions of the ICA and the registration statements of PSGF.

The Certificates and other evidence of title to assets in the investment portfolio of the Fund shall be under the custody of a Custodian. However, PAMI may, either directly or through the Custodian, take charge of the collection of interests, dividends or other payments on all securities owned by the Fund, and shall exercise any and all rights of the Fund pertaining to such securities.

PAMI also acts as the principal distributor of the capital stock of PSGF. PAMI shall use its best efforts to sell PSGF stock, and it is agreed that PAMI does not undertake to buy or sell any or any specific portion of the capital stock of the Fund.

The initial term of the Fund Management Agreement is two years, after which the agreement shall continue in effect from year to year, provided that the continuation shall be specifically approved at least annually by PSGF's Board of Directors or by a vote of the shareholders holding or representing majority of the outstanding stock of PSGF. In a meeting held on August 18, 2006, the Board of Directors of PSGF approved to extend the engagement of PAMI as PSGF's Fund Manager for the fiscal year ending 2007.

The Fund Management Agreement may be terminated at any time, upon written notice of not less than 60 days, by PSGF's Board of Directors, or by a vote of the shareholders holding or representing majority of the outstanding capital stock of PSGF, or by PAMI. The Fund Management Agreement is also deemed automatically terminated after a new fund manager is qualified and selected in the event that PAMI has signified its intention not to renew.

For services rendered under the Fund Management Agreement, PAMI shall receive a monthly fee equivalent to 0.15% or 1.8% per year, of the average net value of the Fund's net assets, computed on a daily basis. "Net Value" shall be determined by computing the total value of the Fund's assets less its liabilities in accordance with the procedure used in computing the Net Asset Value of each share of the Fund. In addition, PAMI shall be entitled to an incentive fee equivalent to one-tenth (1/10) of the appreciation (whether unrealized or realized) in the value of the Fund's net assets multiplied by the average daily number of shares outstanding of the Company for such year. The Fund Management Agreement provides that in no case may the total compensation to PAMI exceed any maximum limit prescribed under RA 2629. At present, the SEC has not yet issued any guidelines or regulations prescribing the maximum limits for compensation to fund managers.

Direct Custodial Services Agreement

PSGF engaged the services of various Citibank branches around the world as custodian of PSGF's property and cash. The Citibank branches in the following countries were engaged as custodians under this agreement: Australia, Austria, Canada, France, Germany, Hong Kong, Indonesia, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Portugal, Singapore, Spain, Switzerland, Taiwan, Thailand, United Kingdom and the United States.

The agreement does not provide for a definite term and shall be terminated at the instance of either party. This agreement may be terminated by PSGF by giving notice to the applicable custodian or to Citibank N.A. (if it wishes to terminate the entire arrangement), by giving written notice of not less than thirty days. Any custodian or Citibank may likewise terminate the agreement by giving the same written notice within the same period.

The services to be rendered by the Custodians under this agreement include the following:

1. Taking custody of the property and cash of PSGF;
2. Collecting and receiving for the account of PSGF all income, payments and distributions in respect of the property held under its custody;
3. Receiving and holding for the account of PSGF all securities received as a result of a stock dividend, share subdivision or reorganization, capitalization of reserves or otherwise; and
4. Making cash disbursements for any expenses incurred in handling the property.

The fees payable by PSGF to each custodian under the agreement varies depending on the country where the custodian bank is located. For instance, in the Philippines, the fee is Php500.00 per transaction, while in the United States, the fee is US\$30 per transaction. In addition, there is a fixed electronic banking fee of US\$300.00 per month and an account maintenance fee of US\$300.00 per month.

Service Agreement

PSGF engaged the services of the Philam Asset Management, Inc. ("PAMI") as Stock Transfer Agent.

The services to be rendered by PAMI under this agreement include the following:

1. Taking possession of and safeguarding the following items, among others:
 - a. All unissued stock certificates of PSGF;
 - b. All unclaimed stock certificates of PSGF;
 - c. Corporate seal of PSGF; and
 - d. Stock Transfer Journal and Ledgers of PSGF.
2. Issuing certificate of stocks of PSGF upon instruction of PAMI and upon presentation of the proper underlying documents;
3. Attending to all details of stock cancellation and issuance, including the prompt and due recording in the stock and transfer journal and ledgers;
4. Computing and submitting to PAMI the proper amount of Documentary Stamp Tax; and
5. Registering all liens constituted on the shares of stock of PSGF upon receipt thereof and canceling existing liens upon receipt of notice of release thereof.

The term of this agreement is from April 7, 2016 until terminated. It may be terminated upon thirty days' notice from either party. PAMI may renew and renegotiate the agreement every five years, however, PAMI is given the right to review the account yearly.

For services rendered, PSGF agrees to pay PAMI basis points according to the Fund's Assets under Management (AUM) given the following tiers:

	\$0 – 400M	\$401 – 600M	\$601 – 800M	Above \$800M
Basis Points	5	4	3.5	3

Costs for documentary stamps, forms, stationery, signature cards, checks, certificates and other related expenses shall also be for the account of PSGF. In addition, PAMI may request for additional billings at the end of each year to cover excess time charges on account of a considerable increase in the number of stockholders, considerable increase in transactions, or considerable increase in time spent on replying to queries from stockholders and other parties.

TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Company. This discussion is based upon laws, rules and regulations, rulings, income tax conventions (treaties), administrative practices, and judicial decisions in effect at the date of this Prospectus. Subsequent legislative, judicial, or administrative changes or interpretations, which may be retroactive in nature, could affect tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be applicable to an investor.

This general description does not purport to be a comprehensive description of the Philippine tax aspects of the investment in shares and no information is provided regarding the tax aspects of acquiring, owning, holding, or disposing of the shares under applicable tax laws of other pertinent jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding, and disposing of the shares in such other jurisdictions.

The terms "resident alien," "non-resident citizen," "non-resident alien," "resident foreign corporation," and "non-resident foreign corporation" are used in the same manner as in the Tax Code.

A "resident alien" is an individual whose residence is within the Philippines and who is not a citizen thereof.

A "non-resident citizen" is a citizen of the Philippines who: (a) established to the satisfaction of the Commissioner of Internal Revenue the fact of his/her physical presence abroad with a definite intention to reside therein; (b) leaves the Philippines during the taxable year to reside abroad, either as an immigrant or for employment on a permanent basis; or (c) works and derives income from abroad and whose employment thereat requires him to be physically present abroad most of the time during the taxable year. A citizen of the Philippines who has been previously considered as a non-resident citizen and who arrives in the Philippines at any time during the taxable year to reside permanently in the Philippines shall be treated as a non-resident citizen for the taxable year in which he/she arrives in the Philippines with respect to his/her income derived from sources abroad until the date of his/her arrival in the Philippines.

A "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen thereof. A "non-resident alien" may either be engaged or not engaged in trade or business in the Philippines. A "non-resident alien" who stays in the Philippines for an aggregate period of more than 180 days during any calendar year is deemed a "non-resident alien doing business in the Philippines."

A "resident foreign corporation" refers to a foreign corporation engaged in trade or business in the Philippines, while a "non-resident foreign corporation" refers to a foreign corporation not engaged in trade or business in the Philippines.

A resident citizen is taxed on income from all sources (other than certain passive income and capital gains) at progressive rates ranging from 5.00% to 32.00% of net taxable income. A non-resident alien engaged in trade or business in the Philippines is generally subject to tax on net income from Philippine sources (other than certain passive income and capital gains) at the same progressive tax rates imposed on resident aliens and citizens.

A non-resident alien not engaged in trade or business in the Philippines is taxed on gross income from Philippine sources (other than certain passive income and capital gains) at the rate of 25.00% withheld at source.

Below is a short discussion of the pertinent taxes with respect to the transactions of the Fund and the shareholders in the Fund.

THE FUND

Corporate Income Tax

A domestic corporation is subject to a tax of 35.00% (currently scheduled to be reduced to 30.00% beginning in 2009) of its taxable income (gross income less allowable deductions) from all sources within and outside the Philippines except those items of income that are subject to final withholding tax, such as: (a) gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties from sources within the Philippines that are generally taxed at the lower final withholding tax rate of 20.00% of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system that is subject to a final tax at the rate of 7.50% of such income

A resident foreign corporation (except certain types of corporations enumerated in the Tax Code) is subject to a tax of 35.00% (currently scheduled to be reduced to 30.00% beginning in 2009) of its taxable income (gross income less allowable deductions) from all sources within the Philippines except those items of income that are subject to final withholding tax, such as: (a) gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds, and similar arrangements as well as royalties from sources within the Philippines that are generally taxed at the lower final withholding tax rate of 20.00% of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system that is subject to a final tax at the rate of 7.50% of such income.

A minimum corporate income tax of 2.00% of the gross income as of the end of the taxable year is imposed on a domestic corporation, as well as on a resident foreign corporation (other than an international carrier, an offshore banking unit, or a regional or area headquarters or regional operating headquarters of a multinational company), beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the regular income tax for the taxable year. Any excess of the minimum corporate income tax over the ordinary corporate income tax shall be carried forward and credited against the latter for the three (3) immediately succeeding taxable years. Further, subject to certain conditions, the minimum corporate income tax may be suspended with respect to a corporation that suffers from losses on account of a prolonged labor dispute, or because of force majeure, or because of legitimate business reverses.

The President of the Philippines may, upon the recommendation of the Secretary of Finance and upon occurrence of certain macroeconomic conditions, allow domestic and resident foreign corporations the option to be taxed on a gross basis at the rate of 15.00%. This authority has not been exercised to date.

A final withholding tax of 35.00% is imposed, as a general rule, upon the gross income received during each taxable year of a non-resident foreign corporation from all sources within the Philippines, subject to the provisions of tax treaties between the Philippines and the country of residence of such foreign corporation.

THE SHAREHOLDER Tax on Dividends

Cash and property dividends received from a domestic corporation by individual stockholders who are either citizens or residents of the Philippines are subject to final withholding tax at the rate of 10.00%. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20.00% final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are generally subject to final withholding tax at the rate of 25.00% of the gross amount subject, however, to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals. A non-resident alien who comes to the Philippines and stays in the country for an aggregate period of more than 180 days during any calendar year will be deemed a non-resident alien engaged in business in the Philippines.

Cash and property dividends received from a domestic corporation by another domestic corporation or by resident foreign corporations are not subject to tax while those received by non-resident foreign corporations (i.e. foreign corporations not engaged in trade or business in the Philippines) are subject to final withholding tax at the rate of 35.00% until end-2008 (with a reduced final withholding tax at the rate of 30.00% from 2009 onwards).

The 35.00% rate may also be reduced to 15.00% if the country in which the non-resident foreign corporation is domiciled imposes no tax on foreign-sourced dividends or allows a credit against the tax due from the non-resident foreign corporation, for taxes deemed to have been paid in the Philippines equivalent to 20.00%. Effective on January 1, 2009, the credit against the tax due shall be 15.00%.

The 35.00% rate for dividends paid to a non-resident foreign corporation may be reduced if the country of residence of such foreign corporation has an existing tax treaty with the Philippines and such treaty provides for a preferential tax rate.

Philippine tax authorities have prescribed, through an administrative issuance, certain procedures for availment of tax treaty relief. Subject to the approval by the BIR of the Company's application for tax treaty relief, the Company shall withhold taxes at a reduced rate on dividends to be paid to a non-resident holder, if such non-resident holder provides the Company with proof of residence and if applicable, individual or corporate status. Proof of residence for an individual consists of certification from his/her embassy, consulate, or other equivalent certification issued by the proper government authority, or any other official document proving tax residence. If the regular tax rate is withheld by the Company instead of the reduced rates applicable under the treaty, the non-resident holder of the shares may file a claim for refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information, and may also involve the filing of a judicial appeal if the claim is denied by the BIR. The filing of a claim for refund may therefore prove to be impractical. Stock dividends distributed pro-rata to any holder of shares of stock are not subject to Philippine income tax.

Sale, Exchange or Disposition of Shares

Gains from Redemption of Shares

Gains realized by the shareholder upon redemption of his shares of stock in the Fund are not subject to tax.

Documentary Stamp Tax

The original issuance of shares of stock is subject to documentary stamp tax of Php1.00 for each Php200.00 par value or a fraction thereof, of the shares of stock issued. On the other hand, the sale, transfer, or other disposition of shares of stock (including the re-issuance of previously redeemed shares of stock) is subject to a documentary stamp tax of Php0.75 for each Php200.00 par value or a fractional part thereof of the shares sold, transferred, or otherwise disposed of.

Estate and Gift Taxes

Shares issued by a corporation organized under Philippine laws are deemed to have a Philippine *situs*, and any transfer thereof by way of succession or donation even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate or donor's tax.

Subject to certain exceptions, the transfer of shares upon the death of an individual holder to his/her heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, will be subject to Philippine taxes at progressive rates ranging from 5.00% to 20.00%, if the net estate is over Php200,000.00. On the other hand, individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer shares by way of gift or donation will be liable to Philippine donor's tax on such transfers at progressive rates ranging from 2.00% to 15.00% of the net gifts during the year exceeding Php100,000.00. The rate of tax with respect to net gifts made to a stranger (i.e. one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by consanguinity within the fourth degree of relationship) is a flat rate of thirty percent (30.00%) of the net gifts.

Estate and donor's taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his/her death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his/her death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his/her death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS/HER OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE PSGF SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

EXHIBIT I

SUMMARY OF FEES AND OTHER CHARGES

REDEMPTION FEES – Option A [Front-end]			
PLACEMENT PERIOD	EXIT FEE	12% VAT ON EXIT FEE	EXIT FEE + 12% VAT
Less than six (6) months	1.00%	0.12%	1.12%
Six (6) months and above	0.00%	0.00%	0.00%

REDEMPTION FEES – Option B [Back-end]			
PLACEMENT PERIOD	EXIT FEE	12% VAT ON EXIT FEE	EXIT FEE + 12% VAT
Less than one year	5.00%	0.60%	5.60%
More than one year but less than two years	4.00%	0.48%	4.48%
More than two years but less than three years	3.00%	0.36%	3.36%
More than three year but less than four years	2.00%	0.24%	2.24%
More than four years but less than five years	1.00%	0.12%	1.12%
If redeemed after 5 years, redemption shall no longer be subject to exit fees.			

SALES LOAD SCHEDULE			
INVESTMENT AMOUNT (IN PHP)	SALES LOAD	12% VAT ON SALES LOAD	SALES LOAD + 12% VAT
Less than 100,000	3.0%	0.36%	3.36%
100,000 to 499,999.99	2.5%	0.30%	2.80%
500,000 to 999,999.99	2.0%	0.24%	2.24%
1,000,000 to 4,999,999.99	1.5%	0.18%	1.68%
5,000,000 to 9,999,999.99	1.0%	0.12%	1.12%
10,000,000 and above	0.5%	0.06%	0.56%

COMMISSIONS		
Commission Type	Definition	Rate
Regular Commission	a percentage share of the entry fee/sales load earned on new investments and varies per channel based on provisions set forth in the MOA	range of 50 to 100%
Trail Commission	a share on the management fee based on average assets under management on total net-referred investments	range of 25 to 120bps

SIGNATURES

<p>ROBERTO F. DE OCAMPO Chairman TIN: 120-115-828</p>	<p>REYNALDO G. GERONIMO President and Director TIN: 123-102-993</p>
<p>ARLEEN MAY S. GUEVARA Director TIN: 135-913-440</p>	<p>ARMAND F. BRAUN, JR. Director TIN: 137-000-213</p>
<p>MELITON B. SALAZAR, JR. Director TIN: 144-499-695</p>	<p>ERIC S. LUSTRE Director TIN: 107-168-308</p>
<p>ELENITA G. VILLAMAR Director and Treasurer TIN: 110-862-513</p>	<p>MA. ADELINA S. GATDULA Corporate Secretary TIN: 107-043-114</p>
<p>MAUREEN CHRISTINE O. LIZARONDO-MEDINA Assistant Corporate Secretary TIN: 271-318-097</p>	

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

Before me, a Notary Public for and in _____ this ____ day of _____, personally appeared the following:

Name	Identification No.	City	Date Issued
Roberto F. de Ocampo	EC6721113	NCR Central	10 Feb 2016
Reynaldo G. Geronimo	EC2113508	Manila	16 Sept 2014
Arleen May S. Guevara	EB6348267	Manila	14 Sept 2012
Eric S. Lustre	EC2752401	NCR South	18 Nov 2014
Armand F. Braun, Jr.	EB7437939	Manila	20 Feb 2013
Elenita G. Villamar	EC6020576	Manila	02 Dec 2015
Meliton B. Salazar, Jr.	EC6631952	NCR East	28 Jan 2016
Ma. Adelina S. Gatdula	EB7291992	Manila	04 Feb 2013
Maureen Christine O. Lizarondo	EC7916069	Pampanga	04 Jun 2016

Known to me and to me known to be the same persons who executed the forgoing instruments and they acknowledged to me that the same is their free and voluntary act and deed

WITNESS MY HAND AND SEAL on the date and place first above-mentioned.

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2017.