FIRST METRO ASSET MANAGEMENT, INC.
Metrobank Group

SAVE AND LEARN FIXED INCOME FUND

The Fund seeks to provide as high a level of current income as is consistent with the preservation of capital and liquidity, suitable for conservative, long-term investors looking for reasonable growth but are wary of price volatility.

INCEPTION DATE: 06 SEP 05	MIN INVESTMENT: PHP 5,000	FUND CURRENCY: PH Peso
FUND SIZE: PHP 1.86B	ADD'L INVESTMENT: PHP 1,000	MANAGEMENT FEE: 1.75%

FUND FACT SHEET as of November 10, 2017

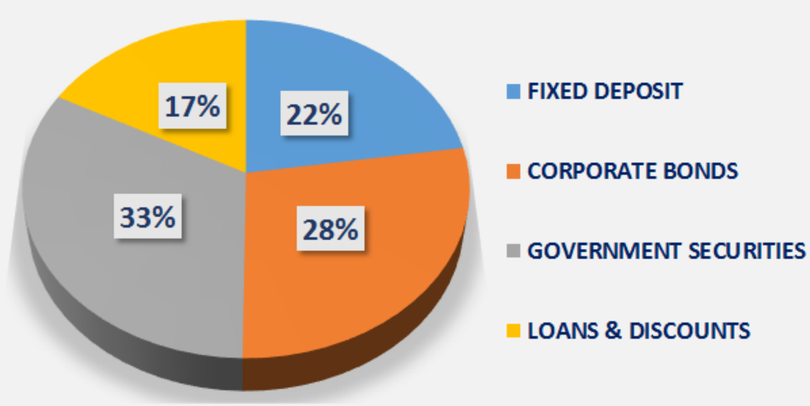
NAVPS GRAPH

FUND PERFORMANCE

NAVPS	YTD	SINCE INCEPTION
2.2125	**0.30%**	**119.60%**
1-YEAR	**3-YEAR**	**5-YEAR**
-0.19%	**0.56%**	**4.49%**

Past performance is not a guide to future performance. The price of securities can and does fluctuate, and any individual security may experience upward or downward movement.

SECTOR ALLOCATION



SUMMARY & OUTLOOK

We expect local bond yields to remain elevated next week even as the monetary board of the Bangko Sentral (BPS) kept policy rates steady last week (Thursday, October 9) as local inflation remains manageable. Headline inflation was reported at a three-year high of 3.5% and 3.2% year-to-date (YTD) but still within the BSP's forecast of 3.2%-3.7%. Specifically, it rose from 3.4% in September and 2.3% in the same month last year, nudged up by higher utility and fuel prices as coal and oil prices in the global market continued their ascent. Despite the inflation upticks to the higher end of the 2%-4% target band, the BSP expects inflation to remain at its target band of 2%-4% in 2018-2019. The BSP, although, warned that inflation risks leans toward the upside due to higher crude oil price outlook and higher utility rates (water and electricity). Furthermore, the implementation of the first package of the tax reform program is expected to have upward transitory pressure on prices, though the resulting impact on productivity and output is expected to temper the medium-term inflation effects. The board will also keep an eye on the credit and liquidity conditions of the financial system while talks of a 100bp cut of banks' reserve requirement ratio brews. Its implementation could be in the next 18 months and is a puzzle to some as it may fuel inflation. But it is a bet that BSP will sterilize excess liquidity and even restore yield on bank reserves to combat inflationary pressures and check currency weakness. But overall, the BSP's plan to align the high reserve requirement ratio (the highest in Southeast Asia) with peers in the regions is supportive of growth and the capital markets - both equities and debt. Banks stand to benefit in terms of lower funding cost.

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