

# FINAL PROSPECTUS

## ALFM GLOBAL MULTI-ASSET INCOME FUND INC. (UNITIZED FEEDER FUND)

3F Insular Life Building, Ayala Ave. cor Paseo de Roxas, Makati City 1226  
Tel No. (02) 8580-0900

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

**An Offer of up to the Number of Authorized Units of  
ALFM Global Multi-Asset Income Fund  
at an Offer Price of Net Asset Value per Unit on the date of subscription**

	ALFM GLOBAL MULTI-ASSET INCOME FUND
<b>Number of Authorized Units</b>	1,000,000,000
<b>Minimum Initial Investment</b>	USD 100 or PHP Equivalent
<b>Initial NAVpU</b>	USD 1.00

**Securities will be traded over the counter through  
SEC accredited mutual fund sales agents**

**BPI Investment Management, Inc.**  
Fund Manager, Principal Distributor & Transfer Agent  
19<sup>th</sup> Floor, BPI Buendia Center, Sen. Gil Puyat Ave., Makati City  
Tel No. (02) 8580-0900

***\*The date of this PROSPECTUS is as of October 24, 2019***

**THESE SECURITIES SHALL BE SOLD AND REDEEMED ONLY THROUGH THE FUND'S DISTRIBUTORS. THE FUND'S SHARES SHALL NOT BE LISTED NOR TRADED ON THE PHILIPPINE STOCK EXCHANGE. SHARES OF THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY FINANCIAL INSTITUTION, AND ARE NOT INSURED WITH THE PHILIPPINE DEPOSIT INSURANCE CORPORATION.**

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



Ms. Sherisa P. Nuesa

President

ALPM Global Multi-Asset Income Fund Inc. (Unitized Feeder Fund)

SUBSCRIBED AND SWORN TO before me this **OCT 28 2019** day of      20  . Affiant, Ms. Sherisa P.  
Nuesa, exhibiting to me her Tax Identification No. 132-204-906.

NOTARY PUBLIC

Doc. No. 223  
Page No. 62  
Book No. 31  
Series of 20 19

**ATTY. VIRGILIO R. BATALLA**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. M-E7 UNTIL DEC 31, 2020  
ROLL OF A.T.Y. NO. 48248  
MCLE COMPLIANCE NO. VI-0022250/8-4-2019  
IBP O.R. No. 700732-1 LIFETIME MEMBER JAN 25 2004  
PTR No. 7333027 JAN 03, 2015- MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER BL.  
MAKATI CITY

**ALFM GLOBAL MULTI-ASSET INCOME FUND INC.  
(UNITIZED FEEDER FUND)**

*Fees are imputed on the Daily NAVpS*

<b>SUMMARY OF FEES TO BE DEDUCTED FROM THE FUND</b>	
<b>Management, Distribution, Advisory &amp; Transfer Agent Fee</b>	<b>1.00% p.a.</b>
Management Fee	0.475% p.a.
Distribution Fee	0.475% p.a.
Transfer Agent Fee	0.050% p.a.
<b>Safekeeping Fees</b>	
Scripless Securities / Book Entry	
Asset Size: USD 0 – USD 250 Mn	1.50 bps p.a.
Above USD 250 Mn to USD 750 Mn	1.25 bps p.a.
Above USD 750 Mn	1.00 bps p.a.
Physical Securities	PhP 10,000 per month

<b>OTHER FEES</b>	
Maximum Sales Load, if any, to be collected from the subscribers	5%
Early Redemption Fee	
180 days or less	1.00% flat
more than 180 days	none

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

**BLACKROCK GLOBAL MULTI-ASSET INCOME FUND  
(Target Fund)**

*Fees of Target Fund are imputed on the Daily NAVpS*

<b>SUMMARY OF FEES TO BE DEDUCTED FROM THE FUND</b>	
Management Fee	0.600% p.a.
Administration Fee	0.250% p.a.
Distribution Fee	none
Custodian Fee	0.0024% p.a.

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## THE OFFER

### **ALFM GLOBAL MULTI-ASSET INCOME FUND (UNITIZED FEEDER FUND)**

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

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

This document relates to an Offer for subscription to the unit of participation of the ALFM Global Multi-Asset Income Fund.

This is an Offer of up to One Billion (1,000,000,000) units of participation with an initial Net Asset Value per Unit of One US Dollar (USD 1.00) each (the "Offer Units") in ALFM Global Multi-Asset Income Fund, Inc. ("ALFM GMIF" or the "Fund") at the Fund's prevailing Net Asset Value ("NAV") per unit, plus any applicable sales load, on the date of sale of the units. The Fund may terminate the Offer at any time or when the number of units subscribed and paid for has reached 1,000,000,000 units.

The Fund was incorporated on April 27, 2018 with an authorized capitalization of Two Hundred Million Philippine Pesos (PHP 200,000,000.00) consisting of Four Million (4,000,000) shares with par value of PHP 50.00 each.

The Fund is a US Dollar denominated multi-asset mutual fund operating as a Feeder Fund that aims to provide a stable stream of dividends and generate long-term capital growth. Due to its inherent nature, ALFM GMIF can be classified as high risk given that the target fund is invested in different asset classes. The Funds shall best cater to investors who are aware of the risks in investing in multi-asset & multi-currency securities.

#### **USE OF PROCEEDS**

The total proceeds from the sale of the 1 Billion shares is estimated at USD 1 Billion (using USD 1.00 initial NAVpU). Pursuant to existing SEC implementing rules and regulations, as a Feeder Fund, the Fund is mandated to invest at least 90% of its assets in a single collective investment scheme. This underlying collective investment scheme is referred to as the Target Fund and selected consistent with the provisions on investment objective of the feeder fund in providing a stable stream of dividends and generate long-term capital growth.

The Custodian Bank, Citibank, N.A., shall hold the relevant securities of the Fund including subscription payments or proceeds from the sale of this security, until they can be invested in marketable securities consistent with the Fund's objectives. No other funds outside the proceeds of this offer shall be needed to accomplish the Fund's investment objective. There is no material amount out of the proceeds of the offer that is to be used to discharge debt, acquire assets or finance the acquisition of other business, or to reimburse any officer, director, employee, shareholder or unitholder for services rendered, assets previously transferred, money loaned or advanced.

#### **THE OFFER UNITS OF PARTICIPATION**

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

Prospective investors in the Fund should carefully consider the matters addressed under "Risk Factors and Risk Monitoring and Management" before making an investment. These risks include,

but are not limited to, market risk, liquidity risk, credit risk, inflation risk, and the risk that the value of the Funds are **not** guaranteed and **not** insured with the Philippine Deposit Insurance Corporation.

## **REDEMPTIONS**

The Fund is ready to redeem, at the applicable Net Asset Value per Unit, all or any part of the Units standing in the name of a unitholder in the Fund. Unless redeemed earlier than the minimum holding period of 180 days when an Early Redemption Fee of 1% will apply, there is no redemption fee.

## **TOTAL EXPENSES OF THE FUNDS**

The total expenses paid out or projected to be paid out of the gross proceeds of the Offer include, but are not limited to external auditor's fees, notarial fees, legal opinion and assistance fees, and management, distribution and advisory fees.

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

## **RESTRICTIONS ON THE USE OF PROCEEDS**

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

## **VALUATION**

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

## **OFFERING PRICE**

The offering price of the units is the Fund's prevailing NAV per Unit computed as of end-of-day on the date of purchase of the Units, plus the applicable sales load, to a maximum of 5%.

## **DIVIDEND POLICY**

The board of directors of the fund may declare dividends out of the unrestricted retained earnings which shall be payable in cash, units to all unitholders on the basis of outstanding units held by them.

The Fund shall only distribute dividends received from the Target Fund to the unitholders in the form cash or additional units on a monthly basis or whenever practicable.

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

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

## **FUND MANAGER, PRINCIPAL DISTRIBUTOR, INVESTMENT ADVISOR AND TRANSFER AGENT**

The Investment Manager (or “Fund Manager”), Principal Distributor, Investment Advisor & Transfer Agent of the Fund is BPI Investment Management, Inc. (or “BPI Investment”). For its services, BPI Investment shall charge a fee of not more than the rate stipulated below, based on the Net Asset Value of the Fund.

<b>Name of Fund</b>	<b>ALFM Global Multi-Asset Income Fund (Unitized Mutual Fund)</b>
<b>Total Management, Distribution, Advisory &amp; Transfer Agent Fee</b>	<b>1.00% p.a.</b>
Management Fee	0.475% p.a.
Distribution Fee	0.475% p.a.
Transfer Agent Fee	0.050% p.a.

## **DISTRIBUTORS**

The Fund’s Units shall be made available to the public primarily through the Fund’s authorized distributor, BPI Investment Management, Inc. as well as other authorized and accredited distribution firms. The foregoing companies were licensed by the Securities and Exchange Commission to distribute mutual fund securities to the public. The distribution fee payable to the distributors shall be based on the outstanding daily balance of the Fund’s units distributed, as follows, and shall be taken from the 0.0475% p.a. distribution fee.

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

## **SALES LOADS**

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

<b>Name of Fund</b>	<b>Amount Invested</b>	<b>Maximum Sales Load</b>
ALFM Global Multi-Asset Income Fund	Any amount	5%

## **CUSTODIAN BANK**

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

### Scripless Securities / Book Entry

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

Physical Securities PhP 10,000 per month

Minimum Monthly Relationship Fee of USD 1,000 per month

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

Scripless Securities	Formatted Instructions	Unformatted/Manual Instructions
0 – 1,000 transactions per month	PhP 50	PhP 300
Above 1,000 – 2,000 transactions per month	PhP 35	
Above 2,000 transactions per month	PhP 25	

### RECEIVING BANKS

The Bank of the Philippine Islands and BPI Family Savings Bank have been designated by the Fund as Receiving Banks where payments for Units purchased may be made.

### INDEPENDENT AUDITOR

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

### INFORMATION SUPPLIED BY THE FUND

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

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

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

**THIS PROSPECTUS SETS FORTH CONCISELY THE INFORMATION ABOUT THE FUND THAT PROSPECTIVE INVESTORS WILL FIND HELPFUL IN MAKING AN INVESTMENT DECISION. INVESTORS ARE ENCOURAGED TO READ THIS PROSPECTUS CAREFULLY AND RETAIN IT FOR FUTURE REFERENCE. ADDITIONAL INFORMATION ABOUT THE FUND HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) AND IS AVAILABLE UPON REQUEST.**



**SUMMARY OF FINANCIAL INFORMATION**

The following information was lifted from the Interim Financial Statements of the Fund for the period ended March 31, 2019.

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

**ALFM GLOBAL MULTI-ASSET INCOME FUND**

<b>As of March 31, 2019 (Interim) – in USD</b>			
<b>Balance Sheet</b>		<b>Income Statement</b>	
<b>Total Assets</b>	1,000,000.00	<b>Income</b>	0.00
<b>Total Liabilities</b>	0.00	<b>Expenses</b>	0.00
<b>Total Equity</b>	1,000,000.00	<b>Net Income</b>	0.00

## RISK DISCLOSURE STATEMENT

### **GENERAL RISK WARNING**

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

### **PRUDENCE REQUIRED**

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

### **PROFESSIONAL ADVICE**

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

## **RISK FACTORS AND RISK MONITORING AND MANAGEMENT**

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

### **A. FACTORS EXTERNAL TO THE FUND:**

#### **1) MARKET RISK**

The risk that movement in the financial markets will adversely affect the investments of the Fund. The markets will fluctuate based on many factors, such as the state of the economy, current events, corporate earnings, and interest rate movements. To properly manage market risk, for investments made in direct securities, various risk measurement methodologies are utilized to quantify the potential changes in portfolio value resulting from changes in security prices. Measures of risk-adjusted performance are also utilized. Market risk is controlled through the establishment of investment limits and by managing the fund according to investment guidelines and parameters that are consistent with its return objective and risk profile.

#### **2) LIQUIDITY RISK**

The risk that the investments of the Fund cannot be sold or converted into cash within a reasonable time or in instances where sale or conversion is possible but not at a fair price. To properly manage liquidity risk, a minimum of five percent (5%) up to a maximum of ten percent (10%) of the assets of the Investment Company shall be invested in liquid/semi-liquid assets.

#### **3) INTEREST RATE RISK:**

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

#### **4) CREDIT RISK**

The risk that the bond issuer may not be able to pay its debt when interest payments and maturity falls due. Credit risk is minimized through diversification. Investment and counterparty limits are also established and monitored regularly. All investment outlets and counterparties go through accreditation prior to the execution of investment transactions. On the other hand, the fund manager of the target fund uses the proprietary investment platform which integrates and instantly connects all the functions needed to manage the fund's risk. The system has comprehensive risk, exposure and attribution reporting capabilities. The fund also uses derivatives for efficient portfolio management. To further mitigate credit risk for derivative counterparties, the fund receives collateral with a value at least equal to the exposure.

#### **5) INFLATION RISK**

The risk the return of your investments will not keep pace with the increase in consumer prices. To mitigate inflation risk, the Fund Manager closely monitors inflation.

#### **6) REINVESTMENT RISK**

The risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are re-invested. To mitigate reinvestment risk, the Fund Manager closely monitors interest rate trends in order to time the maturities of its portfolio when interest rates are trending upwards, so as to re-invest at higher interest rates.

#### **7) FOREIGN EXCHANGE RISK**

This is the possibility for an investor to experience losses from a decline in fund value when the market value of fixed income securities, settled in any other currency, held by the fund are

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

#### **B. RISKS INHERENT TO THE FUND:**

- 1) Feeder-funds invest 90% of its assets in a target fund managed by another fund manager. The fund manager of the feeder-fund does not have any control on how the target fund is managed.
- 2) Unlike closed-end funds, the investment potential and capability of the Fund is limited by liquidity constraints as the Fund Manager should always ensure that there are sufficient liquid assets to service redemptions at any given time.
- 3) Unlike bank accounts, investment companies / mutual funds are neither insured with the PDIC nor any other agency of the government, nor guaranteed by the Fund Manager. Before investing in the Fund, investors are expected to understand that the Fund is not a bank deposit product and any income, or loss, shall be for the account of the investor. Investors are advised to read the Prospectus of the Fund, which may be obtained from authorized distributors, before deciding to invest. The Fund is registered with the Securities and Exchange Commission.
- 4) Mutual funds are subject to "manager risk," which is the potential for a fund to fail to achieve its objectives due to investment decisions by the Fund Manager, caused by the Fund Manager's ability, or failure, to "read the market" accurately. To mitigate this risk, the Fund Manager employs a thorough investment process, considering macroeconomic factors and integrating them in asset allocation models to optimize the return of the portfolio. The Fund Manager likewise keeps abreast of current market conditions through various trainings and seminars on fund management techniques as well as close coordination with various counterparties and regulators.

#### **C. RISK MANAGEMENT OF THE TARGET FUND:**

The target fund employs a risk benchmark approach as means of measuring and managing overall volatility levels and ensuring that the pursuit of income is not followed at the expense of quality. The fund's risk benchmark is 50% MSCI World Index USD / 50% Barclays Capital Global Aggregate Bond Index USD Hedged. The portfolio managers, in collaboration with various risk management teams, actively manage fund allocations and how these changes will impact the fund from a risk and exposure standpoint on a daily basis to meet the desired returns. The fund manager uses a proprietary investment system which integrates information needed to manage the fund instantaneously. For more details on risk and risk management process of the target fund, clients may refer to [www.alfmmutualfunds.com](http://www.alfmmutualfunds.com) or at any authorized distributors.

**PRINCIPAL PARTIES TO THE OFFERS**

<b>Issuer</b>	<b>ALFM Global Multi-Asset Income Fund, Inc. (Unitized Feeder Fund)</b> 3F Insular Life Bldg, Ayala Ave. cor Paseo de Roxas Makati City
<b>Fund Manager &amp; Administrator</b>	<b>BPI Investment Management, Inc.</b> 19/F BPI Buendia Center, Sen. Gil Puyat Ave. Makati City
<b>Fund Distributor/s</b>	<b>BPI Investment Management, Inc.</b> 19/F BPI Buendia Center, Sen. Gil Puyat Ave. Makati City
<b>External Auditor</b>	<b>Isla Lipana &amp; Co.</b> Member firm of PricewaterhouseCoopers 29th Floor, Philamlife Tower Paseo de Roxas, Makati City
<b>Custodian Bank</b>	<b>Citibank, N.A., Manila Branch</b> Citibank Center, 8741 Paseo de Roxas, Makati, City
<b>Receiving Banks</b>	<b>Bank of the Philippine Islands</b> BPI Head Office, 6768 Ayala Avenue cor. Paseo de Roxas, Makati City  <b>BPI Family Savings Bank</b> BPI Family Savings Bank Building, Paseo de Roxas cor. dela Rosa St., Makati City
<b>Target Fund</b>	<b>Blackrock Global Multi-Asset Income Fund</b>
<b>Fund Manager (Target Fund)</b>	<b>BlackRock (Luxembourg) S.A.</b> 35A, Avenue JF Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg
<b>Investment Advisers (Target Fund)</b>	<b>BlackRock Financial Management, Inc.</b> Park Avenue Plaza 55 East 52 <sup>nd</sup> St., New York, NY 10055 USA  <b>BlackRock Investment Management, LLC</b> 100 Bellevue Parkway, Wilmington, Delaware 19809 USA  <b>BlackRock Investment Management (UK) Limited</b> 12 Throgmorton Ave. London EC2N 2DL UK  <b>BlackRock (Singapore) Limited</b> #18-01 Twenty Anson, 20 Anson Road Singapore, 079912

**Custodian (Target Fund)**

**The Bank of New York Mellon (International) Limited,  
Luxembourg Branch**  
2-4, rue Eugene Ruppert  
L-2453 Luxembourg  
Grand Duchy of Luxembourg

**External Auditor (Target Fund)**

**PricewaterhouseCoopers**  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

## DEFINITION OF TERMS

ALFM Mutual Funds	ALFM Money Market Fund, Inc. ALFM Peso Bond Fund, Inc. ALFM Dollar Bond Fund, Inc. ALFM Euro Bond Fund, Inc. Philippine Stock Index Fund Corp. ALFM Growth Fund, Inc. ALFM Global Multi-Asset Income Fund, Inc.
BFSB	BPI Family Savings Bank
BlackRock	BlackRock (Luxembourg) S.A.
Bn	Billion
BPI	Bank of the Philippine Islands
BPI Investment	BPI Investment Management, Inc.
bps	Basis points (1/100 of 1% or 0.0001)
BSP	Bangko Sentral ng Pilipinas
Corporation	ALFM Peso Bond Fund, Inc. ALFM Dollar Bond Fund, Inc. ALFM Euro Bond Fund, Inc. Philippine Stock Index Fund Corp. ALFM Growth Fund, Inc. ALFM Money Market Fund, Inc. ALFM Global Multi-Asset Income Fund, Inc.
Customer Referral Sheet	The application for subscription to the Offer Units in the form prescribed
Debit Authority	The Payment Slip or Fund Order Form for the Fund's Units, signed by an applicant, authorizing the Receiving Bank to debit said applicant's Settlement Account for the full payment of the Units applied for
Depository Receipt/Transaction Advice	The evidence of ownership of a Unitholder's holdings in the Fund
Distributors	BPI Investment Management, Inc.
Early Redemption Fee	The redemption fee of 1.0% imposed on redemptions made by Unitholders during the minimum holding period, which accrues to the Fund
Fund	ALFM Global Multi-Asset Income Fund, Inc.
Fund Manager & Administrator	BPI Investment Management Inc.
Fund Manager (Target Fund)	BlackRock (Luxembourg) S.A.
Fund Investment Advisor (Target Fund)	BlackRock Financial Management, Inc. BlackRock Investment Management, LLC BlackRock Investment Management (UK) Limited BlackRock (Singapore) Limited

Investment Company Act

The Investment Company Act of 1960 (Republic Act.2629)

IOSCO

International Organization of Securities Commissions

Minimum Holding Period

The period during which a 1.0% early redemption fee is charged for redemptions made during the said period, as follows:

<b>Name of Fund</b>	<b>Minimum Holding Period</b>
ALFM Global Multi-Asset Income Fund, Inc	180 days

Mn

Million

NAV

Net Asset Value, defined as the value of the assets of the Fund, less the value of the liabilities

NAV per Unit / NAVpU

NAV divided by the total number of Units outstanding, including deposits for subscription, if there are pending applications to increase the Authorized Units

Offer

The Offer to the public for subscription to the maximum number of unclassified and non-voting common units of the Fund at the Offer Price, as follows:

<b>Name of Fund</b>	<b>Maximum Number of Units</b>
ALFM Global Multi-Asset Income Fund	1,000,000,000

Offer Price

The Fund's prevailing NAV per Unit computed as of end-of-day on the date of purchase of the Units, plus the applicable sales load, if any

Offer Units

The unclassified and non-voting units of the Fund

<b>Name of Fund</b>	<b>Maximum Number of Units</b>
ALFM Global Multi-Asset Income Fund	1,000,000,000

Initial Price

The initial price of the Units, as shown below:

<b>Name of Fund</b>	<b>Initial Price (in USD)</b>
ALFM Global Multi-Asset Income Fund	1.00

PAS

Philippine Accounting Standards

Peso or PHP

Philippine peso, the lawful currency of the Republic of the Philippines

PIFA

Philippine Investment Funds Association

Qualified Mutual Fund Sales Agent or Sales Agent

An individual, employed by a Distributor, who shall have taken and passed the mutual fund sales agents' licensing examination given by the SEC



Redemption Price	The Fund's prevailing NAV per Unit computed as of end-of-day on the date of sale of the Units, less the applicable Early Redemption Fee, if any
Registration Statement	The registration statement filed by the Fund with the SEC in compliance with the Securities Regulation Code and the Investment Company Act
Regular Subscription Plan (RSP)	The automated periodic purchase (i.e., monthly or quarterly) of the Funds' unit in a pre-determined fixed amount
Revised Corporation Code	Revised Corporation Code of the Philippines ( <i>Republic Act 11232</i> )
Sales Load	The sales commission, if any, collected from the subscribers of the Units and paid to the Distributors or their Qualified Mutual Fund Sales Agents
SEC	The Securities and Exchange Commission of the Philippines
Securities Regulation Code	Republic Act No. 8799
Service Administrator	BPI Investment Management, Inc.
Servicing Agent	A Qualified Mutual Fund Sales Agent of the Fund with whom a Unitholder shall transact purchases and redemptions of the Units
Settlement Account	A BPI or BFSB current account or savings account required to be opened and maintained by each person or entity transacting the Units against which all payments for Units purchased shall be debited and into which all proceeds of Units sold shall be credited
Unitholder	An owner of units in the ALFM Global Multi-Asset Income Fund
Units	The unclassified and non-voting unit of participation to ALFM Global Multi-Asset Income Fund
UCITS	Undertakings for Collective Investment in Transferable Securities Directive
USD	United States Dollar the lawful currency of the United States of America (USA)
Valuation Day	A trading day when the Fund is made available for buying or selling and on which date the Fund Manager shall determine the NAV of the Fund

## TERMS AND CONDITIONS OF THE OFFER

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

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

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

Name of Fund	Authorized Units
ALFM Global Multi-Asset Income Fund	1,000,000,000

**The Offer Price** The Units shall be offered at an Offer Price based on the Fund's NAV per Unit computed by the end-of-day of each valuation date, plus the applicable Sales Load, to a maximum of 5%. Units applied for after the Cut-off Time shall be offered at an Offer Price based on the NAV per Unit calculated as of the next valuation day, plus the applicable Sales Load, to a maximum of 5%.

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

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

Name of Fund	Minimum Subscription Amount	Minimum Additional Subscription	Regular Subscription Plan (RSP)
ALFM Global Multi-Asset Income Fund	USD 100 or its PHP equivalent	USD 20 or its PHP equivalent	USD 20 or its PHP equivalent

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

Name of Fund	Minimum Maintaining Balance
ALFM Global Multi-Asset Income Fund	USD 100 or its PHP equivalent

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

Name of Fund	Minimum Partial Redemption
ALFM Global Multi-Asset Income Fund	USD 20 or its PHP equivalent

Should a partial redemption result in the investment falling below the required

Minimum Maintaining Balance, the entire unitholdings of the Unitholder, multiplied by the applicable NAV per Unit as of the date of the partial redemption, shall be paid to the said unitholder via a credit to his Settlement Account, without need of prior notice to the unitholder, unless the unitholder redeems before the Minimum Holding Period, there will be no redemption fee; otherwise, the Early Redemption Fee of 1% will be applied.

**Payment for the Units**

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

**Registration of Investments**

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

## COMPANY BACKGROUND

The ALFM Global Multi-Asset Income Fund, Inc. (“ALFM GMIF” or the “Fund”) was incorporated as ALFM Global Multi-Asset Income Fund, Inc. on April 27, 2018 with an authorized capitalization of PhP 200.00 Million consisting of 4,000,000 common shares of par value PHP 50.00 per share. ALFM GMIF has also been authorized to issue 1,000,000,000 units of participation with initial price of USD 1.00 per unit. The Fund is organized as a feeder fund which invests at least ninety percent (90%) of its assets in a single collective investment scheme. This underlying collective investment scheme is referred to as the Target Fund and whose objective is to achieve capital growth and regular income stream.

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

ALFM GMIF is categorized as a US Dollar denominated feeder fund. As of April 30, 2019 there are currently sixty-six (66) investment companies in the Philippines, of which, ALFM GMIF is the first fund under the feeder fund structure, which invests 90% of its assets in a single collective investment scheme.

The principal method of competition in this industry is the fund performance or fund return measured as the NAV per unit appreciation over time. The Fund will rely on the active management of its appointed Target Fund, managed Blackrock , the world’s largest asset manager with more than USD 6 Trillion in assets under management, to provide competitive income & capital appreciation. ALFM GMIF is also aided by the wide network of its appointed distributors and the distribution reputation of the ALFM Mutual Funds brand to provide a steady inflow of fresh funds for the effective management of the Fund’s portfolio.

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

Fund Manager:	BPI Investment Management, Inc.
Fund Distributors:	BPI Investment Management, Inc.
Target Fund:	BlackRock Global Multi-Asset Income Fund
Fund Manager (Target Fund):	BlackRock (Luxembourg) S.A.

## REGULATORY ENVIRONMENT

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

## LEGAL PROCEEDINGS

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

## DESCRIPTION OF CAPITAL STOCK

### CAPITAL STRUCTURE

The ALFM Global Multi-Asset Income Fund's registered number of units is shown in the table below:

Name of Fund	Number of Authorized Units	Initial Price (in USD)
ALFM Global Multi-Asset Income Fund	1,000,000,000	1.00

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

### RIGHTS AND PRIVILEGES / VOTING RIGHTS

The Fund shall issue only one (1) class of unit and have identical rights and privileges. Unit does not entitle the holder thereof to any vote at any meeting of Shareholders of the Fund. Pertinent items discussed in general and/or special shareholders meeting will be disclosed to unitholders within 30 days from the said meeting.

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

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

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

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

### Dividends

The Fund shall only distribute dividends received from the Target Fund to the unitholders in the form cash or additional shares &/or on a monthly basis or whenever practicable.

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

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

### Interests of Named Experts and Independent Counsel

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

## Other Provisions

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

## MARKET FOR THE FUND'S COMMON EQUITY AND RELATED SHAREHOLDERS' MATTERS

### Principal Market

The Units of the ALFM Global Multi-Asset Income Fund, Inc. are available for purchase primarily by resident citizens or investors of legal age, or by duly authorized and existing corporations, partnerships or other entities, subject to existing Philippine laws, through Qualified Mutual Fund Sales Agents of the Fund's Distributors. Investors who want to invest in foreign securities which seek a stable stream of dividends and generate long-term capital growth, are the primary target market of the Fund. The Units of the Fund are not traded publicly on an exchange since the Fund stands ready to redeem or buy back the Units from the Unitholders any time.

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

### Number of Unitholders

The table below shows the Fund's total number of shareholders as of December 31, 2018:

Name of Fund	Number of Unitholders
ALFM Global Multi Asset Income Fund	0

### Unit Options and Treasury Unit

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

### Issue of Units

The Fund may issue additional Units to any person, subject to the restrictions as may be stated in their Articles of Incorporation and/or By-Laws, and for a consideration based on Net Asset Value per Unit.

### Transaction Advice

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

### Registry of Units

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

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

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

## DIRECTORS, OFFICERS, AND SIGNIFICANT SHAREHOLDERS

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

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

Mr. Romeo L. Bernardo, Filipino, born in 1954, 64 years old, is the Chairman of the fund since its incorporation (2018). He is also the Chairman of ALFM Peso Bond Fund, Inc. & the Philippine Stock Index Fund Corp. from 2003 to present, ALFM Growth Fund, Inc. from 2007 to present, ALFM Dollar Bond Fund, Inc. from 2003 to present, ALFM Euro Bond Fund, Inc. from 2005 to present, and ALFM Money Market Fund, Inc. since 2009. He is currently the Managing Director of Lazaro Bernardo Tiu & Associates, Inc. and GlobalSource economist in the Philippines. Mr. Bernardo is likewise a director of several companies and organizations including Aboitiz Power, BPI, Globe Telecom Inc., RFM Corporation, Philippine Investment Management, Inc. (PHINMA), BPI-Philam Life Assurance Corporation, National Reinsurance Corporation of the Philippines, Institute for Development and Econometric Analysis (IDEA), Management Association of the Philippines (MAP) and Finex Foundation. Mr. Bernardo was an alternate director of the Asian Development Bank from 1997 to 1998 and Undersecretary for International Finance, Privatization & Treasury Operations of the Department of Finance of the Republic of the Philippines from 1990 to 1996. Mr. Bernardo received a Bachelor of Science degree in Business Economics (magna cum laude) from the University of the Philippines and a Masters in Development Economics degree from Williams College in Williamstown, Massachusetts.

### **2. Sherisa P. Nuesa, President / Regular Director**

Ms. Sherisa P. Nuesa, Filipino, born in 1954, 64 years old, is a former Managing Director of conglomerate Ayala Corporation until her retirement in 2011. Currently, she is a member of the Boards of Directors/Trustees of: Manila Water Company, the ALFM Mutual Funds, Integrated Micro-Electronics Inc., Far Eastern University, Inc., the Generika/Erikagen group of companies, FERN Realty Corp. and East Asia Computer Center. She also serves as a Board Trustee of The Institute of Corporate Directors (ICD), Integrity Initiative Inc., Judicial Reform Initiative and Financial Executives Institute of the Phils (FINEX) Foundation. She is also a Senior Adviser to the Board of Metro Retail Stores Group Inc.(MRSGL). As a Managing Director of Ayala Corp., she served in various senior management positions: 1) Chief Finance Officer and Chief Administrative Officer, Integrated Micro-Electronics, Inc. - IMI (January 2009 to July 2010); 2) Chief Finance Officer, Manila Water Company Inc. - MWC (January 2000 to December 2008); 3) Group Controller and later Vice President for Commercial Centers, Ayala Land, Inc. - ALI (January 1989 to March 1999); and 4) member of the boards of various subsidiaries of ALI, MWC and IMI. Ms. Nuesa attended the Advanced Management Program of the Harvard Business School in the US in June 1999 and completed her Master in Business Administration (MBA) degree from the Ateneo-Regis Graduate School of Business in 2011. She also attended the Financial Management Program of the Stanford University in 1991. A Certified Public Accountant, she holds a BS in Commerce degree (Summa cum Laude, 1974) from the Far Eastern University. She is the ING-FINEX CFO of the Year awardee for the year 2008.

### **3. Fernando J. Sison III, Regular Director / Treasurer**

Mr. Fernando J. Sison III, Filipino, born in 1952, 66 years old, is the Treasurer of the Fund since its incorporation (2018). He used to be the President of BPI Investment Management, Inc. from May 2004 to June 2012. He previously served as Vice President and head of many of BPI's divisions, including AMTG Retail Trust Division, AMTG Portfolio Management Division, SDG Retail Funds Distribution, and Private Banking Unit. He was assigned in BPI International Finance Ltd. (HK) as Head of Investment Management Division and in BPI Capital Corporation - Corporate Finance Group as Vice President and Head of Syndications and Underwriting. He completed the corporate finance module of JP Morgan in New York and underwent on-the-job training in corporate finance with JP Morgan in Hong Kong. He previously served as President of the Investment Company Association of the Philippines (ICAP) for 3 terms up to 2006 and as Chairman of the Board of the Philippine Investment Funds Association (PIFA), formerly ICAP, for 5 terms up to 2012-2013. He served as

Industry Governor of the Market Governance Board of the Philippine Dealing and Exchange Corp. in 2008 and 2011 and as Alternate Governor for 5 terms. He is a SEC-licensed Certified Investment Solicitor from 2001 to 2012. He is currently the Investments Administrator and the Director for Business Affairs of the Ateneo de Manila University. He is a member of the Retirement Commission and the Investment Committee of the CEAP Retirement Fund. He is also a member of the Advisory Board of PIFA. Mr. Sison graduated from the Ateneo de Manila University in 1974 with the degree A.B. General Studies (*Honorable Mention*). He obtained his M.B.A. degree in 1976 from the University of the Philippines (Diliman).

#### **4. John Philip S. Orbeta, Independent Director**

Mr. John Philip S. Orbeta, Filipino, born in 1961, 57, has served as a member of the Ayala Corporation Management Committee since May 2005 and the Ayala Group Management Committee since April 2009. He is currently the Managing Director and Group Head for Corporate Resources, covering Strategic Human Resources, Knowledge Management, Information & Communications Technology and Corporate Support Services at Ayala Corporation. He is the Chairman of Ayala Aviation Corporation and HCX Technology Partners Inc. (formerly HRMall/IQBack Office). He also serves as a Director of AG Counselors Corporation, BPI Family Bank, Inc. and ALFM Peso Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc. and ALFM Money Market Fund, Inc.. He is concurrently the Chairman of the following councils at the Ayala Group: Human Resources Council, Corporate Security Council, and the Ayala Business Clubs and is the Program Director of the Ayala Young Leaders Congress. Prior to joining Ayala Corporation, he was the Vice President and Global Practice Director of the Human Capital Consulting Group at Watson Wyatt Worldwide (now Willis Towers Watson), overseeing the firm's practices in executive compensation, strategic rewards, data services and organization effectiveness around the world. He was also a member of Watson Wyatt's Board of Directors. He graduated with a degree in A.B. Economics from the Ateneo de Manila University in 1982.

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

Mr. Adelbert A. Legasto, Filipino, born in 1947, 71 years old, is also a director of ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Money Market Fund, Inc., and BPI Investment Management, Inc. He has served as Governor of the Philippine Stock Exchange 1994-96, Governor of the Makati Stock Exchange 1994-97, was an incorporator of the Philippine Central Depository (PCD), and served as President of the Trust Officers Association of the Philippines in 1998-99. He graduated from the Ateneo de Manila University with an A.B. Economics degree and completed his M.B.A. academics at the Ateneo Graduate School of Business. He completed the Pension Funds and Money Management from the Wharton School of the University of Pennsylvania, and Investment Management at the CFA Institute at the Harvard Business School in Boston, Massachusetts.

#### **Other Officer/s of the Fund**

##### **1. Atty. Sabino B. Padilla IV, Corporate Secretary and Compliance Officer**

Atty. Sabino B. Padilla IV, born in 1960, 58 years old, is the Corporate Secretary of the Fund. Atty. Padilla graduated with a degree in Bachelor of Laws from the University of the Philippines in 1985. He then received his Master of Laws from the Harvard University, USA in 1988. He is currently a partner of the Padilla Law Office which is legal counsel to various religious orders, societies and congregations for men and women as well as educational institutions and hospitals operated by them, and to BPI and its subsidiaries. Atty. Padilla is also the Corporate Secretary of other mutual funds such as ALFM Money Market, ALFM Peso, ALFM Dollar, ALFM Euro, ALFM Growth, Bahay Pari Solidaritas Fund, and Ekklesia Mutual Fund.

#### **Significant employees**

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



**Additional Information Required under Annex C of SRC Rule 12.1:**

- The incorporators of the Fund are:

Mr. Romeo L. Bernardo, Mr. Fernando J. Sison III, Ms. Sherisa P. Nuesa, Mr. John Philip S. Orbeta, and Mr. Adelbert A. Legasto

- Each Director shall serve for a term of one (1) year from his appointment and until his successor has been duly elected and qualified, provided, however, that any Director may be removed from office at any time with or without cause by a 3/4 vote of the subscribed capital stock entitled to vote. Other than this, the Fund has no existing employment contract with any of the Fund's Directors.
- Mr. Romeo L. Bernardo and Mr. John Philip S. Orbeta are the Independent Directors of the Fund. An independent director is a person not having any relationship or position in the Fund, or in parties related to the Fund, the holding of which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, in compliance with Section 38 of the Securities Regulation Code.
- Security Ownership of Management, as of Spe,2019:

<b>Title of Class</b>	<b>Name</b>	<b>Position</b>	<b>Amount and Nature of Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Romeo L. Bernardo	Chairman/ Independent Director	100 (beneficial)	Filipino	0.0098%
Common	Sherisa P. Nuesa	Director/ President	19,631 (record, beneficial)	Filipino	1.9255%
Common	Adelbert A. Legasto	Director	100 (beneficial)	Filipino	0.0098%
Common	Fernando J. Sison III	Director / Treasurer	100 (beneficial)	Filipino	0.0025%
Common	John Philip S. Orbeta	Independent Director	100 (beneficial)	Filipino	0.0098%
Common	Sabino Padilla IV	Corp. Secretary/ Compliance Officer	0	Filipino	0.0000%

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

<b>Name</b>	<b>Position</b>	<b>2018*</b>	<b>2019 (estimated)</b>
Romeo L. Bernardo	Chairman/ Independent Director	n/a	PHP 40,000
Sherisa P. Nuesa	Director/President	n/a	PHP 40,000
Adelbert A. Legasto	Director	n/a	PHP 40,000
Fernando J. Sison III	Director / Treasurer	n/a	PHP 40,000
John Philip S. Orbeta	Independent Director	n/a	PHP 40,000
Sabino Padilla IV	Corp. Secretary/ Compliance Officer	n/a	PHP 40,000

\*no meetings held for the year 2018

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

### **Corporate Governance**

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

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

The Fund has adopted BPI Investment's Money Laundering and Terrorist Financing Prevention Program (MLPP). BPI Investment's MLPP is based on Republic Act No. 9160 or the "Anti-Money Laundering Act of 2011", as amended, and the Securities and Exchange Commission's ("SEC") Memorandum Circular No. 2 Series of 2010 on the Revised Guidelines in the Preparation of the Anti-Money Laundering Operating Manual for SEC Covered Institutions.

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

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

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

### **Procedures to Ensure Compliance with Relevant Laws and Regulation**

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

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

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

### **Certain Relationships and Related Transactions**

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

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

Dealings with related parties such as deposit or investment products of BPI are done on an arm's length basis and in accordance with the best execution requirements set in the established internal guidelines.

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

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

The Fund has distribution agreements with BPI subsidiary, BPI Investment Management Inc. Under the terms of the agreement, BPI Investment is appointed as distributor to perform principally all related daily functions in connection with the marketing and the growth of the level of assets of the Fund. BPI and its thrift bank subsidiary, BPI Family Savings Bank, Inc., act as the receiving banks for the contributions and withdrawals related to the Fund as transacted by the distributors and unitholders.

### **Voting Trust Holders of More Than 5%**

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

### **Legal Proceedings**

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

### **Involvement in Certain Legal Proceedings**

During the last five (5) years and material to evaluation, none of the Directors or Officers of the Fund were involved in any bankruptcy petition filed by or against any business of which any Director or Officer was a General Partner or Executive Officer either at the time of the bankruptcy or within two (2) years prior to that time; none were convicted by final judgment in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; none were subject to any Order,

judgment or decree not subsequently reversed, suspended or vacated, of any Court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities; and none were found by a domestic or foreign Court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or a self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated.

### **Changes in Control**

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

### **External Audit Fees**

#### *Audit and Audit Fees*

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

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

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

Audit fees paid for the year ended 2018

	<b>2018</b>
Audit fees	PhP 50,000.00

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

#### *Audit Policies*

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

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

Mr. John-John Patrick V. Lim is the signing partner for the external auditor from the interim financial statement as of September 30, 2018 required with filing of the Fund's Registration Statement. The corporation shall comply with SRC Rule 68, as amended Part 1(3)(b)(ix) re: 5-year rotation of external auditor. In taking this action, the members of the Board of Directors considered carefully Isla Lipana and Co.'s performance, its independence with respect to the services to be performed and its general reputation for adherence to professional auditing standards.

As of the initial external audit done by Isla Lipana & Co., there were no material disagreements with regard to accounting procedures and financial disclosures.

## PRINCIPAL PARTIES

### THE FUND MANAGER

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

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

BPI Investment is also the Principal Distributor and Transfer Agent of the Fund.

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

#### **1. Mercedita S. Nolleto, Chairman**

Mrs. Nolleto, Filipino, born in 1941, 77 years old, is a Senior Managing Director and the Corporate Secretary of Ayala Corporation, General Counsel of the Ayala Group of Companies, Executive Vice President and Corporate Secretary of Ayala Land, Inc., and Director of the following companies: Bank of the Philippine Islands; BPI Family Savings Bank; BPI Capital Corporation; Ayala Land, Inc.; Anvaya Cove, Inc.; Ayalafil, Inc.; Ayala Automotive Holdings, Inc.; Honda Cars Makati, Inc.; and Isuzu Automotive Dealership, Inc. She graduated with the degree of B.S. Business Administration, major in Accounting, at the University of the Philippines in 1960 and topped the CPA exams (2nd place) given in the same year. In 1965, she finished Bachelor of Laws from U.P. where she also topped the Bar exams (2nd place) given in the same year.

#### **2. Roberto Martin S. Enrile, President / Director**

Mr. Martin Enrile has been in the banking and trust industry particularly in the capital markets for more than twenty (20) years. Prior to being appointed as President, Mr. Enrile headed the Equities Investment Management Team of BPI Asset Management & Trust Corp. He also served as the head of Investments at Security Bank AMG and was with the Research, Investment Banking and Asset Management of ATR Kim Eng, now Maybank-ATR.

Mr. Enrile was a graduate of FW Olin Graduate School of Business at Babson College where he earned a degree in Finance, minor in Entrepreneurship. He is also an alumnus of the Ateneo De Manila University with a Bachelor’s Degree in Business Management.

#### **3. Ma. Ysabel P. Sylianteng, Independent Director**

Ms. Sylianteng, Filipino, born in 1951, 67 years old, was Executive Vice-President of the Bank of the Philippine Islands, and Head of the Card Banking Division and Customer Relationship Management Group from 2005 to 2012. She joined BPI in 1983 with the rank of Assistant Vice-President. She served as the Chairman of the Board of Directors of Santiago Land Development Corporation and First Far East Development Corporation. She was also a Member of the Board of Directors of FGU Insurance Corporation, FEB Speed International, Inc., FEB Stock Brokers, Inc., and CityTrust Realty Corporation. She graduated with AB-BSC major in Accounting from the Assumption College in 1973 and obtained her MBA from the Stanford University in 1977. She is a Certified Public Accountant.

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

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

#### **5. Adelbert A. Legasto, Independent Director**

Mr. Legasto, Filipino, born in 1947, 71 years old, is also a director of ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Money Market Fund, Inc., ALFM Global Multi-Asset Income Fund, Inc., and the Philippine Stock Index Fund Corp. He has served as Governor of the Philippine Stock Exchange 1994-96, Governor of the Makati Stock Exchange 1994-97, was an incorporator of the Philippine Central Depository (PCD), and served as President of the Trust Officers Association of the Philippines in 1998-99. He graduated from the Ateneo de Manila University with an A.B. Economics degree and completed his M.B.A. academics at the Ateneo Graduate School of Business. He completed the Pension Funds and Money Management from the Wharton School of the University of Pennsylvania, and Investment Management at the CFA Institute at the Harvard Business School in Boston, Massachusetts.

#### **6. Angela Pilar B. Maramag, Corporate Secretary**

Ms. Maramag, Filipino, born 1971, 48 years old, was appointed Corporate Secretary on April 8, 2015. She is also the Corporate Secretary or Deputy Corporate Secretary of the Bank of the Philippine Islands and its various subsidiaries and affiliates, including BPI Family Savings Bank, BPI Capital, BPI Forex, BPI/MS Insurance Corp., and BPI Century Tokyo Lease and Finance Corp. Prior to joining BPI, Ms. Maramag was Senior Counsel at the Bank for International Settlements (BIS) in Basel, Switzerland from 2001 to 2008, and Head of Finance and Administration at the BIS Representative Office in Hong Kong from 2008 to 2011. She was a Legal Officer at the United Nations Compensation Commission in Geneva, Switzerland from 1998 to 2001.

Ms. Maramag is admitted to the Philippine Bar (1995) and New York State Bar (1998). She received her Master in Laws (LL.M) from the University of Chicago in 1997, Juris Doctor (J.D) in 1994 from Ateneo de Manila School of Law, and AB Honors Program in Economics in 1990 from Ateneo de Manila University.

#### **9. Jose Mari L. Valmayor, Chief Operations Officer**

Mr. Valmayor, Filipino, born in 1967, 52 years old is currently Chief Operating Officer of BPI Investment Management, Inc (BIMI). He joined the Bank of the Philippine Islands (BPI) on July 1997 and was a graduate of the Bank Officers Development Program. He joined the Asset Management and Trust Group in 1999 as Head of the Asset Allocation Unit and consequently moved to other units within the Investments Division such as the Fixed Income Unit where he handled both peso and dollar denominated Unit Investment Trust Funds. He was then assigned to BIMI where he managed both the ALFM Dollar and ALFM Euro Bond Funds. Mr. Valmayor obtained a B.S. Agriculture degree from the University of the Philippines at Los Baños (UPLB) in 1989 and earned a Master's degree in Business Management from the Asian Institute of Management in 1997.

#### **10. Francis Lorenz E. Espiritu, Compliance Officer**

Mr. Espiritu, Filipino, born in 1987, 32 years old is currently Compliance Officer of BPI Investment Management, Inc. Atty. Espiritu graduated with a Juris Doctor degree from the Ateneo Law School in 2011 and became a member of the Philippine Bar in 2012.

## **LIABILITY OF BPI INVESTMENT MANAGEMENT INC. & OF THE FUND TO UNITHOLDERS**

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

## **MANAGEMENT AND DISTRIBUTION CONTRACT**

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

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

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

For its services, the Fund Manager is entitled to charge a management, distribution, advisory & transfer agent fee based on the Net Asset Value of the Fund, the rate, being not more than 1.00% per annum.

## **PLAN OF DISTRIBUTION**

The Principal Distributor of the Fund is BPI Investment Management, Inc. which is licensed by the Securities and Exchange Commission. Units of the fund will be sold through SEC Certified Investment Solicitor (CISol) or via online facility of a CISol licensed institution. Distributors, thru its CISol/s shall comply with the Suitability Rule.

The Distributor shall be entitled to collect a Sales Load based on each amount invested by an applicant or Unitholder in the Fund, in such percentages but not exceeding 5%, and shall have the discretion to establish the sharing of such Sales Load that is entitled to be received by its Sales Agents.

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

## **THE CUSTODIAN BANK**

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



## **THE RECEIVING BANKS**

The Bank of the Philippine Islands and BPI Family Savings Bank shall serve as the Fund's receiving banks (the "Receiving Banks"). Payments for Units purchased by applicants or existing Unitholders shall be deposited by the Servicing Agents into the Fund's settlement account maintained with the Receiving Banks. The proceeds of Units redeemed from Unitholders shall be debited from the Fund's settlement account maintained with the Receiving Banks.

## **OTHER INFORMATION REQUIRED**

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

## **ANNUAL MEETING**

The annual meeting of stockholders shall be held in Metro Manila on the last Friday of July each year or on such other date as may be determined by the Board of Directors. Pertinent items discussed in the annual shareholders meeting will be disclosed to unitholders within 30 days from the said meeting.

## **PROCEDURES HANDLING CUSTOMERS' COMPLAINT**

For any concerns or complaints, investors can contact BPI Investment thru any of the following numbers: (02) 580-2344, (02) 580-2345, and (02) 580-2349. Investors may also send an e-mail at [bpi\\_investment@bpi.com.ph](mailto:bpi_investment@bpi.com.ph).

The fund manager will acknowledge the receipt of the concern/complaints within three (3) business days and log the same to "Complaints Log". Clients will be informed on the resolution within 14 calendar days for simple issues/request and 60 calendar days for complex issues/request.

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

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

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

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

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

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

## MECHANICS OF THE FUND

The Fund's Units shall be offered through the authorized Distributors of the Fund. The Distributors shall be entitled to collect a front-end Sales Load based on each amount invested by an applicant or Unitholder in the Fund, in such percentages as are stipulated on page 6 of this Prospectus. The Distributors shall have the discretion to establish the sharing of such Sales Load that their Sales Agents are entitled to receive.

### PURCHASE OF UNITS

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

The Client Suitability Assessment is required, prior to invest to determine on whether prospective investor's risk profile matches the risk classification of the fund, which is Aggressive. Should the risk profile of the prospective investor is lower than Aggressive, the client is not advised to invest in to the fund. However, should the client insist, he/she may fill out a waiver for *Clients Investing in an Investment Portfolio with Higher Risks*.

The Fund Order Form shall indicate the gross amount of investment. The number of Units that an investor will be able to buy will be determined as and when the Fund's NAVPS shall have been computed and accordingly made available at the end of the day. The investor's Settlement Account will be automatically debited at the end of the day for the amount of units purchased, including the Sales Load, to a percentage that will not exceed 5%, if any.

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

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

### REDEMPTION OF UNITS

The Fund agrees to purchase, and each Unitholder of the Fund shall be entitled to require the Fund to purchase, but not in the event and to the extent that the Fund has no assets legally available for such purpose whether arising out of capital, paid-in surplus or other surplus, net profits or otherwise, all or any part of the Units outstanding in the name of such Unitholder in the books of the Fund, but only at the Redemption Price as of the valuation day on which a Redemption Order is made.

The applicable NAVpU, less the Redemption Fee, *if any*, shall be called the "Redemption Price." Any such request for redemption shall be evidenced by a duly-signed Redemption Slip or Fund Order Form, submitted to the Fund through the Distributor's Sales Agent or Receiving Bank. Redemption Orders received on or before 2:30 p.m. (the "Cut-off Time") on any valuation day will be processed at the Redemption Price applicable on that day. Redemption Orders received after the Cut-off Time shall be deemed to have been received on the next valuation day and will be processed at the Redemption Price applicable on that day. The payment for Units so redeemed shall be credited to the Unitholder's Settlement Account with the Receiving Bank within the period stipulated by existing SEC

rules, currently set at no longer than seven (7) days reckoned from the date the Redemption Order is received by the Fund. The Fund shall be entitled to collect an Early Redemption Fee based on the amount redeemed, in accordance with the following schedule:

<b>Name of Fund</b>	<b>Holding Period</b>	<b>Early Redemption Fee</b>
ALFM Global Multi-Asset Income Fund	180 days or less	1.00% flat
	more than 180 days	none

The Fund may suspend redemptions or postpone the date of payment for redemptions in cases when (i) the BSP suspends clearing operations for the day, or (ii) with the consent of the SEC. The SEC may, whenever necessary or appropriate in the interest of the Fund's Unitholders, suspend the redemption of securities of open-end companies.

### **SPECIAL CONSIDERATIONS**

The Fund shall not suspend the right of redemption nor postpone the date of payment or satisfaction upon redemption of any redeemable security for more than seven (7) banking days after the tender of such security to the Fund, except in the following cases:

- (1) for any period during which Philippine and/or Luxembourg banks are closed other than customary weekend and holiday closings;
- (2) for any period during which an emergency exists as a result of which (a) disposal by the Funds of securities owned by them is not reasonably practicable, or (b) it is not reasonably practicable for the Fund to determine the value of its net assets; or
- (3) for such other periods as the SEC may, by order, permit for the protection of security holders of the Fund.

### **VALUATION AND ACCOUNTING PROCEDURES**

The Fund's investment securities shall be valued based on the valuation standards specified under PAS Nos. 32 and PFRS No. 9 and other amendments to the said standards. The NAV per Share (NAVPS) shall be obtained by dividing the market value of the assets of the Fund, less the value of its liabilities, reserves for expenses and adjustments for market risk, by the total number of Shares outstanding (which include deposits on subscriptions if the Fund is applying for an increase in Authorized Capital Stock) at such valuation date. (See "Determination of the Funds' Net Asset Value" below.)

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

### **DETERMINATION OF THE FUND'S NET ASSET VALUE**

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

1. The assets of the Fund shall be deemed to include:
  - (i) Net Asset Value of investment to the target fund;
  - (ii) all cash on hand, on deposit, or on call;
  - (iii) all bills and notes and accounts receivable;
  - (iv) all cash or stock dividends received or to be received by the Fund (for stock dividends, not yet received but declared to stockholders

of record, on a date on or before the date as of which the Net Asset Value is being determined); (v) all interest accrued on any interest bearing securities owned by the Fund

The Net Asset Value of the target fund, calculated in its Base Currency, is determined by aggregating the value of securities and other assets of the Company allocated to the target fund and deducting the liabilities of the Company allocated to the target fund. The Net Asset Value per Share of the Share Classes of a particular Fund will reflect any adjustment to the Net Asset Value of the relevant Fund and will differ as a result of the allocation of different liabilities (such as but not limited to fee & expenses) to those Classes and as a result of dividends paid.

**2.** The liabilities of the Fund shall be deemed to include:

(i) all bills and notes and accounts payable; (ii) all administrative expenses payable and/or accrued (including management fees and custody expenses); (iii) all contractual obligations for the payment of money or property; (iv) all reserves for expenses and adjustments for market risk; and (v) all the other liabilities of the Fund of any kind and nature whatsoever, except liabilities represented by the outstanding capital stock and surplus of the Fund.

**3.** For the purposes thereof:

(i) units of participation subscribed for shall be deemed to be outstanding as of the time of acceptance of any subscription and the entry thereof in the books of the Fund, and the net proceeds thereof shall be deemed to be an asset of the Fund; and (ii) units of participation surrendered for purchase by the Fund pursuant to the provisions of its Articles of Incorporation or By-Laws shall be deemed to be outstanding until the close of business on the business day as of which such Net Asset Value is being determined and, thereupon and until paid, the price thereof shall be deemed to be a liability of the Fund.

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

## **TAXATION**

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

## INVESTMENT OBJECTIVES AND RESTRICTIONS OF THE FUND

The primary investment objective of ALFM GMIF is to provide a stable stream of dividends and generate long-term capital growth. The Fund is a US Dollar denominated multi-asset mutual fund operating as a Feeder Fund. Pursuant to the foregoing objectives, the Fund may be invested and reinvested in the following:

- 1) Primarily in a single collective investment scheme whose investment objective is to provide a stable stream of dividends and generate long-term capital growth; provided further that such CIS is in compliance with the Implementing Rules & Regulations of the Investment Company Act (ICA-IRR 7.3 & 7.4):
  - a. The feeder fund, fund-of-funds or co-managed funds shall provide in its prospectus and/or its current reports the material information or significant reports affecting or submitted by the target funds.
  - b. Feeder and co-managed funds are required to invest at least ninety percent (90%) of their net assets in a single collective investment scheme, and thus:
    - i. The single entity limit of fifteen percent (15%) shall not be applicable;
    - ii. The target fund:
      1. shall not be a feeder fund or co-managed fund;
      2. is a CIS established by another Fund Manager, asset management company or fund operator;
      3. shall provide ample protection to the investors of the feeder fund or co-managed funds. If the target fund is a foreign fund, the securities regulator approving the said fund shall have been assessed to have broadly implemented the IOSCO Principles relevant to collective investment schemes;
      4. publishes Quarterly/Semi-Annual and Annual Reports, or such other periodic reports;
      5. provides the co-managed fund information or reports on the investments it has made in a more frequent manner.
      6. the investment objectives of the target fund is aligned with that of the feeder fund or co-managed funds;

### About the Target Fund:

The target fund of ALFM GMIF shall be BlackRock Global Multi-Asset Income Fund. It is classified as a UCITS type of fund registered and approved by the Commission de Surveillance du Secteur Financier in Luxembourg, which an IOSCO member jurisdiction. The target fund follows a flexible asset allocation policy that seeks an above average income without sacrificing long term capital growth. The Fund invests globally in the full spectrum of permitted investments including equities, equity-related securities, fixed-income transferable securities, units of undertakings for collective investment, cash, deposits and money market instruments. This Fund distributes income gross of expenses. Currency exposure is flexibly managed.

Below are other pertinent details of the target fund:

Asset Class	Multi Asset
Fund Launch Date	28-Jun-12
Share Class Launch Date	8-Jan-14
Fund Base Currency	USD
Share Class Currency	USD
Total Fund Size	USD 8.74B
Domicile	Luxembourg

Distribution Type	Monthly
Minimum Initial Investment	USD 100,000
Management Fee	0.60% pa
Fund Manager	BlackRock (Luxembourg) S.A.
Investment Advisers	BlackRock Financial Management, Inc. BlackRock Investment Management, LLC BlackRock Investment Management (UK) Limited BlackRock (Singapore) Limited
Principal Distributor	BlackRock Investment Management (UK) Limited
Custodian	The Bank of New York Mellon (International) Limited
External Auditor	PricewaterhouseCoppers
Transfer Agent	J.P. Morgan Bank Luxembourg S.A.

A monthly report is published by the fund manager on the investment performance of the target fund. The target fund publishes audited financial statements of accounts on an annual basis.

- 2) Primarily short-term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable securities issued by the government of a foreign country, any political subdivision/agency of a foreign country or any supranational entity; tradable fixed-income instruments issued by foreign or local financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investments outlets/ categories as the SEC may allow. Provided, that, a financial instrument is regarded as tradable if two-way prices are quoted, readily available or regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- 3) Primarily short-term tradable fixed-income instruments issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund; and, any such other instruments as may be allowed under SEC regulations. Investment with related interests shall be in accordance with Subsection UX 410.12 (a) of the Manual of Regulations for Banks and Other Financial Institutions.
- 4) The principal investments of the Fund will be denominated in, but not limited to U.S. Dollar and/or Philippine Peso.
- 5) Bank deposits, BSP special deposit account or tradable debt instruments issued by the SEC.
- 6) Such other investments allowed under regulations issued by the SEC.

Provided further that, in the process of switching from one Target Fund to another or in the case of breach of the exposure limit to the Target Fund, investments in cash or cash equivalents for liquidity purposes and/or for funds awaiting disposition, may exceed the allowable limit prescribed by the SEC, within the transitory period.

#### **CHANGE IN INVESTMENT OBJECTIVES**

The investment objectives of the Fund may not be changed without the approval of the Shareholders owning at least a majority of the respective Fund's outstanding capital stock, present in person or by proxy at a meeting called for such purpose. Unitholders will be notified of changes in the fund's investment objectives or any material information within 30 days from the said meeting.

## INVESTMENT RESTRICTIONS

1. Until the Commission shall provide otherwise, the Fund shall not sell securities short nor invest in any of the following:
  - \* margin purchases of securities; investment in partly paid units are excluded
  - \* commodity futures contracts
  - \* precious metals
  - \* unlimited liability investments
2. The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all borrowings of the Fund. Provided, however, that in the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall, within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).
3. The Fund shall not purchase from, or sell to, any of its officers or directors, or the officers or directors of its Fund Manager, their managers or Distributors or firms of which any of them are members, any security other than those of the Fund's own capital stock.
4. The Fund shall not participate in an underwriting or selling group in connection with the public distribution of securities, except for its own capital stock.
5. The total operating expenses of a Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in the Fund's previous audited financial statements. The formula shall be as follows:  $\text{Expense Ratio \%} = (\text{Total Operating Expenses} / \text{Average Net Asset Value}) * 100$ . The average daily net asset value shall be indicated in the Fund's Quarterly and Annual Reports.

## INTERNAL LIMITATIONS

The Fund shall adhere to the following investment limitations which are fundamental policies which may not be altered without the approval by Shareholders representing at least a majority of the Fund's outstanding capital stock at a meeting called for such purpose.

The Fund shall not:

- \* Buy or sell commodities
- \* Issue any guarantee
- \* Borrow money
- \* Issue senior securities
- \* Pledge its assets

For liquidity purposes, unless otherwise prescribed by the SEC, at least ten percent (10%) of the assets of an Investment Company shall be invested in liquid/semi-liquid assets prescribed in the ICA Implementing Rules & Regulations Section 6.10.a.

Pursuant to Section 6.10.b of the ICA-IRR, the Fund may implement a decreased investment of less than ten percent (10%) but not less than five percent (5%) of its assets in liquid/semi-liquid assets, provided, however, that it shall submit a notarized liquidity contingency plan, signed by the President of the Fund and its Fund Manager.

## LIQUIDITY REQUIREMENTS

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

Such liquid/semi-liquid assets shall refer to, but not limited to the following:

- a. Treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines;
- b. Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCTD)
- c. Government debt securities where the issuer or the guarantor is a foreign government, sovereign or central bank with an international long-term issuer rating of investment grade;
- d. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposit accounts be accepted or allowed under a "bearer", "numbered" account or other similar arrangement.
- e. Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;
- f. Other collective schemes wholly invested in liquid/semi-liquid assets.



**INVESTMENT COMPANY ACT OF 1960**

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

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

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

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

**MANAGEMENT**

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

## GOVERNMENT POLICIES AND REGULATIONS

The Fund falls under the category of Investment Company which is regulated by the Philippine Government through the Securities and Exchange Commission and several laws. Investment companies are required to be incorporated pursuant to the Revised Corporation Code of the Philippines or *Republic Act 11232* (the "Revised Corporation Code"). Aside from the incorporation requirements, investment companies are required to be registered either as an open-end or a closed-end investment company following the rules found under the Investment Company Act. Securities issued by an investment company are required to be registered following the rules of the Securities Regulation Code. The regulating body tasked with the implementation of the aforementioned laws is the SEC.

### THE SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission was established on October 26, 1936 by virtue of Commonwealth Act No. 83 (the "Securities Act"). It was reorganized on September 29, 1975 under Presidential Decree No. 902-A. Then on December 1, 2000, it was reorganized as mandated by Republic Act No. 8799 (the "Securities Regulation Code"). The SEC is responsible for regulating the securities market.

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

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

### THE INVESTMENT COMPANY ACT OF 1960

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

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

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

### THE SECURITIES REGULATION CODE

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

## **INVESTMENT & UNITS OFFERED**

No investment has been made by or on behalf of the Fund and no units of the said fund have been offered to the public.

## **BENCHMARK**

Similar to with the target fund, ALFM GMIF will not use any benchmark to measure its performance since its primary objective is to provide a regular stream of income to investors. The target fund, however, uses a risk benchmark as means of measuring and managing overall volatility levels and ensuring that the pursuit of income is not followed at the expense of quality. The target fund's risk benchmark is 50% MSCI World Index USD / 50% Barclays Capital Global Aggregate Bond Index USD Hedged. Both indices are made available in various financial data providers.

## **INDEPENDENT ACCOUNTANT & EXTERNAL AUDIT FEE**

ALFM GMIF has appointed Isla Lipana & Co. as its external auditor. For the purpose of filing of registration statement, Isla Lipana & Co. has prepared audited interim financial statements as of March 31, 2019. Audit fee of PHP 50,000.00 was shouldered by BIMI and will be reimbursed during the first year of operation of the fund.

## **TOP FIVE KEY PERFORMANCE INDICATORS**

1. **Performance vis-à-vis the Target Fund** – Measures the performance of the fund versus the target fund.
2. **Dividend Payout vis-à-vis the Target Fund** – Measures the dividend issued and frequency versus the target fund.
3. **Performance vis-à-vis Risk Benchmark of the Target Fund** – Measures the overall risk exposure of the fund versus the target fund's risk benchmark
4. **Portfolio Quality** – Measures the portfolio composition of the fund
5. **Market Share in Industry** – Measure the total AUM of the fund versus the total AUM of mutual funds under the same asset class as well as the total mutual fund industry in general