

# COVER SHEET

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SEC Registration Number

A	I	B		M	O	N	E	Y		M	A	R	K	E	T		M	U	T	U	A	L		F	U	N	D	,
I	N	C	.																									

(Company's Full Name)

1	1	T	H		F	L	O	O	R	,		M	U	L	T	I	N	A	T	I	O	N	A	L			
B	A	N	C	O	R	P	O	R	A	T	I	O	N		C	E	N	T	R	E		6	8	0	5	,	
A	Y	A	L	A		A	V	E	N	U	E	,		M	A	K	A	T	I		C	I	T	Y			

STANLEY L. SAGUINSIN

8588-4242

(Business address: No. Street City / Town / Province)

Contact Person

Company Telephone Number

1	2	3	1
Month		Day	
Fiscal Year			

20 - IS

FORM TYPE

1	0	2	1
Month		Day	
Special Meeting			

INVESTMENT COMPANY

Secondary License Type, If Applicable

CGFD

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

7

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

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LCU

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Cashier

To be accomplished by SEC Personnel  
**NOTICE OF 2022 SPECIAL STOCKHOLDERS MEETING**

STAMPS

NOTICE IS HEREBY GIVEN that the Special Meeting of stockholders of **AIB MONEY MARKET MUTUAL FUND, INC.** (“Company”) will be conducted virtually on October 21, 2022, Wednesday, at **ten o’clock in the morning** with the following agenda:

TO: Amalgamated Investment Bancorporation  
Robert Charles M. Lehmann  
Servando B. Alvarez Jr.  
Stanley L. Saguinsin  
Augusto M. Cosio Jr.  
Justina F. Callangan  
Vicente Julian A. Sarza

**AGENDA**<sup>1</sup>

1. Call to Order
2. Certification of Notice of Meeting and Quorum
3. Amendment of the Company’s Articles of Incorporation to comply with the directive of the Corporate Governance and Finance Department (CGFD) of the Securities and Exchange Commission.
4. Other Matters
5. Adjournment

Only stockholders of record at the close of business on September 30, 2022 are entitled to notice of, and to vote at the said meeting.

As a precautionary measure against the spread of COVID-19, the Company will not conduct a physical special stockholders’ meeting. All stockholders may only attend and participate in the meeting by remote communication or by voting through the Chairman of the meeting as proxy. Duly accomplished proxies shall be submitted by email to the Office of the Corporate Secretary at [infosec@aibaami.com](mailto:infosec@aibaami.com) for inspection, validation, and recording at least seven (7) days before the opening of the special stockholders’ meeting, or on or before October 14, 2022. We enclosed a sample proxy form for your convenience.

Stockholders who intend to attend by remote communication shall inform the Company by email to [infosec@aibaami.com](mailto:infosec@aibaami.com) on or before October 14, 2022. The link to the live webcast of the meeting shall be sent to the email address of the registered stockholder.

Stockholders may vote electronically *in absentia*, subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes *in absentia* are set forth in the Information Statement.

**STANLEY L. SAGUINSIN**  
Corporate Secretary



<sup>1</sup> See next page for the explanation for each agenda item

## EXPLANATION OF AGENDA ITEMS

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### **Call to Order**

The Chairman will formally open the meeting at approximately ten o'clock in the morning.

### **Certification of Notice of Meeting and Quorum**

The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which now allow voting *in absentia* by the stockholders, the Company has set up a registration and voting mechanism, which may be availed of by the stockholders to register and vote on the matters at the meeting *in absentia*. A stockholder who votes *in absentia* shall be deemed present for purposes of quorum.

Stockholders may attend and participate in the meeting by remote communication. Stockholders who intend to attend and participate by remote communication shall inform AIBMMMFI by email to [infosec@aibaami.com](mailto:infosec@aibaami.com) on or before October 14, 2022 subject to the procedure set in Item 19(b) of the Information Statement which is posted on AIBMMMFI's website.

### **Procedure for Discussion and Voting**

The following are the rules of conduct and procedures for the meeting:

1. Stockholders may vote by appointing the Chairman of the meeting as proxy, or by electronic voting *in absentia*. Stockholders voting by appointing the Chairman as proxy shall email the duly accomplished proxies for inspection, validation, and recording at least seven (7) days before the opening of the special stockholders' meeting, or on or before October 14, 2022 to the Office of the Corporate Secretary at [infosec@aibaami.com](mailto:infosec@aibaami.com). Stockholders voting *in absentia*, who have previously registered through the registration and voting mechanism provided by AIBMMMFI may cast their votes electronically at the time provided for in the notice and mechanism.
2. The items in the Agenda for the approval by the stockholders (except for item 3 which will require the affirmative vote of the stockholders representing at least 2/3 of the issued and outstanding voting stock) will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock voting *in absentia* or voting through the Chairman of the meeting as proxy.
3. Each of the proposed resolutions and/or items in the Agenda will be shown on the screen as the same is taken up at the meeting.
4. The Corporate Secretary will tabulate all votes received.
5. The Corporate Secretary shall report the results of voting during the meeting.
6. Stockholders may email to [infosec@aibaami.com](mailto:infosec@aibaami.com) questions or comments to matters that are relevant and of general concern to them on October 21, 2022 at the time of the Meeting.

**Amendment of the Company's Articles of Incorporation to comply with the directive of the Corporate Governance and Finance Department (CGFD) of the Securities and Exchange Commission**

The amendment to the Articles of Incorporation of the Company is upon the directive of CGFD for the issuance of the monitoring clearance subject to the deletion of certain items under the Second Article on the Secondary Purposes. The monitoring clearance is a prerequisite for the application to decrease the par value of the Company from Php1.00 to Php0.05.

A resolution on this agenda item will be presented to the stockholders for approval by the vote of the stockholders representing at least a majority of the issued and outstanding voting stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

**Other Matters**

The Chairman will open the floor for comments and questions by the stockholders. Stockholders may raise other matters or issues that may be properly taken up at the meeting.

## PROXY

The undersigned stockholder of **AIB Money Market Mutual Fund, Inc.** (“Company”) hereby appoints **ROBERT CHARLES M. LEHMANN**, the Chairman of the meeting, as my proxy to act for me and on my behalf, at the 2022 Special Stockholder’s Meeting of the Company to be held on October 21, 2022 at 10:00 AM and at any of the adjournments thereof for the purpose on acting for the following matters:

	RESOLUTION	FOR	AGAINST	ABSTAIN
		NUMBER OF VOTES		
I.	Amendment of the Company’s Articles of Incorporation to comply with the directive of the Corporate Governance and Finance Department of the Securities and Exchange Commission			

Number of Shares Held	Signature of Stockholder/Authorized Signatory
Date	Printed Name of Shareholder

1. To be valid, digital or scanned copy of this proxy must be submitted on or before October 14, 2022 or seven (7) days before the opening of the special stockholders’ meeting to the Office of the Corporate Secretary at [infosec@aibaami.com](mailto:infosec@aibaami.com).
2. This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder. If no direction is made, this proxy will be voted for the approval of all the matters stated above and for such matters as may properly come before the meeting in the manner described in the Information statement and/or recommended by the Management of the Board of Directors.
3. A stockholder giving proxy has the power to revoke it at any time before the right granted is exercised, by email to [infosec@aibaami.com](mailto:infosec@aibaami.com). A proxy is also considered revoke if the stockholder registers for voting via remote communications or in absentia.
4. Notarization of this proxy is not required.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS  
INFORMATION STATEMENT OF  
AIB MONEY MARKET MUTUAL FUND, INC.  
PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter:  
**AIB MONEY MARKET MUTUAL FUND, INC.**
3. Province, country or other jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number: **CS201506309**
5. BIR Tax Identification Code: **008-994-370**
6. Address of principal office: **11/F Multinational Bancorporation Center, Ayala Avenue, Makati City**
7. Registrant's telephone number, including area code: **(+632) 8588-4242**
8. Date time and place of the meeting of security holders:  

Date	: <b>October 21, 2022</b>
Time	: <b>10:00 AM</b>

Online web address / URL / link:  
<https://us06web.zoom.us/j/86869455816?pwd=dmxTQIN5QUViVThnb3lRaFFhbEw5UT09>
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **September 30, 2022.**
10. In case of Proxy Solicitations: **Mr. Robert Charles M. Lehmann is being appointed as proxy.**  
Address: **11th floor, Multinational Bancorporation Centre 6805 Ayala Avenue, 1226 Makati City**  
Telephone No.: **8588-4242**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

<b>Authorized Capital Stock</b>	Php 1,000,000,000.00
<b>Title of Each Class</b>	<b>Number of Shares of Common Stock Outstanding as of September 12, 2022</b>
Common Shares	201,663,126

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes [ ]

No [✓]

## INFORMATION REQUIRED IN INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### **ITEM 1. Date, Time and Place of 2022 Special Stockholders' Meeting**

a.

Date	<b>October 21, 2022</b>
Time	<b>: 10 a.m.</b>
Place	<b>: Via teleconference link</b> <a href="https://us06web.zoom.us/j/86869455816?pwd=dmxTQIN5QUViVThnb3IRaFFhbEw5UT09">https://us06web.zoom.us/j/86869455816?pwd=dmxTQIN5QUViVThnb3IRaFFhbEw5UT09</a>
Approximate Mailing Date of this Information Statement	<b>September 30, 2022</b>
Complete Mailing Address	<b>: 11/F Multinational Bancorporation Center, Ayala Avenue, Makati City</b>

Special Stockholders' Meeting web address / URL / link:

<https://us06web.zoom.us/j/86869455816?pwd=dmxTQIN5QUViVThnb3IRaFFhbEw5UT09>

- b. Approximate date on which copies of the Information Statement are first to be sent or given to security holders is on **September 30, 2022**.

#### **ITEM 2. Dissenters' Right of Appraisal**

There are no corporate matters or proposed actions included in the Agenda that will be taken up at the meeting that may give rise to a possible exercise by stockholders of their appraisal rights. Generally, however, the stockholders of AIB Money Market Mutual Fund Inc. ("**Corporation**") have the right of appraisal in the instances enumerated in Section 80 of the Revised Corporation Code. The instances where the right of appraisal may be exercised are as follows:

- a. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- c. In case of merger or consolidation; and
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

Any stockholder who wishes to exercise his appraisal right must have voted against the proposed corporate action. He must make a written demand on the Corporation for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken. Failure to make the demand within such period shall be deemed a waiver of such appraisal right. If the proposed corporate action is implemented or effected, the Corporation shall pay to such



stockholder, upon the surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Corporation within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment. Upon payment by the Corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

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

- a. No director or officer of the Corporation at any time since the beginning of the last fiscal year, nominee for election as director of the Corporation, nor any of their associates, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Special Meeting.
- b. No director of the Corporation has informed the Corporation in writing that he intends to oppose any action or matter to be acted upon at the meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **ITEM 4. Voting Securities and Principal Holders Thereof**

#### **a. Class of voting shares**

As of September 12, 2022, the Corporation has 201,663,126 common shares outstanding, and each shareholder is entitled to one vote for each share of stock held as of the record date:

#### **b. Record date**

The record date with respect to the determination of the stockholders who are entitled to notice of and to vote at the Special Stockholders' Meeting is September 30, 2022. All stockholders of record as of September 30, 2022 are entitled to notice and to vote at the meeting.

#### **c. Voting Rights and Trust**

In the matters to be voted upon in the Special Stockholders' Meeting, stockholders of record as of September 30, 2022 shall be entitled to one vote per share. If he/she/it will vote by proxy, the Amended By-Laws of the Corporation requires the submission of the duly accomplished proxy form to the Corporate Secretary at least seven (7) days before the actual meeting. Duly accomplished proxies shall be submitted by email for inspection, validation, and recording to the Office of the Corporate Secretary at [infosec@aibaami.com](mailto:infosec@aibaami.com). The stockholder may revoke the proxy by signed revocation at least three (3) days before the day of the meeting, by sending the scanned or digital copy of such signed revocation to [infosec@aibaami.com](mailto:infosec@aibaami.com). The revocation of proxy is without prejudice to the right of the stockholder to vote in absentia upon valid

registration. The Corporate Secretary should validate the proxies at least five (5) days before the meeting. The decision of the Corporate Secretary on the validity of the proxies shall be final and binding until and unless set aside by a court of competent jurisdiction.

Every stockholder entitled to vote shall have the right to vote, electronically in absentia or by appointing the Presiding Officer of the meeting as proxy, the number of shares outstanding in his name at the time of the election.

**d. Security Ownership of Certain Record and Beneficial Owners and Management**

**(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares) as of September 12, 2022.**

The following persons or groups are known to the Corporation as directly or indirectly the record or beneficial owners of more than five percent (5%) of the Corporation's voting securities as of September 12, 2022.

<b>Title of Class</b>	<b>Name and Address of Record Owner, and Relationship with Issuer</b>	<b>Name of Beneficial Owner, and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held and Nature of Ownership (Record and/or Beneficial)</b>	<b>Percentage of Ownership</b>
Common	<b>Amalgamated Investment Bancorporation</b> 11th Floor, 6805 Ayala Avenue, Makati City 1226	See Footnote 1 below. <sup>2</sup> Record and Beneficial Owner.	Filipino	201,658,120 <i>(Record and Beneficial)</i>	100%
To be represented by: <b>ROBERT CHARLES M. LEHMANN</b>					

<sup>2</sup> Amalgamated Investment Bancorporation is the parent company of the Corporation. It is beneficially owned by MF AIB Holdings, Inc. with 30% ownership; HIAP MOH Corp Ltd with 24% ownership; Pioneer Ventures, Inc. with 10% ownership and 36% held at treasury.

**(2) Security Ownership of Management as of September 12, 2022 (Record and Beneficial)**

As of September 12, 2022 the security ownership of the Corporation's Management is as follows:

<b>Title of Class</b>	<b>Name of Owner and Position</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Robert Charles M. Lehmann	1 Direct	Filipino	<%
Common	Servando B. Alvarez, Jr.	1 Direct	Filipino	<%
Common	Stanley L. Saguinsin	1 Direct	Filipino	<%
Common	Augusto M. Cosio Jr.	1 Direct	Filipino	<%
Common	Justina F. Callangan	5,001 Direct	Filipino	<%
Common	Vicente Julian A. Sarza	1 Direct	Filipino	<%

**(3) Voting Trust Holders of 5% or More**

The Corporation is not aware of any person holding 5% or more of the Corporation's shares under a voting trust or similar agreement.

**(4) Changes in Control**

As of September 12, 2022, the Corporation is not aware of any arrangements that may result in a change in control of the Company

**ITEM 5. Directors and Executive Officers**

There will be no election of directors and/or officers to be conducted during the special meeting on October 21, 2022.

**ITEM 6. Compensation of Directors and Executive Officers**

- a. There will be no election of directors and/or officers to be conducted during the special meeting on October 21, 2022.
- b. **Not Applicable**
- c. **Not Applicable**
- d. **Not Applicable**

#### **ITEM 7. Independent Public Accountants**

Isla Lipana & Co. is appointed as the external auditor of the Corporation for the year 2022 replacing Roxas Cruz Tagle and Co. Ms. Ruth F. Blasco is the appointed audit partner for the current year. Ms. Ruth F. Blasco has a Group A Accreditation from SEC (Accreditation No. 112595 – SEC) valid from 2020 Audit period to 2024 Audit period. The Board approved the appointment of Isla Lipana & Co. as the Corporation’s external auditor for 2022.

The representative/s of Isla Lipana & Co. are expected to be present at the Special Stockholders’ Meeting and will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Fund is expecting to pay Php55,000, exclusive of out-of-pocket expenses and 12% value-added tax. There are no other related services that will be provided by the external auditor for tax accounting, compliance, advice, and planning except for the above.

#### **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

The Corporation has not encountered any material disagreements on accounting and financial disclosures with its previous external auditor for the same periods or any subsequent interim period. Roxas Cruz Tagle and Co has neither shareholdings in the Corporation nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Corporation. Roxas Cruz Tagle and Co will not receive any direct or indirect interest in the Corporation or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The change in the external auditor is a group-wide policy to which the Fund belongs to. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission

#### **The audit committee's approval policies and procedures**

The recommendations of the external auditor are presented to the Audit Committee, which then endorse the same to the Board of Directors for approval.

#### **ITEM 8. Compensation Plans**

The Corporation has not yet approved any stock option plans for its employees. No matters or actions with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

#### **ITEM 9. Authorization or Issuance of Securities Other than for Exchange**

There are no matters or actions to be taken up with respect to authorization or issuance of securities.

**ITEM 10. Modification or Exchange of Securities**

There are no matters or actions to be taken up for the modification of any class of the Corporation's securities or the issuance or authorization for issuance of one class of the Corporation's securities in exchange for outstanding securities of another class.

**ITEM 11. Financial and Other Information**

There are no matters or action to be taken up with respect to Item 9 and Item 10, as stated above.

1. Management's Discussion and Analysis, External Auditor's Fees and Services, and Market Price of Shares and Dividends – **Exhibit "A"**
2. 2021 Annual Report (SEC Form 17-A) – **Exhibit "B"**
3. 2nd Quarter 2022 Quarterly Report (SEC Form 17-Q) – **Exhibit "C"**

**ITEM 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There are no matters or actions to be taken up in the meeting with respect to a merger, consolidation, acquisition by, sale or liquidation of the Corporation.

**ITEM 13. Acquisition or Disposition of Property**

There are no matters or actions to be taken up in the meeting with respect to an acquisition or disposition of any property by the Corporation requiring stockholders' approval.

**ITEM 14. Restatement of Accounts**

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Corporation.

**D. OTHER MATTERS**

**ITEM 15. Action with Respect to Reports**

The minutes of the Corporation's previous stockholders' meeting will be presented to the stockholders for approval.

**ITEM 16. Matters Not Required to be Submitted**

There are no matters or action to be taken up in the meeting that are not required to be submitted to a vote of security holders.

**ITEM 17. Amendment of Charter, Bylaws or Other Documents**

The following are the matters or actions to be taken up in the meeting with respect to the amendment of the Articles of Incorporation of the Corporation:

- a. Proposed Amendments of the AIBMMMFI's Articles of Incorporation to comply with the directive of CGFD for the issuance of monitoring clearance for the application to decrease the par value of the Company from Php1.00 to Php0.05.

<b>Provision in the Articles of Incorporation</b>	<b>Proposed Amendment</b>
<b>SECOND Article, 2.</b> To purchase or otherwise acquire, and to hold, own, trade and deal in, mortgage, pledge, assign, sell exchange, transfer or otherwise dispose of goods, wares, merchandise and personal property of every class and description and to transport the same in any manner;	-delete-
<b>SECOND Article, 7.</b> Insofar as may be permitted by law, to do any act or things necessary or useful for the protection development, improvement or operation of any person, corporation, association, firm or entity in or with which this Corporation has an interest of any kind, whether as stockholder, manager, investment adviser, technical consultant or otherwise including, among others, the power to extend all kinds of financial assistance by loan, guaranty, surety, or subsidy to such corporation, association, firm or entity without engaging in surety business; (As amended on 28 July 2017)	-delete-
<b>SECOND Article, 9.</b> To acquire, take over, hold or control all or any part of the business, goodwill, property and other assets, as may be allowed under the law, and to assume or undertake the whole or any part of the liabilities and obligations of any person, firm, association or corporation, whether domestic or foreign, and whether a going concern or not, engaging in or preciously engaged in a business which the Corporation is or may become authorized to carry on or which may be appropriated or suitable for the purposes of the Corporation, and to pay for the same in cash or in stock bonds, or securities of the Corporation or otherwise, and to hold, manage, operate, conduct and dispose of, in any manner, the whole or part of any such acquisitions, and to exercise all the powers necessary or convenient for the conduct and management thereof; (As amended on 28 July 2017)	-delete-

**ITEM 18. Other Proposed Actions**

None.

## **ITEM 19. Voting Procedures**

### **(a) Vote Required**

The vote for each item proposed for approval by the stockholders is as follow:

1. On all matters to be taken up, the affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the special stockholders' meeting is required.

In the case of proxies, the votes should be cast in such manner and by such person as directed in the proxy.

### **(b) Method of Voting**

In all items for approval, each voting share of stock entitles its registered owner as of the record date to one vote.

Upon registration at the special stockholders' meeting, each stockholder will be given a ballot to enable him to vote in writing on each item or proposal in the Agenda. All votes will be counted and tabulated by the Election Committee composed of representatives from the Office of the Corporate Secretary.

Registration for the special stockholders' meeting and tabulation of votes shall be conducted in the following manner:

- (1) Registration is to commence by the filing of a scanned or digital copy of the completed Registration Form together with other required documents to [infosec@aibaami.com](mailto:infosec@aibaami.com) beginning September 30, 2022 at 8:00am until October 14, 2022 at 5:00pm.
- (2) The stockholder has the option to either vote in absentia, in which case the stockholder will have to complete the ballot attached to the Registration Form; or to appoint the Presiding Officer of the meeting as Proxy.
- (3) Subject to validation by the Company, the stockholder will receive an email confirming their valid registration which shall also contain the link to the live webcast of the Meeting.

The Office of the Corporate Secretary will tabulate all votes received through Proxy or in absentia, and an independent third party will validate the results. Validation and final tally of votes through Proxy or in absentia shall be released on or before October 17, 2022.

- (4) Stockholders who notified the Company of their intent to attend the meeting remotely can either vote in advance or during the meeting through the link provided to their email addresses. Votes are subject to the validation of an independent third party.

Please refer to Annex "A" for the detailed instruction on electronic voting.

*[Signature Page Follows]*

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed on September 27, 2022

**AIB MONEY MARKET MUTUAL FUND INC.**

By:



**STANLEY L. SAGUINSIN**  
Corporate Secretary



**ANNEX A**  
**AIB MONEY MARKET MUTUAL FUND INC**  
**Internal Procedures for Electronic Voting in Absentia and/or**  
**By Proxy on Special Stockholder's Meeting**

**I.COVERAGE**

Stockholders of AIB Money Market Mutual Fund Inc (the "Company") who are unable to physically attend the Company's Special Stockholders' Meeting on October 21, 2022 and who have: (a) appointed the Chairman of the meeting as Proxy, or (b) upon valid registration chose to electronically vote in absentia after advising the Company of their intention to attend the Meeting remotely.

**II. REGISTRATION**

1. **Who may Register** - Stockholder's of Record as of September 30, 2022.
2. **When to Register**- Registration period for Stockholders who intend to appoint the Presiding Officer of the Company as Proxy, or to electronically vote in absentia shall start on September 30, 2022 at 8:00am until October 14, 2022 at 5:00pm, Philippine time ("Registration Period"). Beyond this date, Stockholders may no longer avail of the option to electronically vote in absentia.
3. **How to Register** - The Shareholder must send a scanned or digital copy of their Registration Form, herein attached, together with the following documents, to the email address [infosec@aibaami.com](mailto:infosec@aibaami.com) within the Registration Period, for validation.

**Individual Stockholders**

- a. A recent photo of the Stockholder, with the face fully visible.
- b. Scanned or digital copy of the front and back portions of the Stockholder's valid government-issued identification card, preferably with residential address.
- c. Contact number

**Corporate Stockholders –**

- a. Scanned or digital copy of signed secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation.
- b. A recent photo of the stockholder's representative, with the face fully visible.
- c. Scanned or digital copy of the front and back portions of the valid government-issued identification card of the Stockholder's representative, preferably with residential address.
- d. Contact number of the Stockholder's representative.

Stockholders with incomplete requirements will not be able to register online and vote electronically *in absentia*, but may still vote by sending a proxy (appoint the Presiding Officer of the Company as proxy) to the Special Stockholders' Meeting.

4. **Validation of Registration.** The validation of the Stockholder's Registration Form shall be completed by the Company within three (3) business days from receipt thereof. The Company will send an email confirming successful validation of the Stockholder's registration.

Please note that submission of incomplete or inconsistent information may result in an unsuccessful registration.

**Note:** In light of the recent events and government pronouncements and guidelines surrounding the COVID-19 pandemic, the Company shall allow electronic signature for the required documents, as applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents at a later date.

5. **Unregistered Stockholders.** Unregistered Stockholders are requested to notify the Company by email to [infosec@aibaami.com](mailto:infosec@aibaami.com) by October 14, 2022 of their intention to participate in the Special Stockholders' Meeting by remote communication. For validation purposes, unregistered Stockholders shall also provide the Company the following information: (i) name; (ii) address; (iii) telephone number.

### III. Right to Vote

#### 1. The Stockholder Appointing the Presiding Officer as Proxy:

Stockholders may give the Presiding Officer the authority to vote in all matters for approval, by appointing the Presiding Officer as Proxy in the Stockholders' Registration Form.

#### 2. The Stockholder Votes in Absentia:

- a. The registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.

The votes cast in absentia will have equal effect as votes cast by proxy.

#### 3. Stockholder Participating through Remote Communication:

Stockholders participating through remote communication may either vote prior to or during the Special Stockholders' Meeting provided they have validly registered within the Registration Period.

Upon successful registration, Registered Stockholders will receive an electronic mail containing the link they can access to cast their votes. For verification, the Registered Stockholder will have to fill in their data and certify their information on the link

provided. The Stockholder may edit their votes but once the Registered Stockholder clicks the Submit button, votes are irreversible.

#### **IV. Tabulation & Validation of Votes in Absentia or by Proxy**

The Office of the Corporate Secretary will tabulate all votes received through Proxy or in absentia, and an independent third party will validate the results. Validation and final tally of votes through Proxy or in absentia shall be released on or before October 17, 2022.

#### **V. Determination of Quorum**

Only those Stockholders who have notified the Company of their intention to participate in the Special Stockholders' Meeting by remote communication, and who have successfully registered during the Registration Period, together with the Stockholders who voted by proxy or *in absentia* will be included in the determination of quorum.

#### **VI. Access to the Live Meeting**

The Company will send the registered Stockholders the Zoom link to the Special Stockholder's Meeting through the email confirming their successful registration or at least no later than two (2) business days prior to the date of the Meeting.

Registered Stockholders may be required to download an application (*Zoom*) or register an account to access the live webcast of the meeting. For any technical assistance, Stockholders may send their questions or concerns prior to the date of the meeting via email to [infosec@aibaami.com](mailto:infosec@aibaami.com) with the subject "Technical Assistance".

#### **VII. Stockholders' Questions/Comments During the Meeting**

Stockholders may send their questions and/or comments during the meeting at [infosec@aibaami.com](mailto:infosec@aibaami.com). The Corporate Secretary shall raise these questions on behalf of the Stockholder.

#### **VIII. Recording of the Special Meeting**

Upon adjournment, the Company shall post the link to the recorded webcast of the Special Stockholder's Meeting on the Company's website, for two (2) weeks. Within this period, Stockholders may raise to the Company any issues, clarifications and concerns on the Special Stockholder's Meeting conducted.

#### **IX. Other Matters**

For any clarifications or other concerns, Stockholders may email the Office of the Corporate Secretary at [infosec@aibaami.com](mailto:infosec@aibaami.com).

**AIB MONEY MARKET MUTUAL FUND, INC.  
MANAGEMENT REPORT**

**Plan of Operation for the next 12 months**

Management will complete all the regulatory requirements of the Fund. The Fund will be focusing on decreasing its friction cost and providing better access for its investors.

The Fund will invest in Philippine Peso denominated short-term securities or fixed income instruments representing high-quality, liquid debt and monetary instruments issued by the Philippine government and selected companies doing business in the Philippines.

The Fund does not own, lease or intend to acquire real properties in the next twelve (12) months. Neither will the Fund be purchasing or selling significant properties nor will it do the same for equipment. The Fund will not engage in research and development for any new projects. Lastly, the Fund does not expect any changes in the number of employees in the next twelve (12) months.

**Management's Discussion of Financial Performance for 2021, 2020, 2019**

**(a) Discussion of Financial Performance for the twelve months ended December 31, 2021**

**Assets**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the year ended December 31, 2021 decreased to ₱208.99 million from the ₱218.84 million as of December 31, 2020 due to the payment of advances from related party during the third quarter of the year and settlement of penalties to the Securities and Exchange Commission. Cash and cash equivalents comprise 99.6% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

**Liabilities**

The Fund has no outstanding liabilities as at December 31, 2021. Advances from related party, amounting to ₱10.45 million, was paid in full during the third quarter of the year.

**Income Statement**

For the year ended December 31, 2021, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱2.55 million, a decrease from ₱4.93 million in interest income earned by the Fund for the full year December 31, 2020. This is due to the decrease in the outstanding short-term placements of the Fund during the year, with 1.25% per annum interest rate in 2021.

Expenses of the Fund consist of directors' per diem, professional fees, taxes and licenses, and other miscellaneous expenses. The Fund's total expenses amounted to ₱1.12 million, of which

₱0.72 million were paid to SEC & BIR for various late filing of regulatory reports and ₱0.27 million were paid to professional fees.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱0.92 million as of December 31, 2021.

(b) Discussion of Financial Performance for the twelve months ended December 31, 2020

**Assets**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the year ended December 31, 2020 decreased to ₱218.84 million from the ₱265.00 million as of December 31, 2019 due to the redemption of AIB from the Fund. Cash and cash equivalents comprise 99.89% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

**Liabilities**

Total liabilities of the Fund consist of advances from a related party and accrued expenses. For the year ended December 31, 2020, the advances from a related party increased to ₱10.10 million from ₱9.99 million as of December 31, 2019. These advances represent the majority of the Fund's liabilities and caused the increase in total liabilities compared with the total liability as of end of December 31, 2019. Accrued expenses account for less than one percent (1%) of total liabilities.

**Income Statement**

For the year ended December 31, 2020, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱4.93 million a decrease from ₱6.87 million in interest income earned by the Fund for the full year December 31, 2019. This is due to the decrease in short-term placements of the Fund from ₱265.00 in 2019 to ₱218.84 in 2020.

Expenses of the Fund consist of professional fees, taxes and licenses. For the year ended December 31, 2020, the Fund's total expenses amounted to ₱0.08 million.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱3.86 million as of December 31, 2020.

(c) Discussion of Financial Performance for the twelve months ended December 31, 2019

**Assets**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the year ended December 31, 2019 increased to ₱265.00 million from the ₱259.37 million as of December 31, 2018 due to the interest income earned by the Fund from short-term placements which provides interest ranging from 2.187%

to 5.5% per annum in 2019. Cash and cash equivalents comprise 99.9% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

### **Liabilities**

Total liabilities of the Fund consist of advances from a related party and accrued expenses. For the year ended December 31, 2019, the advances from a related party increased to ₱9.99 million from ₱7.42 million as of December 31, 2018. These advances represent the majority of the Fund's liabilities and caused the increase in total liabilities compared with the total liability as of end of December 31, 2018. Accrued expenses account for less than one percent (1%) of total liabilities.

### **Income Statement**

For the year ended December 31, 2019, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱6.87 million an increase from ₱4.23 million in interest income earned by the Fund for the full year December 31, 2018. This is due to the increase in interest rates earned from the short-term placements of the Fund which ranges from 1.30-2.63% per annum in 2018 2.1875- 5.5% per annum in 2019

Expenses of the Fund consist of professional fees, taxes and licenses. For the year ended December 31, 2019, the Fund has paid ₱2.60 million for professional fees.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱2.88 million as of December 31, 2019.

### **Management's Discussion of Financial Performance for Interim Period**

#### Discussion of Financial Performance for the period ended June 30, 2022

#### **ASSETS (June 30, 2022 vs. December 31, 2021)**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the period ended June 30, 2022 increased to ₱210.09 million from the ₱208.99 million as of December 31, 2021 due to the interest received for the first half of 2022. Cash and cash equivalents comprise 99.93% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

#### **LIABILITIES (June 30, 2022 vs. December 31, 2021)**

Total liabilities of the Fund consist of advances from a related party and accrued expenses. The total liabilities of the Fund for the period ended June 30, 2022 decreased to zero from ₱70,371 as of December 31, 2021. The liability of the Fund as of December 31, 2021 is composed of the accrued audit expense and was settled during the first half of the year 2022.

## **INCOME STATEMENT (June 30, 2022 vs. June 30, 2021)**

For the period ended June 30, 2022, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱1.25 million, approximately the same with the interest income earned by the Fund for the same period of the previous year.

Expenses of the Fund consist of professional fees, taxes & licenses, custodianship fee and other miscellaneous expense. For the period ended June 30, 2022, the Fund incurred a total expense of ₱0.51 million, 104.68% or ₱0.34 million higher compared to the total expense, amounting to ₱0.17 million, incurred for the same period of the previous year. The difference is due to the penalties paid by the Fund amounting to ₱0.40 million during the year.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱0.49 million as of June 30, 2022.

The Company received the Certificate of Permit to Offer Securities for Sale last December 27, 2018. The Company has not yet started selling to the investing public since then. There were no significant changes on the company's financial report for the period ending June 30, 2020. The company is still organizing the portfolio, allocation of assets and instruments to be competitive with the market. The Company's portfolio is not publicly traded as of to date.

### **Management's Discussion on the projected future financial condition and results of operation for the year 2021.**

The Fund will still be able to meet all its monetary obligations to its shareholders (for redemption) and creditors for the next 12 months. It does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons are expected to be created for the next 12 months. Furthermore, there are no known trends, events, or uncertainties that have had or that are reasonably expected to occur that will have a material favorable or unfavorable impact on the continuing operations and liquidity of the Fund.

### **Financial Condition - Key Variable and Other Qualitative and Quantitative Factors and material matters**

The Fund has yet to commence operations. Thus, the Fund's capital is sufficient to cover the operations within the next twelve months. Consequently, the Fund does not anticipate any cash flow or liquidation problems.

There are no events that will trigger direct or contingent financial obligation that are material to the Fund, including any default or acceleration of an obligation. There are also no material off-balance sheet transactions, arrangements, obligations and other relationships of the Fund with unsolicited entities or other created persons during the reporting period. There are no material commitments for capital expenditures. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material or unfavorable impact on net sales or revenues. There are also no significant elements of income or loss that did not arise from the Fund's operations because the Fund has yet to begin. There was no

material change from period to period and no seasonal aspects that had a material effect on the financial condition or results of operations.

### Top 5 Key Performance Indicators

The Key Performance Indicators (KPI) are a set of quantifiable measures that is necessary to gauge its performance in terms of meeting the Fund’s investment objective while consistently following its investment policy. The following are the top 5 KPIs related to the Fund:

1. **Total Return.** The performance of a mutual fund is expressed in terms of its total return, which is the sum of the change in a fund's NAV, its dividends and its capital gains distributions over a given period of time, net of its expenses.
2. **Market Conditions.** A fund's true performance potential needs to be evaluated within the context of the market environment prevailing during the different periods used. It is most relevant to investors to measure the performance of a fund within a 5-year time frame as it will most likely cover a mix of market conditions that may be translated into a more reliable long-term indicator of the fund manager’s investment management abilities.
3. **Peer Comparisons.** Mutual funds are also compared to their peers, or peer groups, and relevant fund categories. For example, it is common for investment research materials to compare a bond fund, like the Fund, to funds similar in nature (peers or peer group).

It is important to note that our fund is new, and is therefore not of the same size as funds available in the market. The table below summarizes the details of AIB Money Market Mutual Fund’s main peers:

	AIFM Money Market mutual Fund, Inc	First Metro Save and Learn Money Market Fund, Inc	Sun Life Prosperity Money Market Fund, Inc
5-Year Return	2.56%	n.a.	2.53%
3-Year Return	2.77%	n.a.	2.57%
1-Year Return	1.06%	0.92%	1.44%

\*As of Dec. 31, 2021

4. **Asset Size.** Open-ended mutual funds grow their asset size in two ways:
  - i. Increase in the value of the underlying assets as a result of the strong performance of the securities in the fund's portfolio. When the underlying assets in a portfolio increase in value, the fund's asset size increases.
  - ii. The inflow of investors' money. This is why a fund's asset size will continue to grow even if it has a negative return.

The increase in a fund’s asset size signifies solid fund management skills which, combined with favorable market conditions backed by a strong economic outlook, illustrates how effectively a fund manager has performed and the extent to which value has been added through active management.

The second indicates investor confidence in the fund manager, the Fund, or both.



5. **Ability of the Fund and Fund Manager to generate income from investing in fixed-income securities.** This is a detrimental performance indicator as Fund size may grow despite experiencing negative returns, so long as more clients subscribe to the Mutual Fund.

## MARKET PRICE OF SHARES AND DIVIDENDS

### (1) Market Information

The Funds shares shall be sold and redeemed only through the fund's principal distributor. The fund's shares shall not be listed nor traded on the Philippine Stock Exchange or any Exchange.

The Fund has not begun trading its shares as the Fund and its Principal Distributor - AIB Asia Asset Management, Inc. are still completing its remaining requirements for with SEC to officially commence in accordance with the ICA, Security Regulations Code and the applicable rules. Thus, there are no information on frequency of trading as well as high and low NAVPS for each quarter of the year 2021 and first half of 2022.

### (2) Holders

There are 7 registered holders of common shares of the Fund as of June 30, 2022.

The following are the registered holders of the common equity securities of the Company:

	Stockholder Name	No. of Shares	% to Total Shares
1.	AMALGAMATED INVESTMENT CORPORATION	201,658,120	100%
2.	ROBERT M. LEHMANN	1	<0%
3.	SERVANDO B. ALVAREZ JR.	1	<0%
4.	STANLEY L. SAGUINSIN	1	<0%
5.	AUGUSTO M. COSIO JR.	1	<0%
6.	JUSTINA F. CALLANGAN	5,001	<0%
7.	VICENTE JULIAN A. SARZA	1	<0%

### (3) DIVIDENDS

No cash dividends or any form of dividends have been declared or issued in the past years.

The Fund has not begun trading its shares as the Fund and its Investment Company Adviser - AIB Asia Asset Management, Inc. are still completing its remaining requirements with SEC to officially commence, in accordance with the ICA, Security Regulations Code and the applicable rules.

## **CORPORATE GOVERNANCE**

The evaluation system adopted by the Fund 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.

The Fund's Compliance Officer is tasked to monitor compliance by the Fund with its Manual of Corporate Governance and the rules and regulations of regulatory agencies. The Compliance Officer shall report any violations to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation. The Compliance Officer shall issue a certification every 30th January of the year on the extent of the corporation's compliance with this Code for the completed year and, if there are any deviations, explain the reason for such deviation.

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

- Appointment of a Compliance Officer.
- Consider changes, improvements, or additions to current corporate disclosure procedures.
- Implement processes for identifying items where timely corporate disclosure is necessary.

The Fund has no material deviations from its Manual of Corporate Governance. Apart from the foregoing changes or improvements being considered for corporate disclosures, there are no plans to improve the current corporate governance of the Fund.

**CGFD\_AIB MONEY MARKET MUTUAL FUND, INC.\_SEC FORM 17-A\_20APRIL2022**

IN Me <infosec@aibaami.com>  
Wed, 20 Apr 2022 3:32:27 PM +0800  
To "Ictdsubmission" <ictdsubmission@sec.gov.ph>  
Tags

Dear SEC,

Greetings!

We are submitting 2021 Annual Report (SEC Form 17-A) of AIB Money Market Mutual Fund, Inc.

Attached with the Annual Report is the Certification of Online Submission as required by an SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through email.

Kindly acknowledge its receipt.

Thank you and stay safe.

**AIB Money Market Mutual Fund, Inc. (AIBMMMFI)**

11/F 6805 Ayala Avenue Makati City

<https://aibmmmfi.com/>

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**2 Attachments**

SEC Form 17-A 2021 AIB Money Market Mutual Fund, Inc..pdf

Certification of Online Submission of 2021 SEC Form 17-A.pdf

**Re: CGFD\_AIB MONEY MARKET MUTUAL FUND, INC.\_SEC FORM 17-A\_20APRIL2022**

IS ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>  
Wed, 20 Apr 2022 3:32:38 PM +0800

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Tags 

Security  **TLS** [Learn more](#)

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Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

(Subject to Verification and Review of the Quality of the Attached Document)

Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at [www.sec.gov.ph](http://www.sec.gov.ph)

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## NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)

**Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.**

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:

AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC\_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

<https://apps010.sec.gov.ph>

**For your information and guidance.**

**Thank you and keep safe.**

# COVER SHEET

C S 2 0 1 5 0 6 3 0 9

SEC Registration Number

A I B M O N E Y M A R K E T M U T U A L F U N D I N C .  
 ( A n O p e n - E n d M u t u a l F u n d C o m p a n y )

(Company's Full Name)

1 1 t h F l o o r , M u l t i n a t i o n a l  
 B a n c o r p o r a t i o n C e n t r e 6 8 0 5 ,  
 A y a l a a v e . , 1 2 2 6 M a k a t i C i t y

(Business Address: No. Street City/Town/Province)

**Vilma M. Aquiatan**

**8588-4242**

1 2    3 1  
 Month    Day  
 (Fiscal Year)

**SEC Form 17-A**

**April 21**

(Annual Meeting)

**Investment Company**  
 (Secondary License Type, if Applicable)

Dept Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings  
 Domestic                      Foreign

-----  
 To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_  
 LCU

Document ID

\_\_\_\_\_  
 Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended DECEMBER 31, 2021
2. SEC Identification Number CS201506309 3. BIR Tax Identification No. 008-994-370
4. Exact name of issuer as specified in its charter AIB MONEY MARKET MUTUAL FUND, INC.
5. MAKATI CITY Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. 11F Multinational Bancorporation Centre 6805 Ayala Ave., Makati City 1226  
Address of principal office Postal Code
8. (+632) 8588-4242  
Issuer's telephone number, including area code
9. NOT APPLICABLE  
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>COMMON</b>	<b>201,663,126</b>

11. Are any or all of these securities listed on a Stock Exchange.

Yes [ ] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.  
**N/A**

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

The Fund was incorporated on March 27, 2015 as an open-end investment company under R. A. No 2629 and R.A. No. 8799 with SEC Registration No. CS201506309. It intends to engage in the sale of its Shares and the investment of the proceeds thereof in Peso-denominated short-term securities or fixed-income instruments representing high-quality, liquid debt and monetary instruments issued by the government of the Philippines and Filipino corporations and also selected preferred shares with a put option (at the option of the buyer) and issued by the Top 1,000 companies in the Philippines, as listed in BusinessWorld's annual publication.

### **Distribution Methods of the Products or Services**

The shares of the Fund are sold over-the-counter. Shares shall be sold primarily through the Fund's Principal Distributor and its eligible sales agents, who have taken and passed the required licensing examination given by the SEC.

### **Competition**

The industry in which the Fund is selling or expects to sell its products or services is the mutual fund industry. As of December 31, 2021, there are about sixty-five (65) active mutual funds in the industry – subdivided into Stock/Equity Funds, Balanced Funds, Bonds Funds (Peso and Foreign-Denominated) and Money Market Funds. The industry is highly concentrated. The Fund competes with other mutual funds managed by other fund managers operating in the Philippines. The Fund's sources of competitive advantage are its investment performance, which will ultimately drive the direction of the fund price, and customer service, which will be marked by regular updates and client information briefings geared at keeping the investors abreast of market developments.

### **Investment Objective and Legal Restriction**

The Fund is an open-end, conservative or low-risk, low-return mutual fund denominated in Philippine currency (₱). The investment objective is capital preservation with returns and inflows derived out of investments in a diversified portfolio primarily composed of Peso-denominated short-term securities or fixed-income instruments representing high-quality, liquid debt and monetary instruments issued by the government of the Philippines and Filipino corporations and also selected preferred shares with a put option (at the option of the buyer) and issued by the Top 1,000 companies in the Philippines, as listed in BusinessWorld's annual publication. Thus, the Fund can be classified as a conservative or low-risk investment.

In line with its stated investment objective, the Fund shall pursue a general investment policy of maintaining an optimal balance between maximizing short-term investment returns and minimizing investment risk by the proper allocation of assets among selected marketable securities and instruments depending on prevailing and anticipated market conditions. The Fund portfolio and investment strategy is to acquire Peso- denominated short-term securities or fixed income securities representing high-quality, liquid debt and monetary instruments issued by the Philippine government and established Philippine companies, such as PLDT, Globe, SM Group, Ayala Group, Aboitiz Group, and the like. The Fund will invest in companies that are well-known, highly-rated, well-tracked, and whose possibility of default is possible yet highly improbable. The Fund also intends to invest in selected preferred shares with a put option (at the option of the buyer) and issued by the Top 1,000 companies in the Philippines, as listed in BusinessWorld's annual publication. The Fund has no plans to stray away from this investment objective, thus minimizing default risk. Also, ten percent (10%) of the fund will remain in liquid assets such as cash.

It is the investment policy of the Fund that its investments to private institutions shall be limited to issuers/borrowers/counterparties which are found within the Businessworld's Top 1,000 Corporations being published annually by said publication.



The Fund Manager will exercise thorough credit analysis and due diligence when determining which securities to invest in. It will analyze various credit reports and ratings, analyst reports, market reports and the general sentiment of other banks toward that security.

## Item 2. Properties

The Fund has financial assets in the form of cash, cash equivalents, equities and fixed income only. The Fund does not intend to acquire any property in the next twelve (12) months. There is no mortgage, lien, or encumbrance over any property of the Fund. There are also no current pending legal proceedings or contemplated legal proceedings concerning the Fund's properties.

## Item 3. Legal Proceedings

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

## Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of the security holders during the fourth quarter of the fiscal year covered by this report.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

#### Market Information

The Fund's shares are not traded in any Stock Exchange and only sold through its Principal Distributor, AIB Asia Asset Management, Inc. ("AAAMI"). Below is the history of NAVPS of the Fund for the first quarter of 2022 and the years 2021 and 2020:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2022	High	1.0380	-	-	-
	Low	1.0366	-	-	-
2021	High	1.0380	1.0401	1.0411	1.0405
	Low	1.0366	1.0387	1.0405	1.0395
2020	High	1.0239	1.0283	1.0328	1.0359
	Low	1.0206	1.0239	1.0298	1.0343

#### Holders

As of December 31, 2021, there are 13 account holders of the Fund's outstanding common stock, of which, Amalgamated Investment Bancorporation holds 201,658,114 shares out of the 201,663,126 outstanding shares.

#### Dividends

The Fund's Board of Directors shall by vote declare dividends and authorize the distribution of capital gain from any fund legally available therefore whenever in their opinion, the condition of the Fund's affairs render it expedient for such dividends to be declared.

Dividends payable out of the surplus profits of the Fund shall be declared at such time as the Board of Directors shall determine. No dividend shall be declared which shall impair the capital of the Fund. Stock dividends may be declared in accordance with law. The Fund may pay dividends in cash, property or in additional shares, or in some combination of the foregoing. At least ten percent (10%) of the actual earnings or profits may be declared by the Board of Directors as dividends.

Each shareholder has a right to any dividends declared by the Fund. When and where dividends are received by the Fund from other issuers, dividends shall be automatically reinvested by the Fund in the shares of other issuers, unless the Board of Fund decides to declare them as cash dividends to the Shareholders of the Fund.

## **Item 6. Management's Discussion and Analysis or Plan of Operation.**

### **Plan of Operation for the next 12 months**

Management will complete all the regulatory requirements of the Fund. The Fund will be focusing on decreasing its friction cost and providing better access for its investors.

The Fund will invest in Philippine Peso denominated short-term securities or fixed income instruments representing high-quality, liquid debt and monetary instruments issued by the Philippine government and selected companies doing business in the Philippines.

The Fund does not own, lease or intend to acquire real properties in the next twelve (12) months. Neither will the Fund be purchasing or selling significant properties nor will it do the same for equipment. The Fund will not engage in research and development for any new projects. Lastly, the Fund does not expect any changes in the number of employees in the next twelve (12) months.

### **Management's Discussion of Financial Performance for 2021, 2020, 2019**

#### (a) Discussion of Financial Performance for the twelve months ended December 31, 2021

##### **Assets**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the year ended December 31, 2021 decreased to ₱208.99 million from the ₱218.84 million as of December 31, 2020 due to the payment of advances from related party during the third quarter of the year and settlement of penalties to the Securities and Exchange Commission. Cash and cash equivalents comprise 99.6% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

##### **Liabilities**

The Fund has no outstanding liabilities as at December 31, 2021. Advances from related party, amounting to ₱10.45 million, was paid in full during the third quarter of the year.

##### **Income Statement**

For the year ended December 31, 2021, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱2.55 million, a decrease from ₱4.93 million in interest income earned by the Fund for the full year December 31, 2020. This is due to the decrease in the outstanding short-term placements of the Fund during the year, with 1.25% per annum interest rate in 2021.

Expenses of the Fund consist of directors' per diem, professional fees, taxes and licenses, and other miscellaneous expenses. The Fund's total expenses amounted to ₱1.12 million, of which ₱0.72 million were paid to SEC & BIR for various late filing of regulatory reports and ₱0.27 million were paid to professional fees.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱0.92 million as of December 31, 2021.

(b) Discussion of Financial Performance for the twelve months ended December 31, 2020

**Assets**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the year ended December 31, 2020 decreased to ₱218.84 million from the ₱265.00 million as of December 31, 2019 due to the redemption of AIB from the Fund. Cash and cash equivalents comprise 99.89% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

**Liabilities**

Total liabilities of the Fund consist of advances from a related party and accrued expenses. For the year ended December 31, 2020, the advances from a related party increased to ₱10.10 million from ₱9.99 million as of December 31, 2019. These advances represent the majority of the Fund's liabilities and caused the increase in total liabilities compared with the total liability as of end of December 31, 2019. Accrued expenses account for less than one percent (1%) of total liabilities.

**Income Statement**

For the year ended December 31, 2020, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱4.93 million a decrease from ₱6.87 million in interest income earned by the Fund for the full year December 31, 2019. This is due to the decrease in short-term placements of the Fund from ₱265.00 in 2019 to ₱218.84 in 2020.

Expenses of the Fund consist of professional fees, taxes and licenses. For the year ended December 31, 2020, the Fund's total expenses amounted to ₱0.08 million.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱3.86 million as of December 31, 2020.

(c) Discussion of Financial Performance for the twelve months ended December 31, 2019

**Assets**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the year ended December 31, 2019 increased to ₱265.00 million from the ₱259.37 million as of December 31, 2018 due to the interest income earned by the Fund from short-term placements which provides interest ranging from 2.187% to 5.5% per annum in 2019. Cash and cash equivalents comprise 99.9% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

**Liabilities**

Total liabilities of the Fund consist of advances from a related party and accrued expenses. For the year ended December 31, 2019, the advances from a related party increased to ₱9.99 million from ₱7.42 million as of December 31, 2018. These advances represent the majority of the Fund's liabilities and caused the increase in total liabilities compared with the total liability as of end of December 31, 2018. Accrued expenses account for less than one percent (1%) of total liabilities.

**Income Statement**

For the year ended December 31, 2019, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱6.87 million an increase from ₱4.23 million in interest income earned by the Fund for the full year December 31, 2018. This is due to the increase

in interest rates earned from the short-term placements of the Fund which ranges from 1.30-2.63% per annum in 2018 2.1875- 5.5% per annum in 2019

Expenses of the Fund consist of professional fees, taxes and licenses. For the year ended December 31, 2019, the Fund has paid ₱2.60 million for professional fees.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱2.88 million as of December 31, 2019.

### **Management's Discussion of Financial Performance for Interim Period**

#### Discussion of Financial Performance for the period ended March 31, 2022

#### **ASSETS (March 31, 2022 vs. December 31, 2021)**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the period ended March 31, 2022 increased to ₱209.89 million from the ₱208.99 million as of December 31, 2021 due to the interest earned for the period. Cash and cash equivalents comprise 99.84% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

#### **LIABILITIES (March 31, 2022 vs. December 31, 2021)**

Total liabilities of the Fund consist only of accrued expenses. For the period ended March 31, 2022, the accrued audit fee decreased to ₱0.01 million from ₱0.07 million as of December 31, 2021 due to payment during the quarter.

#### **INCOME STATEMENT (March 31, 2022 vs. March 31, 2021)**

For the quarter ended March 31, 2022, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱0.63 million, an increase from ₱0.62 million in interest income earned by the Fund for the same period of previous year. This is due to higher book value of placements in 2022 compared to the previous year.

Expenses of the Fund consist of professional fees, custodianship fees, taxes, licenses, and miscellaneous expenses. For the period ended March 31, 2022, the Fund's total expenses amounted to ₱0.05 million.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱0.45 million as of March 31, 2022.

The Company received the Certificate of Permit to Offer Securities for Sale last December 27, 2018. The Company has not yet started selling to the investing public since then. There were no significant changes on the company's financial report for the period ending June 30, 2020. The company is still organizing the portfolio, allocation of assets and instruments to be competitive with the market. The Company's portfolio is not publicly traded as of to date.

#### **Management's Discussion on the projected future financial condition and results of operation for the year 2021.**

The Fund will still be able to meet all its monetary obligations to its shareholders (for redemption) and creditors for the next 12 months. It does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations.

No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons are expected to be created for the next 12 months. Furthermore, there are no known trends, events, or

uncertainties that have had or that are reasonably expected to occur that will have a material favorable or unfavorable impact on the continuing operations and liquidity of the Fund.

**Financial Condition - Key Variable and Other Qualitative and Quantitative Factors and material matters**

The Fund has yet to commence operations. Thus, the Fund's capital is sufficient to cover the operations within the next twelve months. Consequently, the Fund does not anticipate any cash flow or liquidation problems.

There are no events that will trigger direct or contingent financial obligation that are material to the Fund, including any default or acceleration of an obligation. There are also no material off-balance sheet transactions, arrangements, obligations and other relationships of the Fund with unsolicited entities or other created persons during the reporting period. There are no material commitments for capital expenditures. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material or unfavorable impact on net sales or revenues. There are also no significant elements of income or loss that did not arise from the Fund's operations because the Fund has yet to begin. There was no material change from period to period and no seasonal aspects that had a material effect on the financial condition or results of operations.

**Top 5 Key Performance Indicators**

The Key Performance Indicators (KPI) are a set of quantifiable measures that is necessary to gauge its performance in terms of meeting the Fund's investment objective while consistently following its investment policy. The following are the top 5 KPIs related to the Fund:

1. **Total Return.** The performance of a mutual fund is expressed in terms of its total return, which is the sum of the change in a fund's NAV, its dividends and its capital gains distributions over a given period of time, net of its expenses.
2. **Market Conditions.** A fund's true performance potential needs to be evaluated within the context of the market environment prevailing during the different periods used. It is most relevant to investors to measure the performance of a fund within a 5-year time frame as it will most likely cover a mix of market conditions that may be translated into a more reliable long-term indicator of the fund manager's investment management abilities.
3. **Peer Comparisons.** Mutual funds are also compared to their peers, or peer groups, and relevant fund categories. For example, if the Fund is a bond fund, it is common for investment research materials to compare a bond fund, like the Fund, to funds similar in nature (peers or peer group).

It is important to note that our fund is new, and is therefore not of the same size as funds available in the market. The table below summarizes the details of AIB Money Market Mutual Fund's main peers:

	ALFM Money Market mutual Fund, Inc	First Metro Save and Learn Money Market Fund, Inc.	Sun Life Prosperity Money Market Fund, Inc.
5-Year Return	2.56%	n.a.	2.53%
3-Year Return	2.77%	n.a.	2.57%
1-Year Return	1.06%	0.92%	1.44%

\*As of Dec. 31, 2021

4. **Asset Size.** Open-ended mutual funds grow their asset size in two ways:
  - i. Increase in the value of the underlying assets as a result of the strong performance of the securities in the fund's portfolio. When the underlying assets in a portfolio increase in value, the fund's asset size increases.
  - ii. The inflow of investors' money. This is why a fund's asset size will continue to grow even if it has a negative return.

The increase in a fund's asset size signifies solid fund management skills which, combined with favorable market conditions backed by a strong economic outlook, illustrates how effectively a fund manager has performed and the extent to which value has been added through active management.

The second indicates investor confidence in the fund manager, the Fund, or both.

5. **Ability of the Fund and Fund Manager to generate income from investing in fixed-income securities.** This is a detrimental performance indicator as Fund size may grow despite experiencing negative returns, so long as more clients subscribe to the Mutual Fund.

## Item 7. Financial Statements

The Audited Financial Statements are herewith attached as "ANNEX A"

## Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

The auditing firm of Roxas Cruz Tagle & Co. is the incumbent external auditor of the Company for the calendar year 2021. The Company has complied with SRC Rule 68 (3)(b)(iv), regarding rotation of external auditors or engagement partners every five years. Mr. Clark C. Babor, the partner in charge, is the lead auditor and signing Partner of the Company. It is expected that Roxas Cruz Tagle & Co will be reappointed as the Company's external auditor for the year.

There had been no disagreements with Roxas Cruz Tagle & Co. with regard to accounting policies and financial disclosures of the Company. Mr. Jarred D. Perena, the engagement and signing partner, are newly appointed auditors of the Company for the Calendar Year ending December 31, 2021, and has not yet completed the five-year cap requirement of SEC.

## PART III - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Issuer

#### Directors

Name of Directors	Term Served
Robert M. Lehmann	5 years
Servando B. Alvarez Jr.	5 years
Augusto M. Cosio Jr.	1 year
Justina F. Callangan	1 year
Vicente Julian A. Sarza	1 year

#### Officers

Officers	Position
Robert M. Lehmann	Chairman
Servando B. Alvarez Jr.	President / Compliance Officer
Jonef A. Samonte	Vice President
Stanley L. Saguinsin	Corporate Secretary
Vilma M. Aquiatan	Treasurer/Chief Finance Officer
Marco Antonio S. Palanca	Assistant Treasurer

Each Director shall serve for a term of 1 year from his appointment and until his successor has been duly elected and qualified, provided however, that any director may be removed from office at any time with or without cause by a ¾ vote of the subscribed capital stock entitled to vote.

No current member of the Board of Directors of the Fund, its Fund Manager, its Principal Distributor or any one of its distributors is related to each other up to the fourth civil degree either by consanguinity or affinity and no member of the Board has been the subject of any legal/criminal proceedings for the past five years.

All of the above directors and officers are Filipino citizens. Below is a description of each directors/officer's business experience during the last five (5) years.

**Robert M. Lehmann**, 66, Filipino, is the chairman of the Fund. He joined Amalgamated Investment Bancorporation in 2017 and is also currently the President and CEO of the investment house. He used to be the Executive Vice President of Security Bank (2000-2002) and the Senior Vice President of Standard Chartered New York (1999-2000). He is also a director of the Philippine Eagle Foundation and Fruittropic, Inc. He finished his Masters in Business Administration from the University of San Francisco in 1979.

**Servando B. Alvarez, Jr.**, 59, Filipino, is the incorporator, director, and the current President of the Fund. He joined Amalgamated Investment Bancorporation in 1998 and is also currently the Chief Finance Officer and Executive Vice President of the investment house. He used to be a Senior Manager – Treasury Department in Urban Bank (1996-1998) and previously held various positions in Philippine American Life Insurance Company (1985-1996). He completed the Executive Program in International Management from Stanford University – National University of Singapore in 2011 and finished his Bachelors of Accountancy Degree in Polytechnic University of the Philippines in 1987.

**Augusto M. Cosio**, 69, Filipino, served as President of First Metro Asset Management, Inc and has been a member of the First Metro Investment Corporation (FMIC) Investment committee since 2008. In FMIC, he held the position of Vice President from September 2006 – 2010. Mr. Cosio has had extensive experience in investments and the capital markets both locally and internationally. He served as consultant to the Mutual Fund Company of the Philippines (Kabuhayan Fund) in 2003. He was Vice President at Bank Austria Private Banking in Hong Kong from 2000 to 2001 managing portfolios for private clients. He was previously President of PNB Securities Inc. and a nominee and a member of the board of the Philippine Stock Exchange in 1999.

He had been an international capital markets practitioner from 1977 to 1994 having been connected with Banque Nationale de Paris (1977 – 1981) and Banque Paribas (1984 – 1994), the predecessors of the present BNP Paribas. Mr. Cosio worked in Hong Kong and Singapore for the Paribas capital markets group.

He is also a resource speaker for a fixed income resource courses at the Ateneo Center for Continuing Education and the University of Asia and the Pacific as well as for the PSE Certified Securities Specialist Course. He pursued his course of AB Social Science at the University of the Philippines finishing in 1974. He received further training in international capital markets through seminars and courses conducted by BNP Paribas in London, Paris, Tokyo and New York

**Justina F. Callangan**, 69, Filipino, is a member of the Board of Directors of Securities Investor Protection Fund, and previously served as the Director of Corporate Governance and Finance Department (CGFD), formerly, Corporation Finance Department (CFD) of the Securities and Exchange Commission (SEC). Currently, Ms. Callangan is also an Independent Director of ORIX Metro Leasing Finance Corporation, a Consultant in ASA Philippines Foundation Inc., and MCLE Lecturer on various SEC matters for UP Institute for the Administration of Justice, Center for Global Best Practices, Inc., Publicly-Listed Companies and other organizations. Ms. Callangan was also a Former Chief of Staff in Office of the SEC Commissioner Fe Eloisa C. Gloria, an Assistant Professor in University of Santo Tomas Faculty of Civil Law and a Consultant in Listings department of Philippine Stock Exchange. She finished her Bachelor of Arts in Political Science as a Cum Laude in

University of the East and Bachelor of Laws in San Sebastian College and received her Master of Art in Political Science in University of Santo Tomas.

**Vicente Julian A. Sarza**, 69, Filipino, is a Member of the Board of Mabuhay Capital Corp., Inc. as the Director & Chief Operating Officer and an Independent Director of Vitarich Corporation. Mr. Sarza was the Senior Vice President at Asia United Bank Corp., Principal at KPMG Manabat Sanagustin & Co., General Manager of Trinity Insurance Consultants, Inc., Assistant Vice President at Producers Bank of the Philippines, President & Chief Operating Officer for UCPB Savings Bank, Inc. and a Manager for United Coconut Planters Bank. He received an undergraduate degree and a graduate degree from the University of Ateneo de Manila.

**Jonef A. Samonte**, 51, is the Vice President of the Fund. Prior to joining AAAMI, he was a Vice President and Head of Partnership Distribution Unit in First Metro Asset Management, Inc. from 2016 to 2020. Mr. Samonte was also with Manulife Philippines from 2012 to 2016 during which time he held the position of Assistant Vice President – New Markets Development & Agency Recruitment and Branch Head of Perseus Branch. From 2009 to 2012 he was the director of Gnostek and headed the nontechnical glass reinforced systems. In Generali Pilipinas Insurance, Co., from 2006 to 2009, he was the Senior Assistant Vice President and the Channel Head (Nonlife). Mr. Samonte was also with One Gen Marketing Services as a General Manager and the Operations Head of Agencies and Branches for American International Group (AIG) Philam Insurance. Other notable positions held were Assistance Vice President Specialized Marketing Services, International Operations in Platinum Plans Phil., Inc (2000 to 2002). He finished his tertiary education at the University of the Philippines earning a Bachelor of Science in Hotel & Restaurant Administration.

**Vilma M. Aquitan**, 54, Filipino is the current Treasurer and Chief Finance Officer of the Fund. She is also an Assistant Vice President at Amalgamated Investment Bancorporation since 2008. She finished her BSBA- Accounting from the University of the East in 1988.

**Stanley L. Saguinsin**, 56, Filipino, is the Corporate Secretary of the Fund. He is also currently Vice President of Amalgamated Investment Bancorporation. Mr. Saguinsin received his MBA from the Asian Institute of Management in 1991.

**Marco Antonio S. Palanca**, 37, is the Assistant Treasurer of the Fund. He is also the Assistant Vice President at AIB Asia Asset Management, Inc. since 2020 until present. Mr. Palanca was previously the Head of Agency in Generali Life Assurance Philippines from 2019 to 2020, an Agency Development Department Head in First Metro Asset Management, Inc. from 2016 to 2019 and a Senior Training Officer in Manulife Philippines from 2014 to 2016. He finished his Bachelor of Sports Science in University of the Philippines Diliman in 2008.

## **Item 10. Executive Compensation**

The Fund's executive officers and directors who are officers and/or employees of Amalgamated Investment Bancorporation and/or AAAMI do not receive any form of compensation as such from the time of their appointments up to the present.

The Fund's Directors and Key Officers who are not officers and/or employees of Amalgamated Investment Bancorporation and AAAMI (i.e., "Independent Directors") receive a per diem for their attendance at regular or special meetings of the board at the rate of PHP25,000.00 per meeting per Director (the Fund has three [3] Directors). There are no other forms of compensation which such Directors and Key Officers are entitled to receive for meetings attended. There are no standard arrangements with the Directors. Such remuneration to be paid for by the Fund may be adjusted in the future as may be warranted by existing fund levels and other factors.



## Item 11. Security Ownership of Certain Beneficial Owners and Management

### Security Ownership of Certain Record and Beneficial Owners

Type of Share Class	Name and Address	Nature of Ownership	Citizenship	Number of shares	% holdings
Common	Amalgamated Investment Bancorporation 11F Multinational Bancorporation Center, 6805 Ayala Avenue, 1226, Makati City	Record / Beneficial / Shareholder	Filipino	201,658,114 shares	99.99%
Common	Robert M. Lehmann Unit 38 BC Tower 2 Alphaland Makati Place, 7232 Ayala Avenue, Makati City	Record / Beneficial	Filipino	1 share	<0.01%
Common	Servando B. Alvarez, Jr. Unit 2306, Rada Regency, 100 Rada cor. Dela Rosa Sts., Makati City	Record / Beneficial	Filipino	1 share	<0.01%
Common	Augusto M. Cosio Jr. 11 New Jersey Street, New Manila, Quezon City	Record / Beneficial	Filipino	1 share	<0.01%
Common	Justina F. Callangan B164 L17 Castello St., Casa Milan, North Fairview, Quezon City	Record / Beneficial / Shareholder	Filipino	5,001 shares	<0.01%
Common	Vicente Julian A. Sarza 164 Champaca St. Tahanan Village, Paranaque	Record / Beneficial	Filipino	1 share	<0.01%
Common	Stanley L. Saguinsin 5623 Tengco St., Makati City	Record / Beneficial	Filipino	1 share	<0.01%

### Security Ownership of Management

Type of Share Class	Name of Beneficial Owners	Number of shares	Citizenship	% holdings
Common	Robert M. Lehmann	1 share	Filipino	<0.01%
Common	Servando B. Alvarez, Jr.	1 share	Filipino	<0.01%
Common	Augusto M. Cosio Jr.	1 share	Filipino	<0.01%
Common	Justina F. Callangan	5,001 share	Filipino	<0.01%
Common	Vicente Julian A. Sarza	1 share	Filipino	<0.01%

### Voting Trust Holders of 5% Or More

There are no persons known to the registrant who owns more than 5% of a voting trust or similar arrangements.

### Change in Control

As of December 31, 2021, there are no arrangements which may result in a change in control of the Fund.

## **Item 12. Certain Relationships and Related Transactions**

There is no family relationship between and among the directors and executive officers of the Fund. The fund does not employ personnel. Day-to-day operations are carried out by AAAMI, pursuant to the terms and conditions of the Management Agreement by the Fund with AAAMI. Further, there is no person who is an executive officer who is expected to make significant contribution to the business of the Fund.

## **PART IV – CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

AIB Money Market Mutual Fund Inc. shall set up an evaluation system that will determine and measure compliance with the Manual on Corporate Governance.

## **PART V - EXHIBITS AND SCHEDULES**

### **Item 14. Exhibits and Reports on SEC Form 17-C**

#### **(a) Exhibits**

The Company's audited financial statements are hereby attached as "ANNEX A".

#### **(b) Reports on SEC Form 17-C**

There were no material fact or event occurred for the last six months that would reasonably be expected to affect investor's decisions in relation to the shares the Fund is offering.

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on April 20, 2022.

By:

**SERVANDO B. ALVAREZ JR.**  
Principal Executive Officer

**VILMA M. AQUIATAN**  
Principal Financial Officer

**STANLEY L. SAGUINSIN**  
Corporate Secretary

**APR 20 2022**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2022 affiant(s) exhibiting to me his/her valid government identification card, as follows:

NAME	Competent Evidence of Identity	Date / Place of Issue
Servando B. Alvarez Jr.	UMID / CRN 0003-8309275-1	
Vilma M. Aquiatan	SSS ID / 33-0272679-1	
Stanley L. Saguinsin	Driver's License / N11-84-041478	

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Series 202 7

**ATTY. GERVASIO P. ORTIZ JR.**  
Notary Public, City of Makati  
Until December 31, 2022  
IBF No. 05729-Lifetime Member  
MCLE Compliance No. VI-0324312  
Appointment No. M-82-(2021-2022)  
PTR No. 8852511 Jan. 3, 2022  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City



# AIB MONEY MARKET MUTUAL FUND, INC.

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

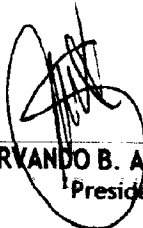
The management of AIB Money Market Mutual Fund, Inc. (the "Fund") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.


The Board of Directors is responsible for overseeing the Fund's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the shareholders.

Roxas Cruz Tagle and Co., the independent auditor appointed by the shareholders, has audited the financial statements of the Fund in accordance with Philippine Standards on Auditing, and in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



SERVANDO B. ALVAREZ JR.  
President



ROBERT CHARLES M. LEHMANN  
Chairman of the Board



VILMA M. AQUIATAN  
Treasurer

Signed this 11th day of April, 2022.

**AIB MONEY MARKET MUTUAL FUND INC.**  
*(An Open-End Investment Company)*

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**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 2021 AND 2020**

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**Financial Statements**

Statement of Management's Responsibility for Financial Statements for the years ended December 2021 and 2020	
Independent Auditor's Report dated April 11, 2022.	
Statements of Assets and Liabilities as at December 2021 and 2020	
Statements of Comprehensive Income for the years ended December 2021 and 2020	
Statements of Changes in Net Assets Attributable to Shareholders for the years ended December 2021 and 2020	
Statements of Cash Flows for the years ended December 2021 and 2020	
Notes to the Separate Financial Statements as at and for the years ended December 2021 and 2020	
Independent Auditor's Report on Supplemental Written Statement dated April 11, 2022	Applicable
Independent Auditor's Report on Supplementary Schedules dated April 11, 2022	Applicable
<b>Supplementary Schedules</b>	
Reconciliation of Retained Earnings Available for Dividend Declaration	Applicable
Schedule of Financial Soundness	Applicable
Schedule for Mutual Funds	Applicable
Supplementary schedules required by Annex 68-J	Applicable



**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors and Shareholders  
AIB Money Market Mutual Fund, Inc.  
(An Open-End Investment Company)  
11<sup>th</sup> Floor Multinational Bancorporation Centre  
6805 Ayala Avenue, Makati City

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of AIB Money Market Mutual Fund, Inc. (An Open-End Investment Company) (the "Fund"), which comprise the statements of assets and liabilities as at December 2021 and 2020 and the statements of comprehensive income, statements of changes in net assets attributable to shareholders and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

*Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



## ROXAS CRUZ TAGLE AND CO.

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





**ROXAS CRUZ TAGLE AND CO.**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on the Supplementary Information Required by the Bureau of Internal Revenue (BIR)**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information as disclosed in Note 12 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**ROXAS CRUZ TAGLE AND CO.**

  
Jarrod D. Pereña  
Partner

CPA Certificate No. 0109297

Tax Identification No. 243-146-342

BIR Accreditation No. 08-001682-015-2019, issued on October 22, 2019,  
effective until October 21, 2022

SEC Accreditation No. 109297-SEC, Group A, issued on February 27, 2020,  
effective until February 26, 2023

BSP Accreditation No. 109297-BSP, Group A, issued on February 28, 2020,  
effective until February 27, 2023

PTR No. 8876905, issued on January 24, 2022, Makati City

April 11, 2022  
Makati City



**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*

**STATEMENTS OF ASSETS AND LIABILITIES**  
DECEMBER 2021 AND 2020

	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>			
Cash and cash equivalents	5	<b>₱208,986,181</b>	<b>₱218,838,690</b>
Interest receivable		<b>839,511</b>	<b>241,333</b>
		<b>209,825,692</b>	<b>219,080,023</b>
<b>LIABILITIES</b>			
Advances from a related party	8	<b>—</b>	<b>10,104,987</b>
Accrued expenses		<b>70,371</b>	<b>68,322</b>
		<b>70,371</b>	<b>10,173,309</b>
<b>Net assets attributable to shareholders</b>	<b>6</b>	<b>₱209,755,321</b>	<b>₱208,906,714</b>
<b>Net asset value per share</b>	<b>6</b>	<b>₱1.0401</b>	<b>₱1.0359</b>

*See Notes to the Financial Statements.*



**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*

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**STATEMENTS OF COMPREHENSIVE INCOME**  
FOR THE YEARS ENDED DECEMBER 2021 AND 2020

	<i>Note</i>	2021	2020
<b>INCOME</b>			
Interest income	5	P2,550,315	P4,931,778
<b>PRE-OPERATING EXPENSES</b>			
Penalties		(723,500)	—
Professional fees		(387,771)	(47,145)
Taxes and licenses		(36,587)	(35,411)
Custodianship fees		(25,000)	—
Miscellaneous expense		(16,528)	—
		<b>(1,189,386)</b>	<b>(82,556)</b>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS BEFORE TAXES</b>			
		<b>1,360,929</b>	<b>4,849,222</b>
<b>TAXES</b>			
Final tax	7	(510,063)	(986,356)
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS/ TOTAL COMPREHENSIVE INCOME</b>			
		<b>P850,866</b>	<b>P3,862,866</b>
<b>BASIC DILUTED PER SHARE</b>			
		<b>0.00422</b>	<b>0.01545</b>

*See Notes to the Financial Statements.*



**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*

**STATEMENTS OF CHANGES IN NET ASSETS  
ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE YEARS ENDED DECEMBER 2021 AND 2020**

	Capital Stock (Note 6)	Additional Paid In Capital	Retained Earnings	Total
<b>As at January 1, 2021</b>	<b>₱201,658,126</b>	<b>₱—</b>	<b>₱7,248,588</b>	<b>₱208,906,714</b>
Increase in net assets attributable to shareholders	—	—	850,866	850,866
Issuance of shares	5,000	198	—	5,198
Share issuance cost	—	—	(7,457)	(7,457)
<b>As at December 31, 2021</b>	<b>₱201,663,126</b>	<b>₱198</b>	<b>₱8,091,997</b>	<b>₱209,755,321</b>
<b>As at January 1, 2020</b>	<b>₱250,000,000</b>	<b>₱—</b>	<b>₱5,043,848</b>	<b>₱255,043,848</b>
Increase in net assets attributable to shareholders	—	—	3,862,866	3,862,866
Redemption of shares	(48,341,874)	—	(1,658,126)	(50,000,000)
<b>As at December 31, 2020</b>	<b>₱201,658,126</b>	<b>₱—</b>	<b>₱7,248,588</b>	<b>₱208,906,714</b>

*See Notes to the Financial Statements.*



**AIB MONEY MARKET MUTUAL FUND, INC.**  
(An Open-End Investment Company)

**STATEMENTS OF CASH FLOWS**  
FOR THE YEARS ENDED DECEMBER 2021 AND 2020

	<i>Note</i>	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Increase in net assets attributable to shareholders before taxes and working capital changes		P1,360,929	P4,849,222
Increase in interest receivable		(598,178)	(110,446)
Increase (decrease) in accrued expenses		2,049	(33,250)
Net cash provided by operations		764,800	4,705,526
Final tax paid	7	(510,063)	(986,356)
Net cash provided by operating activities		254,737	3,719,170
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase (decrease) in advances from a related party	8	(10,104,987)	115,805
Issuance of shares	6	5,198	—
Redemption of shares	6	—	(50,000,000)
Share issuance cost		(7,457)	—
Net cash used in financing activities		(10,107,246)	(49,884,195)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(9,852,509)</b>	<b>(46,165,025)</b>
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>		<b>218,838,690</b>	<b>265,003,715</b>
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<b>5</b>	<b>P208,986,181</b>	<b>P218,838,690</b>

*See Notes to the Financial Statements.*



**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*

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**NOTES TO THE FINANCIAL STATEMENTS**  
AS AT AND FOR THE YEARS ENDED DECEMBER 2021 AND 2020

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**1. Reporting Entity**

AIB Money Market Mutual Fund, Inc. (the "Fund") was registered with the Philippine Securities and Exchange Commission (SEC) on March 27, 2015.

The Fund was organized and existing under the laws of the Philippines, to carry on the business as an open-end investment company and to subscribe for, invest and re-invest in, sell, transfer or otherwise dispose of, fixed-income instruments; promissory notes; exchange-listed securities; marketable securities that are traded in an organized exchange; loans traded in an organized market; and such other tradable investment outlets/categories as the SEC may allow.

The Fund has already secured the depository agreement with Philippine Depository & Trust Fund Corporation (PDTC) as the Fund's depository agent. As a depository agent, PDTC shall be paid a reasonable fee as may be agreed upon from time to time and which shall be accordingly deducted from the Fund as allowable expenses. The shares of stock of the Fund shall be sold through Amalgamated Investment Bancorporation (AIB) and its qualified mutual fund sales agents. A local bank shall serve as the Fund's receiving bank which shall implement contributions and withdrawals related to the Fund as may be instructed by AIB. AIB shall serve as the receiving institution for further deposit to the funds account at Unionbank of the Philippines.

**Status of Operations**

The Fund, being an investment company, requires clearance from Corporate Governance and Financial Department (CGFD) of the Securities and Exchange Commission (SEC) for its application for permit to sell. The Fund's permit to sell was given on December 27, 2018. Its principal place of business is located at the 11th Floor, Multinational Bancorporation Centre, 6805 Ayala Avenue, Makati City.

The Fund has been in its pre-operating stage and is set to offer its securities to the investing public on the second half of the year 2022.

The Fund does not have employees of its own since its management will be handled by its fund manager. Nonetheless, the Fund vests upon its Board of Directors (BOD) the responsibility to oversee the Fund's overall operations.

The Fund is wholly owned by AIB. In 2021 and 2020, the accounting and administrative functions are undertaken by AIB employees at no cost to the Fund.



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## 2. Basis of Preparation

### Statement of Compliance

The financial statements of the Fund have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC).

The Fund qualifies as a Small and Medium-sized Entity (SME) based on the criteria set out by the Securities and Exchange Commission (SEC). However, as provided by Revised Securities Regulations Code (SRC) Rule 68, the Fund availed of the exemption from the mandatory adoption of PFRS for SMEs on the basis that the management believes that the Fund will breach the floor or ceiling of the size criteria for SMEs on the next accounting period as it expects to become operational upon approval of its application for permit to sell. In addition, once the Fund obtains its secondary license from the SEC, it will be mandatory to use full PFRS as its financial reporting framework.

The accompanying financial statements as at December 2021 and 2020 of the Fund were authorized for issuance, in accordance with a resolution of the Board of Directors (BOD), on April 11, 2022 and that the President, Chairman of the Board and Treasurer is authorized to approve the financial statements on their behalf.

### Basis of Measurement

These financial statements have been prepared on the historical cost basis.

### Functional and Presentation Currency

These financial statements are presented in Philippine Peso (₱), which is the Fund's functional and presentation currency. All financial information has been rounded off to the nearest peso unless otherwise indicated.

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## 3. Significant Accounting Policies

### Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Fund adopted effective for annual periods beginning on or after January 1, 2021:

- Amendments to PFRS 16, *Leases - COVID-19-Related Concessions beyond June 30, 2021*. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under PFRS 16, if the change were not a lease modification.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022, provided the other conditions for applying the practical expedient are met.

This amendment is effective for annual periods beginning on or after April 1, 2021.

These amendments had no impact on the financial statements of the Fund.



### New and Amended PFRS Issued But Not Yet Effective

Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2021 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds before Intended Use*. The amendments prohibit the entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Instead, the entity recognizes such sales proceeds and any related costs in the profit or loss.
- Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Costs of Fulfilling a Contract*. The amendments specify the costs a Company includes when assessing whether a contract will be loss-making and is therefore recognized as an onerous contract. The amendments apply a “directly related approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.
- Annual Improvements to PFRS Standards 2018 - 2020 Cycle
  - Amendments to PFRS 1, *First-time Adoption of PFRS - Subsidiary as a First-time Adopter*. The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to PFRS.
  - Amendments to PFRS 9, *Financial Instruments - Fees in the ‘10 Per Cent’ Test for Derecognition of Financial Liabilities*. The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
  - Amendments to PFRS 16, *Leases - Lease Incentives*. The amendment to Illustrative Example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related to Assets and Liabilities from a Single Transaction*. The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments will typically apply to transactions such as leases for the lessee and decommissioning obligations. According to the amended guidance, a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences.





- Amendments to PAS 1, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*. The amendments to PAS 1 specify the requirements for classifying current and non-current liabilities. The amendments will clarify that a right to defer must exist at the end of reporting period and the classification is unaffected by the likelihood that an entity will exercise its deferral right. The issuance of amendments was deferred until January 1, 2023, as a result of COVID-19 pandemic.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amended standard also clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.
- Amendments to PAS 1, *Presentation of Financial Statements* and PFRS Practice Statement 2, *Making Materiality Judgements - Disclosure Initiative - Accounting Policies*. The amendments aim to help entities provide accounting policy disclosures that are more useful by (a) replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and (b) Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Fund.

- Amendments to PAS 1, *Presentation of Financial Statements* - The amendments to PAS 1 specify the requirements for classifying current and noncurrent liabilities. The amendments will clarify that a right to defer must exist at the end of reporting period and the classification is unaffected by the likelihood that an entity will exercise its deferral right. The issuance of amendments was deferred until January 1, 2023 as a result of COVID-19 pandemic.

#### Financial Assets and Financial Liabilities

*Date of Recognition.* The Fund recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

*"Day 1" Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Fund recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss.

In cases where there is no observable data on inception, the Fund deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Fund determines the appropriate method of recognizing the "Day 1" difference.



**Classification.** The Fund classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Fund's business model and its contractual cash flow characteristics.

**Financial Assets and Liabilities at FVPL.** Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Fund had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not "solely for payment of principal and interest" assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Fund may, at initial recognition, designate a financial asset or financial liability meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVPL and held for trading financial liabilities are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL and held for trading financial liabilities are recognized in profit or loss.

For financial liabilities designated at FVPL under the fair value option, the amount of change in fair value that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

As at December 2021 and 2020, the Fund does not have financial assets and liabilities at FVPL.

**Financial Assets at Amortized Cost.** Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.



Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 2021 and 2020, the Fund's cash and cash equivalents and interest receivable are included under this category (see Note 5).

*Financial Assets at FVOCI.* For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Fund may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

As at December 2021 and 2020, the Fund does not have financial assets at FVOCI.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 2021 and 2020, the Fund's liabilities arising from its advances from a related party and accrued expenses, excluding statutory liabilities, are included under this category (see Note 8).

#### **Reclassification**

The Fund reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.



For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

#### **Impairment of Financial Assets at Amortized Cost and FVOCI**

The Fund records an allowance for "expected credit loss" (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For interest receivables, the Fund has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.



## **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Fund retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Fund has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Fund’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Fund could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Fund could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

## **Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.



## **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Fund; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Fund does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

### **Cash and Cash Equivalents**

Cash includes cash on hand and in banks which are stated at amortized cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### **Accrued expenses**

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions.

### **Net Assets Attributable to Shareholders**

#### ***Capital Stock***

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding agreement and is measured at par value.

The Fund's common stock qualifies as puttable financial instruments under PAS 32, *Financial Instruments: Presentation*.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- a) the instrument entitles the holder to require the entity to repurchase or redeem the instrument (either on an ongoing basis or on liquidation) for a pro rata share of the entity's net assets;
- b) the instrument is in the most subordinate class of instruments, with no priority over other claims to the assets of the entity on liquidation;
- c) all instruments in the subordinate class have identical features;
- d) the instrument does not include any contractual obligation to pay cash or financial assets other than the holder's right to a pro rata share of the entity's net assets; and
- e) the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, a change in recognized net assets, or a change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument.

The issuance, acquisition and resale of shares are accounted for as equity transactions. Sales of Fund's shares are recorded by crediting capital stock at par value and additional paid-in capital (APIC) for the amount received in excess of the par value; redemptions are recorded by debiting those accounts. In the event that the APIC balance is exhausted as a result of redemptions, the retained earnings account is reduced by redemptions in excess of par.



Transaction costs incurred by the Fund in issuing, acquiring or reselling its own equity instruments are accounted for as a deduction from the equity instruments to the extent that they are incremental costs directly attributable to the equity transactions that otherwise would have been avoided.

Own equity instruments which are acquired (treasury shares) are deducted from the equity instruments and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Fund's own equity instruments.

#### Retained Earnings

Retained earnings represent the cumulative balance of the increase (decrease) in net assets attributable to shareholders of the Fund.

#### Earnings Per Share

Earnings per share is computed by dividing increase (decrease) in net assets attributable to shareholders for the year by the weighted average number of shares issued and outstanding during the year after giving retroactive effect to stock dividends declared during the year, if any.

Diluted earnings per share is computed by adjusting the weighted-average number of shares issued and outstanding to assume conversion of all dilutive potential common shares.

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

*Interest Income.* Interest is recognized as it accrues and is presented gross of final tax.

*Other Income.* Income from other sources is recognized when earned.

#### Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

#### Net Asset Value (NAV) Per Share

NAV per share is computed by dividing net assets attributable to shareholders (total assets less total liabilities) by the total number of units issued at the reporting date.

#### Income Taxes

Income tax expense comprises current and deferred taxes. Income tax is recognized in the statements of comprehensive income except to the extent that it relates to items recognized directly in equity.

*Current Tax.* Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

*Deferred Tax.* Deferred tax is recognized using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized using the liability method for all taxable temporary differences.



Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The unrecognized deferred tax assets amounted to ₱3.16 million and ₱3.18 million as at December 2021 and 2020, respectively (see Note 7).

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Fund expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax are recognized in the statements of income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

*Final Tax.* Final tax is recognized as interest income from cash in bank and placements accrues.

#### Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control and significant influence. Related parties may be individuals or corporate entities.

#### Provisions

Provisions are recognized when: (a) the Fund has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.





#### Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

#### Events after the Reporting Date

Post year-end events that provide additional information about the Fund's financial position at the reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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#### 4. Significant Estimate and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

#### Judgments

In the process of applying the accounting policies, the Fund has made the following judgments, apart from those involving estimations, which have an effect on the amounts recognized in the financial statements:

##### *Classifying Financial Instruments.*

The Fund exercises judgments in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

#### Estimates and Assumptions

The key estimates and assumptions used in the financial statements are based upon the Fund's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates.

##### *Recognition of Deferred Tax Assets*

Deferred tax assets are recognized for all deductible differences to the extent that it is probable that the taxable income will be available against which these temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

Based on management's assessment of its future taxable profits, the Fund did not recognize deferred tax asset on unused NOLCO amounting to ₱3.16 million and ₱3.18 million as at December 2021 and 2020, respectively (see Note 7).



## 5. Cash and Cash Equivalents

As at December 31, this account consists of:

	2021	2020
Short-term placements	P200,148,228	P198,722,213
Cash in bank	8,837,953	20,116,477
	<b>P208,986,181</b>	<b>P218,838,690</b>

Cash in bank generally earn interest base on daily bank deposit rates of 0.125% per annum in 2021 and 2020. Short-term placements earn interest of 1.25% and 1% to 1.75% in 2021 and 2020, respectively.

Interest income earned on cash and cash equivalents amounted to P2.55 million and P4.93 million in 2021 and 2020, respectively.

## 6. Net Assets Attributable to Shareholders

The details of the capital stock are as follows:

	2021	2020
<b>Authorized</b>		
Par value per share	P1	P1
Number of shares	1,000,000,000	1,000,000,000
<b>Issued and Outstanding</b>		
Paid up capital	201,658,126	250,000,000
Issuance	5,000	—
Redemption	—	(48,341,874)
	<b>201,663,126</b>	<b>201,658,126</b>

On July 21, 2021, the Fund issued a total of 5,000 at 1.0396 net asset value per share.

On October 30, 2020, the Fund redeemed a total of 48,341,874 at 1.0343 net asset value per share.

Basic/ Diluted earnings per share is computed as follows:

	2021	2020
Increase in net assets attributable to shareholders	P850,866	P3,862,866
Weighted average number of units outstanding during the year	201,660,626	201,658,126
<b>Basic/ diluted earnings per share</b>	<b>P0.00422</b>	<b>P0.01545</b>

NAV per share is computed as follows:

	2021	2020
Net assets attributable to shareholders	P209,755,321	P208,906,714
Number of shares outstanding	201,663,126	201,658,126
<b>NAV per share</b>	<b>P1.0401</b>	<b>P1.0359</b>



## 7. Income Taxes

### Corporate Recovery and Tax Incentives for Enterprises or "CREATE" Act

On March 26, 2021, the President signed into law Republic Act No. 11534 or the CREATE Act. The law, which became effective on April 11, 2021, introduces reforms to corporate income taxes and incentive systems in the country by implementing certain changes to the current tax regulations.

The Philippine Financial Reporting Standards Council, in its Philippine Interpretations Committee Q&A No. 2020-07, clarified that the CREATE Act was not considered substantively enacted as of December 31, 2020, despite that some of its provisions have retroactive effect. Accordingly, for financial reporting purposes, the effect of changes in the income tax rates will only be recognized in the 2021 financial statements.

The CREATE Act resulted to the reduction of the Fund's tax rate from 30% to 20% on July 1, 2020. However, the Fund is still at pre-operating stage and has no other sources of taxable income as of date. Per assessment, this amendment will have no significant impact on the 2021 financial statements.

The reconciliation of the statutory income tax rate to the effective income tax rate is as follows:

	2021	2020
<b>Final tax</b>	<b>₱510,063</b>	<b>₱986,356</b>
	2021	2020
Increase in net assets attributable to shareholders before taxes	₱1,360,929	₱4,849,222
Statutory income tax at 20% in 2021 and 30% in 2020	₱272,186	₱1,454,767
Adjusted for the tax effects of:		
Non-deductible expense	144,700	—
Unrecognized deferred tax assets	93,177	24,767
Non-taxable income subjected to final tax	—	(493,178)
<b>Effective income tax</b>	<b>₱510,063</b>	<b>₱986,356</b>

In 2021 and 2020, the Fund did not recognize the deferred tax assets on NOLCO because the management does not expect that sufficient future taxable income will be available against which the tax benefits can be utilized.

As at December 31, 2021, the details of the Fund's unrecognized deferred tax asset on the following NOLCO, gross of 20% income tax are presented below:

Inception Year	Expiry Year	Beginning	Additions	Expired	Ending
2021	2026	₱—	₱465,886	₱—	₱465,886
2020	2025	82,556	—	—	82,556
2019	2022	2,615,709	—	—	2,615,709
2018	2021	483,359	—	483,359	—
		<b>₱3,181,624</b>	<b>₱465,886</b>	<b>₱483,359</b>	<b>₱3,164,151</b>

Pursuant to Section 4 of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.



## 8. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market and are being settled in cash.

Name of Related Party	Relationship	Nature of Operations	Country of Incorporation
Amalgamated Investment Bancorporation	Under common control	Investment house	Philippines

Details of the significant related party transactions of the Fund are as follows:

Category/ Transaction	Year	Amount of the Transaction	Outstanding Balance		Terms	Conditions
			Advances to a Related Party	Advances from a Related Party		
▪ Cash advances from AIB	2021	(P10,104,987)	P—	P—	Non-interest bearing	Unsecured; due and demandable; unimpaired
	2020	P115,805	P—	P10,104,987	Non-interest bearing	Unsecured; due and demandable; unimpaired

### Compensation of Key Management Personnel and BOD

The authority and responsibility for planning, directing and controlling the activities of the Fund including the administrative and accounting functions were undertaken by AIB's BOD and Management.

Details of compensation paid to key management personnel and BOD of the Company in 2021 are as follows:

	<b>2021</b>
Retainer fees to previous corporate secretary (P16,800 for 11 months)	<b>P184,800</b>
Per diem of three independent directors (P25,000 each, gross of withholding taxes)	<b>75,000</b>
	<b>P259,800</b>

There were no key management personnel compensation for 2020.



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## 9. Financial Assets and Financial Liabilities

The carrying amounts of cash and cash equivalents, interest receivable, advances from a related party and accrued expenses approximate their fair value due to relatively short-term maturities of these financial assets and financial liabilities.

As at December 31, 2021, the Fund has no financial assets and financial liabilities carried at fair value. As such, presentation of fair value hierarchy is not necessary.

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## 10. Financial Risk Management Objectives and Policies

The Fund's financial assets comprise of cash and cash equivalents and interest receivable. The main purpose of these financial instruments is to finance its pre-operations. The Fund's financial liabilities comprise of advances from a related party and accrued expenses, which arise directly from its pre-operations. During the year, no changes were made by the Fund to its investment objectives and policies from the previous year.

### Governance Framework

The Fund drafted an agreement appointing AIB Asia as its fund manager, and AIB as its qualified mutual fund sales agents as its distributors. AIB Asia has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity and operational risk. It also supports the effective implementation of policies.

The policies define the Fund's identification of risks and its interpretation, limit structure to ensure the appropriate quality and diversification of assets to the corporate goals and specific reporting requirements.

### Regulatory Framework

The operations of the Fund are also subject to the regulatory requirements of the SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provision (e.g., investment portfolios repurchase, capital requirements, etc.).

### Capital Management

The Fund's objective for managing its capital is to maximize profit consistent with its policy to preserve capital and to maintain liquidity of its investments through a diversified portfolio of high-grade fixed income securities and equity securities. The capital of the Fund consists mainly of proceeds from issuance of shares which are subject to redemption by the shareholders.

The Fund is guided by its investment policies and legal limitations. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid in capital, are held by a depository agent.

The Fund considers its capital stock and retained earnings (deficit) as its capital.

On March 27, 2015, the Fund was incorporated in the Philippines but with no commercial operations yet thereafter. The Fund's initial authorized capital stock amounted to ₱1.00 billion divided into 1.00 billion shares with a par value of ₱1.00 each from which 250.00 million shares were outstanding and issued.

The Fund's objectives when managing capital are:

- a. To safeguard the Fund's ability to continue as a going concern so that it can continue to provide returns to stockholders and benefits for other stakeholders;
- b. To provide an adequate return to shareholders by pricing services commensurately with the level of risk; and
- c. To maintain an optimal capital structure to reduce to cost of capital.



To substantially meet these capital management objectives, the Fund monitors its operational performance and ensures that enough cash flows are generated by its operations to repay the creditors.

In addition, the Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets.

Externally-imposed capital requirements are set and regulated by the SEC ICA Rule 35-1. The Fund has complied with the externally-imposed capital requirements during the financial reporting period and no changes were made to its capital base, investment objectives and policies from the previous year.

As at December 2021 and 2020, the Fund is in compliance with the minimum equity requirement of the SEC of ₱50.00 million.

The equity ratio as at December 31 is as follows:

	2021	2020
Net Assets Attributable to Shareholders	₱209,755,321	₱208,906,714
Total Assets	209,825,692	219,080,023
<b>Equity Ratio</b>	<b>0.9997:1</b>	<b>0.9536:1</b>

The main risks arising from the Fund's financial instruments are described below:

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument may fail to discharge an obligation and cause the other party to incur a financial loss. The Fund's credit risk is reduced to a minimum since transactions of the Fund are considered cash transactions. The Fund transacts only with recognized and creditworthy third parties. It is the Fund's policy that all credit is subject to credit verification procedures.

The table below summarizes credit quality and concentration risk of the Fund's financial assets, gross of allowance for impairment losses.

	2021						Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due or Individually Impaired		
	High Grade	Standard	Substandard				
<b>Financial assets at amortized cost</b>							
Cash in banks	₱8,837,953	P-	P-	P-	P-	₱8,837,953	
Short-term investments	200,148,228	-	-	-	-	200,148,228	
Interest receivables	839,511	-	-	-	-	839,511	
	<b>₱209,825,692</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>₱209,825,692</b>	
	2020						Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due or Individually Impaired		
	High Grade	Standard	Substandard				
<b>Financial assets at amortized cost</b>							
Cash in banks	₱20,116,477	P-	P-	P-	P-	₱20,116,477	
Short-term investments	198,722,213	-	-	-	-	198,722,213	
Interest receivables	241,333	-	-	-	-	241,333	
	<b>₱219,080,023</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>₱219,080,023</b>	



### Credit Quality Per Class of Financial Assets

The Fund grades its financial assets in accordance with the following:

**a. Neither Past Due nor Impaired**

Financial assets that are neither past due nor impaired include financial assets which have a high probability of collection. Collections are also probable due to the reputation and the financial ability of the counterparty. There was also few or no history of default on the agreed terms of the contract.

- High grade pertains to accounts which have high probability of collection, as evidenced by debtor's long history of stability, and profitability. The debtor has strong debts service record and ability to raise substantial amounts of funds through the public market.
- Standard grade pertains to accounts where collections are probable due to the reputation and the financial capacity of the counterparty to pay but which have been outstanding for a considerable length of time.
- Substandard grade pertains to those accounts where the counterparties are, most likely, not capable of honoring their financial obligations.

**b. Past Due but not Impaired**

Past due but not impaired financial assets are financial assets where contractual payments are past due but the Fund believes that impairment is not appropriate on the basis of the level of collateral available and/or status of collection of amounts owed to the Fund.

**c. Impaired Financial Assets**

Impaired financial assets are financial assets for which the Fund determines that it is probable that it will not be able to collect all principal and interest due based on the contractual terms and agreements.

As of December 31, 2021 and 2020, the Fund does not have financial assets which are past due nor impaired.

### Maximum Exposure to Credit Risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Fund's maximum credit risk exposure for its financial assets that is neither past due nor impaired as at December 2021 and 2020 are as follows:

	2021	Amount Exposed to Risk	2020	Amount Exposed to Risk
Cash in bank	<b>₱8,837,953</b>	<b>₱8,837,953</b>	₱20,116,477	₱19,616,477
Short-term investments	<b>200,148,228</b>	<b>200,148,228</b>	198,722,213	198,722,213
Interest receivables	<b>839,511</b>	<b>839,511</b>	241,333	241,333
	<b>₱209,825,692</b>	<b>₱209,825,692</b>	<b>₱219,080,023</b>	<b>₱218,580,023</b>

### Liquidity Risk

Liquidity risk is the risk of being unable to meet payment obligations as these come due without incurring unacceptable losses due to disruption in funding sources, and/or inability to liquidate assets quickly due to changes in market conditions, and/or unplanned utilization of cash resources.

The Fund seeks to manage its liquidity profile to be able to finance its working capital requirements. It intends to use internally generated funds and advances from a related party to cover its financing requirements.



As at December 2021 and 2020, the contractual maturity of the Fund's financial liabilities is one year or less amounting to ₱70,371 and ₱10,173,309, respectively.

#### Market Risk

Market risk is the risk of change in fair value of financial instruments from movements in market interest rates (interest rate risk) and market prices of equities and commodities (price risk) whether such change in price is caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Fund's interest rate exposure originates from its cash in bank and financial assets at FVPL. These are subject to interest rate risk as the income is derived from the current inter-bank lending rates and investment in government securities at a fixed rate; however, the interest rate risk is not actively managed as it is not considered significant. As a result, no sensitivity analysis was deemed necessary.

#### Price Risk

Price risk is the risk that the fair value of equity securities increases or decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or factors affecting all instruments in the market.

As at December 2021 and 2020, the Fund has no investments in equity securities. As such, the Fund is not exposed to price risk.

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## 11. Other Matter

### Continuing Effects of COVID-19 Pandemic

On March 11, 2020, the World Health Organization assessed that the novel coronavirus of 2019 (COVID-19) has become a pandemic. In an effort to contain the spread of COVID-19 in the Philippines, community quarantines and alert levels of varying strictness were imposed in numerous parts of the country. Furthermore, the Government implemented COVID-19 vaccine deployment and vaccination program to mitigate the spread of the virus.

These measures have not significantly affected economic activities and business operations of the Fund. Considering the evolving nature of the pandemic, the Fund will continue to monitor the situation.





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**12. Supplementary Information Required by the Bureau of Internal Revenue (BIR)**

The following supplementary information are presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

**Supplementary Information required by Revenue Regulation (RR) No. 15-2010**

On December 28, 2010 the BIR issued RR No.15-2010, which amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS for Small Entities.

The following is the tax information required for the taxable year ended December 31, 2021:

**1. Value-added Tax**

There were no output taxes declared and input taxes claimed during the year.

**2. Other Taxes and Licenses**

Details of the Fund's other taxes and licenses and permits in 2021 are as follows:

<u>Registration fee and others</u>	<u>₱36,587</u>
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**3. Withholding taxes**

Details of the Fund's withholding taxes paid in 2021 are as follows:

<u>Expanded withholding taxes</u>	<u>₱7,650</u>
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**4. Deficiency Tax Assessments and Tax Cases**

As at December 31, 2021, the Fund has no pending tax court cases and has not received tax assessment notices from the BIR.

***Revenue Regulation (RR) No. 34-2020***

BIR issued Revenue Regulations (RR) No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents. Section 2 of the RR enumerated the taxpayers required to file and submit the RPT Form, together with the Annual Income Tax Return.

The Fund is not covered under Section 2 of the RR 34-2020, hence the requirements and procedures for related party transactions provided under the said RR is not applicable.



# ROXAS CRUZ TAGLE AND CO.

BOA/PRC Reg. No. 0005,  
August 1, 2021, valid until March 17, 2024  
SEC Accreditation No. 0005-SEC,  
April 13, 2021, valid until April 12, 2024

2nd Floor Multinational Bancorporation Centre  
6805 Ayala Avenue, Makati City 1226 Philippines  
www.roxascruztagle.com  
Tel: + (632) 8844 2016  
Fax: + (632) 8844 2045

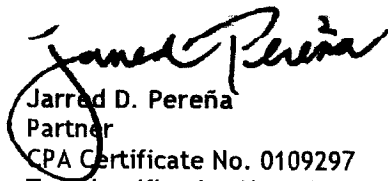
## INDEPENDENT AUDITOR'S SUPPLEMENTAL WRITTEN STATEMENT

The Board of Directors and Shareholders  
AIB Money Market Mutual Fund, Inc.  
*(An Open-End Investment Company)*  
11<sup>th</sup> Floor Multinational Bancorporation Centre  
6805 Ayala Avenue, Makati City

We have audited the financial statements of AIB Money Market Mutual Fund, Inc. *(An Open-End Investment Company)* (the "Fund") as at and for the year ended December 31, 2021, on which we have rendered the attached report dated April 11, 2022.

In compliance with the Revised Securities Regulation Code (SRC) Rule 68, we are stating that the Fund has only one (1) shareholder owning more than one hundred (100) shares.

ROXAS CRUZ TAGLE AND CO.



Jarred D. Pereña  
Partner

CPA Certificate No. 0109297

Tax Identification No. 243-146-342

BIR Accreditation No. 08-001682-015-2019, issued on October 22, 2019,  
effective until October 21, 2022

SEC Accreditation No. 109297-SEC, Group A, issued on February 27, 2020,  
effective until February 26, 2023

BSP Accreditation No. 109297-BSP, Group A, issued on February 28, 2020,  
effective until February 27, 2023

PTR No. 8876905, issued on January 24, 2022, Makati City

April 11, 2022  
Makati City



# ROXAS CRUZ TAGLE AND CO.

ROA/PRC Reg. No. 0005,  
August 1, 2021, valid until March 17, 2024  
SEC Accreditation No. 0005-SEC,  
April 13, 2021, valid until April 12, 2024

2nd Floor Multinational Bancorporation Centre  
6805 Ayala Avenue, Makati City 1226 Philippines  
www.roxascruztagle.com  
Tel: + (632) 8844 2016  
Fax: + (632) 8844 2045

## INDEPENDENT AUDITOR'S SUPPLEMENTAL WRITTEN STATEMENT

The Board of Directors and Shareholders  
AIB Money Market Mutual Fund, Inc.  
(An Open-End Investment Company)  
11<sup>th</sup> Floor Multinational Bancorporation Centre  
6805 Ayala Avenue, Makati City

We have audited, in accordance with Philippine Standards Auditing, the financial statements of AIB Money Market Mutual Fund, Inc. (An Open-End Investment Company) (the "Fund") as at and for the year ended December 31, 2021 included in this Audited Financial Statements (AFS) and have issued our report thereon dated April 11, 2022. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules in this AFS are presented for purposes of complying with the Revised Securities Regulation Code (SRC) Rule 68 and are not part of the basic financial statements. Such schedules are the responsibility of management. The schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ROXAS CRUZ TAGLE AND CO.



Jarred D. Pereña  
Partner

CPA Certificate No. 0109297

Tax Identification No. 243-146-342

BIR Accreditation No. 08-001682-015-2019, issued on October 22, 2019,  
effective until October 21, 2022

SEC Accreditation No. 109297-SEC, Group A, issued on February 27, 2020,  
effective until February 26, 2023

BSP Accreditation No. 109297-BSP, Group A, issued on February 28, 2020,  
effective until February 27, 2023

PTR No. 8876905, issued on January 24, 2022, Makati City

April 11, 2022  
Makati City



**ANNEX 68-D**

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION  
AS OF DECEMBER 31, 2021**

**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*  
11<sup>th</sup> floor, Multinational Bancorporation Center  
6805 Ayala Avenue, Makati City

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Unappropriated Retained Earnings (Deficit), available for dividend distribution beginning as previously presented	<b>₱7,248,588</b>
Add: Net income actually earned/ realized during the year	<b>850,866</b>
Share issuance cost	<b>(7,457)</b>
<b>RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DISTRIBUTION</b>	<b>₱8,091,997</b>

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**ANNEX 68-E****SCHEDULE OF FINANCIAL SOUNDNESS****AIB MONEY MARKET MUTUAL FUND, INC.  
AS OF DECEMBER 31, 2021**

<b>Ratio</b>	<b>Formula</b>	<b>2021</b>	<b>2020</b>
Current ratio	Current assets/Current liabilities	2,981.71	21.53
Acid test ratio	Liquid Assets/Current Liabilities	2,981.71	21.53
Solvency ratio	Net Income + Non-Cash Expenses/Total Liabilities	13.09	0.38
Debt-to-equity ratio	Total Liabilities/Net Assets Attributable to Shareholders	0.0003	0.05
Asset-to-equity ratio	Total Assets/Net Assets Attributable to Shareholders	1.00	1.05
Return on equity	Net Income/Average Shareholder's Equity	0.0041	0.02
Return on assets	Net Income/Total Assets	0.0041	0.02
Net profit margin	Net Income/Total Revenue	0.33	0.78

ANNEX 68-G
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**SCHEDULE FOR MUTUAL FUNDS**

**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*  
**FOR THE PERIOD ENDED DECEMBER 31, 2021**

<b>Ratios/Percentages</b>	<b>2021</b>	<b>2020</b>
1 Percentage of Investment in a single enterprise to Total Net Asset Value	—	—
2 Total Investment of the Fund to the Outstanding Securities of an Investee Company	—	—
3 Total Investment in Liquid or Semi-Liquid Assets to Total Assets	0.996	0.999
4 Total Operating Expenses to Net Worth	0.0057	0.0004
5 Total Assets to Total Borrowings	2,981.71	21.53

**SUPPLEMENTARY SCHEDULES UNDER ANNEX 68-J  
PURSUANT TO REVISED SRC RULE 68  
DECEMBER 31, 2021**

**Schedule A. Financial Assets**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Income received and accrued
NOT APPLICABLE			

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)**

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
NOT APPLICABLE							

**Schedule C. Amounts Receivable from Related parties which are eliminated during the consolidation of financial statements**

Name and designation of debtor	Balance of beginning period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period
NOT APPLICABLE							

**Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)**

Name of related party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

**Schedule F. Guarantees of Securities of Other Issuers**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by a person for which statement is filed	Nature of guarantee
NOT APPLICABLE				

**Schedule G. Capital Stock**

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by		
				Affiliates	Directors and Officers	Others
Common shares	1,000,000,000	201,663,126	-	201,658,114	5,006	6



**Re: CGFD\_AIB MONEY MARKET MUTUAL FUND, INC.\_SEC FORM 17-Q\_13JULY2022**

**IS** ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>  
Wed, 13 Jul 2022 12:24:11 PM +0800 •  
To "infosec" <infosec@aibaami.com>

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Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

(Subject to Verification and Review of the Quality of the Attached Document)

Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at [www.sec.gov.ph](http://www.sec.gov.ph)

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## NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)

**Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.**

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:

AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC\_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

<https://apps010.sec.gov.ph>

**For your information and guidance.**

**Thank you and keep safe.**



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2022
2. Commission identification number CS201506309 3. BIR Tax Identification No 008-994-370
4. Exact name of issuer as specified in its charter AIB MONEY MARKET MUTUAL FUND, INC.
5. Province, country or other jurisdiction of incorporation or organization Metro Manila, Philippines
6. Industry Classification Code:  (SEC Use Only)
- 11th floor, Multinational Bancorporation Centre 6805 Ayala Avenue, Makati City 1226
7. Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code (632) 588 4242
9. Former name, former address and former fiscal year, if changed since last report N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
<u>Common Shares</u>	<u>201,663,126</u>

11. Are any or all of the securities listed on a Stock Exchange?

Yes [ ] No [✓]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

N/A N/A

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*

**INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2022 AND DECEMBER 31, 2021**

	<i>Note</i>	<b>June 30, 2022</b>	December 31, 2021
<b>ASSETS</b>			
Cash and cash equivalents	4	<b>₱210,088,387</b>	₱208,986,181
Receivables		<b>152,370</b>	839,511
		<b>210,240,757</b>	209,825,692
<b>LIABILITIES</b>			
Accounts Payable and accrued expenses	7	–	70,371
		–	70,371
Net assets attributable to shareholders	5	<b>₱210,240,757</b>	₱209,755,321
Net asset value per share	5	<b>₱1.0425</b>	₱1.0401

*See Notes to the Financial Statements.*

**AIB MONEY MARKET MUTUAL FUND, INC.**  
(An Open-End Investment Company)

**INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021**

	Note	For the Period Ended June 30		For the Quarter Ended June 30	
		2022	2021	2022	2021
<b>INCOME</b>					
Interest Income	4	<b>₱1,250,827</b>	<b>₱1,252,093</b>	<b>₱619,735</b>	630,248
		<b>1,250,827</b>	<b>1,252,093</b>	<b>619,735</b>	630,248
<b>PRE-OPERATING EXPENSES</b>					
Professional Fees		<b>(75,000)</b>	(109,120)	<b>(75,000)</b>	(65,520)
Taxes and licenses		<b>(28,616)</b>	(36,537)	<b>(7,575)</b>	(12,625)
Custodianship Fee		—	(15,000)	—	—
Miscellaneous Fee		<b>(404,150)</b>	(6,000)	<b>(373,750)</b>	(4,900)
		<b>(507,766)</b>	(166,657)	<b>(456,325)</b>	(83,045)
<b>INCREASE IN NET ASSETS</b>					
<b>ATTRIBUTABLE TO SHAREHOLDERS</b>					
<b>BEFORE TAXES</b>					
		<b>743,061</b>	1,085,436	<b>163,410</b>	547,203
Provision for Final Tax	6	<b>(250,166)</b>	(250,418)	<b>(123,948)</b>	(126,049)
<b>INCREASE IN NET ASSETS</b>					
<b>ATTRIBUTABLE TO SHAREHOLDERS</b>					
<b>BEFORE TAXES/TOTAL</b>					
		<b>₱492,895</b>	<b>₱835,018</b>	<b>₱39,462</b>	421,154
<b>EARNINGS PER SHARE</b>		<b>0.00244</b>	0.00205	<b>0.00020</b>	0.00209

See Notes to the Financial Statements.

**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*

**INTERIM STATEMENT OF CHANGES IN NET ASSETS  
ATTRIBUTABLE TO SHAREHOLDERS  
FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021**

	Capital Stock (Note 5)	Additional Paid In Capital	Retained Earnings	Total
<b>As at January 1, 2022</b>	₱201,663,126	₱198	₱8,091,997	₱209,755,321
<b>Increase in net assets attributable to shareholders</b>	-	-	492,895	492,895
<b>Share Issuance Cost</b>	-	-	(7,469)	(7,469)
<b>As at June 30, 2022</b>	₱201,663,126	198	8,577,433	210,240,757
<b>As at January 1, 2021</b>	₱201,658,126	₱-	₱7,248,588	₱208,906,714
<b>Increase in net assets attributable to shareholders</b>	-	-	835,018	835,018
<b>As at June 30, 2021</b>	₱201,658,126	-	8,083,606	209,741,732

**AIB MONEY MARKET MUTUAL FUND, INC.**  
(An Open-End Investment Company)

**INTERIM STATEMENTS OF CASH FLOWS  
FOR THE PERIODS ENDED JUNE 30, 2022 AND 2021**

	<i>Note</i>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>CASH FLOWS FROM PRE-OPERATING ACTIVITIES</b>			
Increase in net assets attributable to shareholders before taxes and working capital changes		<b>743,061</b>	1,085,436
(Increase) decrease in interest receivable		<b>687,141</b>	(80,314)
Increase (decrease) in accrued expenses		<b>(70,371)</b>	(13,664)
<b>Net cash provided in pre-operations</b>		<b>1,359,831</b>	991,458
Final tax paid	6	<b>(250,166)</b>	(250,418)
<b>Net cash provided in pre-operating activities</b>		<b>1,109,665</b>	741,040
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in advances from a related party		-	180,320
Payment for shares redeemed		<b>6</b>	(3)
Proceeds from issuance of capital stock		<b>(6)</b>	3
Shares Issuance Cost		<b>(7,459)</b>	-
<b>Net cash used by (used in) financing activities</b>		<b>(7,459)</b>	180,320
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>1,102,206</b>	921,360
<b>CASH AND CASH EQUIVALENTS AT JANUARY 1</b>		<b>208,986,181</b>	218,838,690
<b>CASH AND CASH EQUIVALENTS AT JUNE 30</b>	<b>4</b>	<b>210,088,387</b>	219,760,050



**AIB MONEY MARKET MUTUAL FUND, INC.**  
*(An Open-End Investment Company)*

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**NOTES TO INTERIM FINANCIAL STATEMENTS**

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**1. Reporting Entity**

AIB Money Market Mutual Fund, Inc. (the "Fund") was registered with the Philippine Securities and Exchange Commission (SEC) on March 27, 2015. The Fund has been in its pre-operating stage and is set to offer its securities to the investing public on the second half of the year 2021.

The Fund was organized and existing under the laws of the Philippines, to carry on the business as an open-end investment company and to subscribe for, invest and re-invest in, sell, transfer or otherwise dispose of, fixed-income instruments; promissory notes; exchange-listed securities; marketable securities that are traded in an organized exchange; loans traded in an organized market; and such other tradable investment outlets/categories as the SEC may allow.

The Fund has already secured the transfer agent agreement with Stock Transfer Service Inc. (STSI) as the Fund's transfer agent. As a transfer agent, STSI shall be paid a reasonable fee as may be agreed upon from time to time and which shall be accordingly deducted from the Fund as allowable expenses. The shares of stock of the Fund shall be sold through AIB Asia Asset Management, Inc. (AAAMI) and its qualified mutual fund sales agents. A local bank shall serve as the Fund's receiving bank which shall implement contributions and withdrawals related to the Fund as may be instructed by AAAMI. AAAMI shall serve as the receiving institution for further deposit to the funds account at Unionbank of the Philippines.

**Status of Operations**

The Fund, being an investment company, requires clearance from Corporate Governance and Financial Department (CGFD) of the Securities and Exchange Commission (SEC) for its application for permit to sell. The fund's permit to sell was given on December 27, 2018. Its principal place of business is located at the 11th Floor, Multinational Bancorporation Centre, 6805 Ayala Avenue, Makati City.

The Fund has been in its pre-operating stage and is set to offer its securities to the investing public on the second half of the year 2022.

The Fund does not have employees of its own since its management will be handled by its fund manager. Nonetheless, the Fund vests upon its Board of Directors (BOD) the responsibility to oversee the Fund's overall operations.

The Fund is wholly owned by Amalgamated Investment Bancorporation (AIB). In 2021 and 2020, the accounting and administrative functions are undertaken by AIB employees at no cost to the Fund.

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## 2. Summary of Significant Accounting Policies

### Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Fund adopted effective for annual periods beginning on or after January 1, 2021:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*. The amendments address the definition of material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. These amendments had no impact on the financial statements of the Fund.
- Conceptual Framework for Financial Reporting (Revised). The IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), a comprehensive set of concepts for financial reporting, in March 2018.

It sets out:

- the objective of financial reporting
- the qualitative characteristics of useful financial information
- a description of the reporting entity and its boundary
- definitions of an asset, a liability, equity, income and expenses
- criteria for including assets and liabilities in financial statements (recognition) and guidance on when to remove them (derecognition)
- measurement bases and guidance on when to use them
- concepts and guidance on presentation and disclosure

The purpose of the Conceptual Framework is to assist the IASB to develop financial reporting standards (Standards) based on consistent concepts, resulting in financial information that is useful to investors, lenders and other creditors. It also assists preparers to develop consistent accounting policies for transactions or other events when no Standard applies, or a Standard allows a choice of accounting policies. The Conceptual Framework is not a Standard and does not override any Standard or any requirement in a Standard.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*. The amendments to PFRS 9 and PAS 39 *Financial Instruments: Recognition and Measurement* and PAS 7 *Financial Instruments: Disclosures* include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The mandatory reliefs provided in the Standard are as follows:

- The assessment of whether a forecast transaction (or component thereof) is highly probable.
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss.
- The assessment of the economic relationship between the hedged item and the hedging instrument.
- For a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship.

These amendments had no impact on the financial statements of the Fund as it does not have any interest rate hedge relationships.

- Amendment to PFRS 16, *COVID-19 Related Rent Concession*. The amendment to PFRS 16 will provide relief to lessees for accounting for rent concessions from lessors specifically arising from covid-19 pandemic. While lessees that elect to apply the practical expedient do not need to assess whether a concession constitutes a modification, lessees still need to evaluate the appropriate accounting for each concession as the terms of the concession granted may vary.

Lessees will apply the practical expedient retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings at the beginning of the annual reporting period in which the amendment first applied.

These amendments had no impact on the financial statements of the Fund.

#### New and Amended PFRS Issued But Not Yet Effective

Relevant new and amended PFRS which are not yet effective for the period ended March 31, 2021 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2021:

- Annual Improvements to PFRS: 2018-2020 Cycle
  - PFRS 1, *First-time Adoption of PFRS - Subsidiary as a first-time adopter*. The amendment permits a subsidiary that applies paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.
  - PFRS 9, *Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities*. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of PFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
  - PFRS 16, *Leases - Lease incentives*. The amendment to Illustrative Example 13 accompanying PFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- Amendments to PAS 37, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract – The amendments specify the costs a Fund includes when assessing whether a contract will be loss-making and is therefore recognized as an onerous contract. The amendments apply a "directly related approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.
- Amendments to PAS 16, Property, Plant and Equipment: Proceeds before Intended Use – The amendments prohibit the entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Instead, the entity recognizes such sales proceeds and any related costs in the profit or loss.

- Amendments to PAS 1, Presentation of Financial Statements - The amendments to PAS 1 specify the requirements for classifying current and noncurrent liabilities. The amendments will clarify that a right to defer must exist at the end of reporting period and the classification is unaffected by the likelihood that an entity will exercise its deferral right. The issuance of amendments was deferred until January 1, 2023 as a result of COVID-19 pandemic.

Deferred effectivity -

- Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture – The amendments address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Fund.

#### Financial Assets and Financial Liabilities

*Date of Recognition.* The Fund recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

*“Day 1” Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Fund recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss.

In cases where there is no observable data on inception, the Fund deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Fund determines the appropriate method of recognizing the “Day 1” difference.

*Classification.* The Fund classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Fund’s business model and its contractual cash flow characteristics.

*Financial Assets and Liabilities at FVPL.* Financial assets and liabilities at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
  - on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes equity instruments which the Fund had not irrevocably elected to classify at FVOCI at initial recognition. This category includes debt instruments whose cash flows are not "solely for payment of principal and interest" assessed at initial recognition of the assets, or which are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Fund may, at initial recognition, designate a financial asset or financial liability meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset or financial liability at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets or liabilities.

After initial recognition, financial assets at FVPL and held for trading financial liabilities are subsequently measured at fair value. Unrealized gains or losses arising from the fair valuation of financial assets at FVPL and held for trading financial liabilities are recognized in profit or loss.

For financial liabilities designated at FVPL under the fair value option, the amount of change in fair value that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. Amounts presented in other comprehensive income are not subsequently transferred to profit or loss.

As at June 30, 2022 and December 31, 2021, the Fund does not have financial assets and liabilities at FVPL.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at June 30, 2022 and December 31, 2021, the Fund's cash and cash equivalents and interest receivable are included under this category (see Note 4).

*Financial Assets at FVOCI.* For debt instruments that meet the contractual cash flow characteristic and are not designated at FVPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Fund may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

As at June 30, 2022 and December 31, 2021, the Fund does not have financial assets at FVOCI.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at June 30, 2022 and December 31, 2021, the Fund's liabilities arising from its advances from a related party and accrued expenses, excluding statutory liabilities, are included under this category (see Note 7).

#### **Reclassification**

The fund reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new gross carrying amount.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

### **Impairment of Financial Assets at Amortized Cost and FVOCI**

The Fund records an allowance for “expected credit loss” (ECL). ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The difference is then discounted at an approximation to the asset’s original effective interest rate.

For interest receivables, the Fund has applied the simplified approach and has calculated ECLs based on the lifetime expected credit losses. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments measured at amortized cost and FVOCI, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

### **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Fund retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Fund has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Fund’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Fund could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the

original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Fund could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying amount is adjusted by the costs or fees paid or received in the restructuring.

### **Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

### **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Fund; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Fund does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

### Cash and Cash Equivalents

Cash includes cash on hand and in banks which are stated at amortized cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### Accrued expenses

Accrued expenses are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions.

### Net Assets Attributable to Shareholders

#### *Capital Stock*

Capital stock is recognized as issued when the stock is paid for or subscribed under a binding agreement and is measured at par value.

The Fund's common stock qualifies as puttable financial instruments under PAS 32,



#### *Financial Instruments: Presentation.*

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- a) the instrument entitles the holder to require the entity to repurchase or redeem the instrument (either on an ongoing basis or on liquidation) for a pro rata share of the entity's net assets;
- b) the instrument is in the most subordinate class of instruments, with no priority over other claims to the assets of the entity on liquidation;
- c) all instruments in the subordinate class have identical features;
- d) the instrument does not include any contractual obligation to pay cash or financial assets other than the holder's right to a pro rata share of the entity's net assets; and
- e) the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, a change in recognized net assets, or a change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument.

The issuance, acquisition and resale of shares are accounted for as equity transactions. Sales of Fund's shares are recorded by crediting capital stock at par value and additional paid-in capital (APIC) for the amount received in excess of the par value; redemptions are recorded by debiting those accounts. In the event that the APIC balance is exhausted as a result of redemptions, the retained earnings account is reduced by redemptions in excess of par.

Transaction costs incurred by the Fund in issuing, acquiring or reselling its own equity instruments are accounted for as a deduction from the equity instruments to the extent that they are incremental costs directly attributable to the equity transactions that otherwise would have been avoided.

Own equity instruments which are acquired (treasury shares) are deducted from the equity instruments and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Fund's own equity instruments.

#### Retained Earnings (Deficit)

Retained earnings (deficit) represent the cumulative balance of the increase (decrease) in net assets attributable to shareholders of the Fund.

#### Earnings (loss) Per Share

Earnings (loss) per share is computed by dividing increase (decrease) in net assets attributable to shareholders for the year by the weighted average number of shares issued and outstanding during the year after giving retroactive effect to stock dividends declared during the year, if any.

Diluted earnings (loss) per share is computed by adjusting the weighted-average number of shares issued and outstanding to assume conversion of all dilutive potential common shares.

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

*Interest Income.* Interest is recognized as it accrues and is presented gross of final tax.

*Other Income.* Income from other sources is recognized when earned.

#### Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

#### Net Asset Value (NAV) Per Share

NAV per share is computed by dividing net assets attributable to shareholders (total assets less total liabilities) by the total number of units issued at the reporting date.

#### Income Taxes

Income tax expense comprises current and deferred taxes. Income tax is recognized in the statements of comprehensive income except to the extent that it relates to items recognized directly in equity.

*Current Tax.* Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

*Deferred Tax.* Deferred tax is recognized using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized using the liability method for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - Minimum Corporate Income Tax (MCIT) and unused tax losses - Net Operating Loss Carry Over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The unrecognized deferred tax assets amounted to ₱3.16 million and ₱3.18 million as at December 2021 and 2020, respectively (see Note 6).

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Fund expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax are recognized in the statements of income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

*Final Tax.* Final tax is recognized as interest income from cash in bank and placements accrues.

#### Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control and significant influence. Related parties may be individuals or corporate entities.

#### Provisions

Provisions are recognized when: (a) the Fund has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

#### Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

#### Events After the Reporting Date

Post year-end events that provide additional information about the Fund's financial position at the reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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### 3. Significant Estimate and Assumptions

The preparation of the financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

#### Judgments

In the process of applying the accounting policies, the Fund has made the following judgments, apart from those involving estimations, which have an effect on the amounts recognized in the financial statements:

#### *Classifying Financial Instruments.*

The Fund exercises judgments in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

#### Estimates and Assumptions

The key estimates and assumptions used in the financial statements are based upon the Fund's evaluation of relevant facts and circumstances as at the date of the financial statements. Actual results could differ from such estimates.

#### *Recognition of Deferred Tax Assets*

Deferred tax assets are recognized for all deductible differences to the extent that it is probable that the taxable income will be available against which these temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

Based on management's assessment of its future taxable profits, the Fund did not recognize deferred tax asset on unused NOLCO amounting to ₱3.16 million and ₱3.18 million as at December 2021 and 2020, respectively (see Note 6).

#### 4. Cash and Cash Equivalents

As at June 30, 2022 and December 31, 2021, this account consists of:

	June 30, 2022	December 31, 2021
Cash in bank	₱20,939,001	₱8,837,953
Short-term placements	189,149,386	200,148,228
	<b>₱210,088,387</b>	<b>₱208,986,181</b>

Cash in bank generally earn interest base on daily bank deposit rates of 0.125% per annum in 2022 and 2021, respectively. Short-term placements earn interest at 1.25% in 2022 and 2021, respectively.

Interest income earned on cash and cash equivalents amounted to ₱1.25 million and ₱1.25 million for the periods ending June 30, 2022 and 2021, respectively.

#### 5. Net Assets Attributable to Shareholders

The details of the capital stock are as follows:

	June 30, 2022	December 31, 2021
<b>Authorized</b>		
Par value per share	₱1	₱1
Number of shares	1,000,000,000	1,000,000,000
<b>Issued and Outstanding</b>		
Paid up capital	₱201,663,126	₱201,658,126
Subscription	6	5,000
Redemption	(6)	-
	<b>₱201,663,126</b>	<b>₱201,663,126</b>

On July 21, 2021, the Fund issued a total of 5,000 shares at 1.0396 net asset value per share.

Basic/ Diluted earnings (loss) per share is computed as follows:

	June 30	
	2022	2021
Increase in net assets attributable to shareholders	₱492,895	₱835,018
Weighted average number of shares outstanding	201,663,126	201,658,126
Earnings (loss) per share	<b>₱0.00244</b>	<b>₱0.00414</b>

NAV per share is computed as follows:

	June 30, 2022	December 31, 2021
Net assets attributable to shareholders	₱210,240,757	₱209,755,321
Number of shares outstanding	201,663,126	201,663,126
NAV per share	<b>₱1.0425</b>	<b>₱1.0401</b>

## 6. Income Taxes

The reconciliation of the statutory income tax rate to the effective income tax rate is as follows:

	December 31	
	2021	2020
Final Tax	<b>₱510,063</b>	<b>₱986,356</b>
Increase in net assets attributable to shareholders before taxes	<b>₱1,360,929</b>	<b>₱4,849,222</b>
Statutory income tax at 20% in 2021 and 30% in 2020	<b>₱272,186</b>	<b>₱1,454,767</b>
Adjusted for the tax effects of:		
Non-deductible expense	<b>144,700</b>	<b>-</b>
Unrecognized deferred tax assets	<b>93,177</b>	<b>24,767</b>
Non-taxable income subjected to final tax	<b>-</b>	<b>(493,178)</b>
Effective income tax	<b>₱510,063</b>	<b>₱986,356</b>

In 2021 and 2020, the Fund did not recognize the deferred tax assets on NOLCO because the management does not expect that sufficient future taxable income will be available against which the tax benefits can be utilized.

As at December 31, 2021, the details of the Fund's unrecognized deferred tax asset on the following NOLCO, gross of 20% income tax are presented below:

Inception Year	Expiry Year	Beginning	Additions	Expired	Ending
2021	2026	₱—	₱465,886	₱—	₱465,886
2020	2025	82,556	—	—	82,556
2019	2022	2,615,708	—	—	2,615,708
2018	2021	483,359	—	483,359	—
		<b>₱3,181,624</b>	<b>₱465,886</b>	<b>₱483,359</b>	<b>₱3,164,151</b>

Pursuant to Section 4 of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five consecutive taxable years following the year of such loss.

## 7. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subjected to common control or common significant influence. Related parties may be individuals or corporate entities. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market and are being settled in cash.

Name of Related Party	Relationship	Nature of Operations	Country of Incorporation
Amalgamated Investment Bancorporation	Under common control	Investment house	Philippines

Details of the significant related party transactions of the Fund are as follows:

<b>Outstanding Balance</b>						
<b>Category/ Transaction</b>	<b>Year</b>	<b>Amount of the Transaction</b>	<b>Advances to a Related Party</b>	<b>Advances from a Related Party</b>	<b>Terms</b>	<b>Conditions</b>
Cash advances from AIB	2021	(₱10,104,987)	—	—	Non- interest bearing	Unsecured; due and demandable; unimpaired
	2020	115,805	—	10,104,987	Non- interest bearing	Unsecured; due and demandable; unimpaired

#### Compensation of Key Management Personnel and BOD

There were no key management personnel compensation for the first half of 2022 and the years 2021 and 2020. The authority and responsibility for planning, directing and controlling the activities of the Fund including the administrative and accounting functions were undertaken by AIB's BOD and Management. As of June 30, 2022, the three independent directors were paid ₱25,000 each, for a total of ₱75,000.

## **8. Financial Assets and Financial Liabilities**

The carrying amounts of cash and cash equivalents, interest receivable, advances from a related party and accrued expenses approximate their fair value due to relatively short-term maturities of these financial assets and financial liabilities.

As at June 30, 2022, the Fund has no financial assets and financial liabilities carried at fair value. As such, presentation of fair value hierarchy is not necessary.

## **9. Financial Risk Management Objectives and Policies**

The Fund's financial assets comprise of cash and cash equivalents and interest receivable. The main purpose of these financial instruments is to finance its pre-operations. The Fund's financial liabilities comprise of advances from a related party and accrued expenses, which arise directly from its pre-operations. During the year, no changes were made by the Fund to its investment objectives and policies from the previous year.

#### Governance Framework

The Fund drafted an agreement appointing AIB Asia Asset Management, Inc. as its fund manager, and AIB as its qualified mutual fund sales agents as its distributors. AIB Asia Asset Management, Inc. has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity and operational risk. It also supports the effective implementation of policies.

The policies define the Fund's identification of risks and its interpretation, limit structure to ensure the appropriate quality and diversification of assets to the corporate goals and specific reporting requirements.

#### Regulatory Framework

The operations of the Fund are also subject to the regulatory requirements of the SEC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provision (e.g., investment portfolios repurchase, capital requirements, etc.).

### Capital Management

The Fund's objective for managing its capital is to maximize profit consistent with its policy to preserve capital and to maintain liquidity of its investments through a diversified portfolio of high-grade fixed income securities and equity securities. The capital of the Fund consists mainly of proceeds from issuance of shares which are subject to redemption by the shareholders.

The Fund considers its capital stock and retained earnings (deficit) as its capital.

On March 27, 2015, the Fund was incorporated in the Philippines but with no commercial operations yet thereafter. The Fund's initial authorized capital stock amounted to ₱1.00 billion divided into 1.00 billion shares with a par value of ₱1.00 each from which 250.00 million shares were outstanding and issued.

The Fund's objectives when managing capital are:

- a. To safeguard the Fund's ability to continue as a going concern so that it can continue to provide returns to stockholders and benefits for other stakeholders;
- b. To provide an adequate return to shareholders by pricing services commensurately with the level of risk; and
- c. To maintain an optimal capital structure to reduce to cost of capital.

To substantially meet these capital management objectives, the Fund monitors its operational performance and ensures that enough cash flows are generated by its operations to repay the creditors.

In addition, the Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets.

Externally-imposed capital requirements are set and regulated by the Investment Company Act and its Implementing Rules and Regulations, as amended. The Fund has complied with the externally-imposed capital requirements during the financial reporting period and no changes were made to its capital base, investment objectives and policies from the previous year.

As at June 30, 2022 and December 31, 2021, the Fund is in compliance with the minimum equity requirement of the SEC of ₱50.00 million.

The equity ratio as at June 30, 2022 and December 31, 2021 is as follows:

	<b>June 30, 2022</b>	December 31, 2021
Net Assets Attributable to Shareholders	<b>₱210,240,757</b>	₱209,755,321
Total Assets	<b>210,240,757</b>	209,825,692
Equity Ratio	<b>0:1</b>	0.99:1

The main risks arising from the Fund's financial instruments are described below:

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument may fail to discharge an obligation and cause the other party to incur a financial loss. The Fund's credit risk is reduced to a minimum since transactions of the Fund are considered cash transactions. The Fund transacts only with recognized and credit-worthy third parties. It is the Fund's policy that all credit is subject to credit verification procedures.



The table below summarizes credit quality and concentration risk of the Fund's financial assets, gross of allowance for impairment losses.

	June 30, 2022					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due or Individually Impaired	Total
	High Grade	Standard	Substandard			
<b>Financial assets at amortized cost</b>						
Cash in banks	P20,939,001	P-	P-	P-	P-	P20,939,001
Short-term investments	189,149,386	-	-	-	-	189,149,386
Interest receivables	152,370	-	-	-	-	152,370
	<b>P210,240,757</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P210,240,757</b>

	December 31, 2021					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due or Individually Impaired	Total
	High Grade	Standard	Substandard			
<b>Financial assets at amortized cost</b>						
Cash in banks	P8,837,953	P-	P-	P-	P-	P8,837,953
Short-term investments	200,148,228	-	-	-	-	200,148,228
Interest receivables	839,511	-	-	-	-	839,511
	<b>P209,825,692</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P209,825,692</b>

#### *Credit Quality Per Class of Financial Assets*

The Fund grades its financial assets in accordance with the following:

- a. **Neither Past Due nor Impaired**  
 Financial assets that are neither past due nor impaired include financial assets which have a high probability of collection. Collections are also probable due to the reputation and the financial ability of the counterparty. There was also few or no history of default on the agreed terms of the contract.
  - High grade pertains to accounts which have high probability of collection, as evidenced by debtor's long history of stability, and profitability. The debtor has strong debts service record and ability to raise substantial amounts of funds through the public market.
  - Standard grade pertains to accounts where collections are probable due to the reputation and the financial capacity of the counterparty to pay but which have been outstanding for a considerable length of time.
  - Substandard grade pertains to those accounts where the counterparties are, most likely, not capable of honoring their financial obligations.
- b. **Past Due but not Impaired**  
 Past due but not impaired financial assets are financial assets where contractual payments are past due but the Fund believes that impairment is not appropriate on the basis of the level of collateral available and/or status of collection of amounts owed to the Fund.
- c. **Impaired Financial Assets**  
 Impaired financial assets are financial assets for which the Fund determines that it is probable that it will not be able to collect all principal and interest due based on the contractual terms and agreements.

As of June 30, 2022 and December 31, 2021, the Fund does not have financial assets which are past due nor impaired.

**Maximum Exposure to Credit Risk**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Fund's maximum credit risk exposure for its financial assets that is neither past due nor impaired as at June 30, 2022 and December 31, 2021 are as follows:

	Amount Exposed Exposed	Amount to Risk	Dec. 31, 2021	Amount to Risk
	Jun. 31, 2022	to Risk	Dec. 31, 2021	to Risk
Cash in bank	P20,939,001	P20,939,001	P8,837,953	P8,837,953
Short-term investments	189,149,386	189,149,386	200,148,228	200,148,228
Interest receivables	152,370	152,370	839,511	839,511
	<b>P210,240,757</b>	<b>P210,240,757</b>	<b>P209,825,692</b>	<b>P209,825,692</b>

**Liquidity Risk**

Liquidity risk is the risk of being unable to meet payment obligations as these come due without incurring unacceptable losses due to disruption in funding sources, and/or inability to liquidate assets quickly due to changes in market conditions, and/or unplanned utilization of cash resources.

The Fund seeks to manage its liquidity profile to be able to finance its working capital requirements. It intends to use internally generated funds and advances from a related party to cover its financing requirements.

As at December 31, 2021, the contractual maturity of the Fund's financial liabilities is one year or less amounting to P70,371. As at June 30, 2022, the Fund has no financial obligation. (see Note 7).

**Market Risk**

Market risk is the risk of change in fair value of financial instruments from movements in market interest rates (interest rate risk) and market prices of equities and commodities (price risk) whether such change in price is caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Fund's interest rate exposure originates from its cash in bank and financial assets at FVPL. These are subject to interest rate risk as the income is derived from the current inter-bank lending rates and investment in government securities at a fixed rate; however, the interest rate risk is not actively managed as it is not considered significant. As a result, no sensitivity analysis was deemed necessary.

**Price Risk**

Price risk is the risk that the fair value of equity securities increases or decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or factors affecting all instruments in the market.

As at June 30, 2022 and December 31, 2021, the Fund has no investments in equity securities. As such, the Fund is not exposed to price risk.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

**ASSETS (June 30, 2022 vs. December 31, 2021)**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the period ended June 30, 2022 increased to ₱210.09 million from the ₱208.99 million as of December 31, 2021 due to the interest received for the first half of 2022. Cash and cash equivalents comprise 99.93% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

**LIABILITIES (June 30, 2022 vs. December 31, 2021)**

Total liabilities of the Fund consist of advances from a related party and accrued expenses. The total liabilities of the Fund for the period ended June 30, 2022 decreased to zero from ₱70,371 as of December 31, 2021. The liability of the Fund as of December 31, 2021 is composed of the accrued audit expense and was settled during the first half of the year 2022.

**INCOME STATEMENT (June 30, 2022 vs. June 30, 2021)**

For the period ended June 30, 2022, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱1.25 million, approximately the same with the interest income earned by the Fund for the same period of the previous year.

Expenses of the Fund consist of professional fees, taxes & licenses, custodianship fee and other miscellaneous expense. For the period ended June 30, 2022, the Fund incurred a total expense of ₱0.51 million, 104.68% or ₱0.34 million higher compared to the total expense, amounting to ₱0.17 million, incurred for the same period of the previous year. The difference is due to the penalties paid by the Fund amounting to ₱0.40 million during the year.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱0.49 million as of June 30, 2022.

### **ASSETS (June 30, 2021 vs. December 31, 2020)**

The total assets of the Fund comprise only of cash and cash equivalents and interest receivable. The Fund's cash and cash equivalent for the period ended June 30, 2021 increased to ₱219.76 million from the ₱218.84 million as of December 31, 2020 due to the interest earned for the first half of 2021. Cash and cash equivalents comprise 99.85% of total assets, as it is still in its pre-operational stage. Interest receivables represent a small percentage, at less than one percent (1%), of the total assets of the Fund.

### **LIABILITIES (June 30, 2021 vs. December 31, 2020)**

Total liabilities of the Fund consist of advances from a related party and accrued expenses. For the period ended June 30, 2021, the advances from a related party increased to ₱10.29 million from ₱10.10 million as of December 31, 2020. These advances represent the majority of the Fund's liabilities and caused the increase in total liabilities compared with the total liability as of end of December 31, 2020. Accrued expenses account for less than one percent (1%) of total liabilities.

### **INCOME STATEMENT (June 30, 2021 vs. June 30, 2020)**

For the period ended June 30, 2021, the Fund has earned interest income from its investments in short-term placements and cash deposits amounting to ₱1.25 million, a decrease from ₱2.55 million in interest income earned by the Fund for the same period last year. This is due to the decrease in short-term placements of the Fund from ₱246.60 million as of June 30, 2020 to ₱199.64 as of June 30, 2021.

Expenses of the Fund consist of professional fees, taxes and licenses. For the period ended June 30, 2021, the Fund's total expenses amounted to ₱0.17 million, an increase of ₱0.16 million due to legal fees, custodianship fee, and taxes and licenses incurred to start the operation of the Fund.

Due to the relatively low expenses incurred compared to the interest earned by the Fund, the Fund posted a net income of ₱0.84 million as of June 30, 2021.

The Company received the Certificate of Permit to Offer Securities for Sale last December 27, 2018. The Company has not yet started selling to the investing public since then. There were no significant changes on the company's financial report for the period ending June 30, 2022. The company is still organizing the portfolio, allocation of assets and instruments to be competitive with the market. The Company's portfolio is not publicly traded as of to date.

## **PART II--OTHER INFORMATION**

Not applicable.

There are no material disclosures that have not been reported under SEC Form 17-C covered by this period.

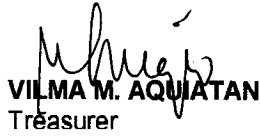
## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **AIB MONEY MARKET MUTUAL FUND, INC.**



**SERVANDO B. ALVAREZ JR.**  
President



**VILMA M. AQUITAN**  
Treasurer

**Date: July 13, 2022**