



Fund objective

To provide total return consisting of as high a level of current income as is consistent with the preservation of capital and liquidity and long-term capital appreciation.

Suitable for investors seeking . . .

- √ High growth with moderate risk to high risk.
- √ To invest in a mix of debt instruments and equity securities.

Fund Manager's report 01.04.10

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Selected features

Base currency	Philippine peso
Minimum initial investment	PhP 5,000.00
Minimum additional investment	PhP 1,000.00
Management fee	1.75%
Buying / Selling price	Based on the Fund's prevailing net asset value per share

Sales load and redemption fees apply.

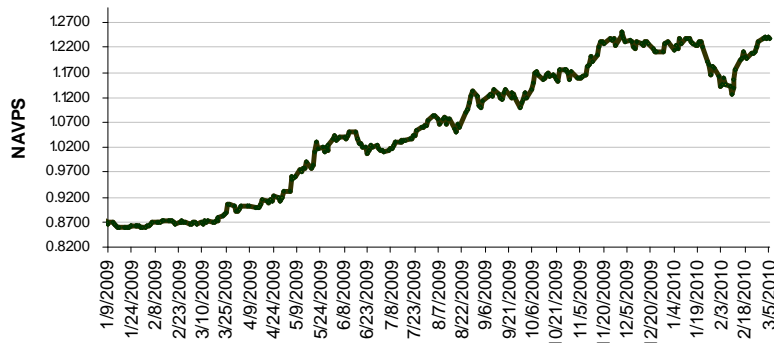
5,000 – less than 100,000	2.0%
100,000 – less than 500,000	1.5%
500,000 – less than 2,000,000	1.0%
2,000,000 and above	0.5%

Investment Period Redemption fees:

<180 days	1.0%
>180 days	0.0%

Past performance is not indicative of future performance. Investment involves risk. Please refer to the prospectus for details.

Performance from 01.09.08 to 03.05.10



Cumulative performance % (as of March 5, 2010)

	7-day	30-day	60-day	YTD
Save & Learn Balanced Fund	0.37%	8.02%	1.68%	0.47%
Average of other funds	0.58%	4.88%	2.96%	2.10%

Portfolio Mix (as of March 5, 2010)

Asset Portfolio

Investment in Stocks	81,560,466.69	=	67.26%
Investment in Bonds	12,300,000.00	=	10.14%
Cash-in-Bank	26,713,263.61	=	22.03%
Others	691,739.81	=	0.57%
Total Assets	121,265,470.11		100.00%

About us

First Metro Asset Management, Inc. (FAMI) is a joint venture between:

- Catholic Education Association of the Philippines (CEAP) 15%
- Marist Development Foundation 15%
- First Metro Investment Corporation (FMIC) 70%

First Metro Investment Corporation (FMIC), a Metrobank subsidiary, is a financial institution specializing in investment banking services. It has been rated as the

- Best Domestic Bond House 2004 & 2005 (The Asset Magazine, HK)
- Best Investment Bank 2005 (Finance Asia, HK)
- Best Bond House 2005 (Finance Asia, HK)

For more information, visit or contact: **First Metro Asset Management Inc.** 18th Floor, PS Bank Center, 777 Paseo de Roxas Street, Makati City Tel Nos. **891-2860 to 65.**



January 2010 FUND MANAGER'S REPORT

Our equity market outlook is predicated upon continued recovery of the U.S. and Western Europe, as well as sustained growth in world's-fastest economies, namely, China, India and the Asean.

In the next 6 months, we do not see any policy decision that will alter the low interest environment in the U.S. Encouragingly, indicators tell us that the U.S. economic recovery will be stronger-than-expected, depicting a "V", not a "W". In the half of 2010, we anticipate U.S. GDP growth to record higher than the consensus of 2.65% to 2.7%. GDP growth bottomed in 1q09 at -6.4%. The U.S. economy began to recover thereafter, recording -0.7% in 2q09 and +2.2% in 3q09. GDP growth during the fourth quarter of 2009 will be announced soon. Stimulus spending, which will equal nearly 3% of the 14 trillion dollar economy, will continue to boost GDP. And the economy recovers and profits of listed-companies bounce, the S&P 500 index will rise to 1,225, or about 10%.

The influence of the U.S. stock market on the Philippine stock market will persist.

Locally, we expect the PSEi to rise to 3,360, or 10% higher, as well, sometime in the first half of 2010, driven by U.S. stock market and low interest rates which will stay low on account of the high level of excess cash in the financial system. In the past, the rise and fall of the U.S. stock market had been able to "explain" as much as 75% of the rise and fall of the Philippine stock market. Other factors, including earnings growth, etc., had accounted for the balance.

The 63%-rise in the Philippine Stock Exchange Index in 2009, however, will disorient or distract local fund managers who view stock prices as having risen "too far too fast." Worries include accelerating inflation and its impact on policy rates, poor tax collection and its impact on the budget deficit, the credibility of the May elections and its impact on the political situation, all of which, will sway sentiment.

Nevertheless, the stronger-than-expected recovery and low interest rates will stretch the rallies in stock markets to 2010. The current interest rate environment will support current Philippine equity valuations. In the past, the same level of interest rates supported price-earnings ratios equal to at least 13 times the actual earnings of companies. Today, the average p-e is 13 times the consensus estimated increase in earnings this year of 14%.

Among the industries and companies that comprise the index, Independent Power Producers (FGEN, EDC, AP), Water (MWC), and Broadcasting (GMAP) will lead industries that present profitability at reasonable prices.

Finally, we believe that any appreciable rise in interest rates will surely stonewall any rally to 3,800, even if recovery in the major economies continues. Should economic recovery falter, even low interest rates will not be sufficient to stop stock markets from falling.