FIRST METRO SAVE & LEARN MONEY MARKET FUND, INC.

(Open-end Investment Company)

The Offer Shares consist of One Hundred Million (100,000,000) common stock with a par value of PHP0.01 per share to be offered at current Net Asset Value per Share. The Offer Shares will be traded over the counter.

First Metro Asset Management, Inc.
Investment Company Adviser and Principal Distributor
118th Floor, PSBank Center
777 Pasco de Roxas, Makati City
Tel. No. (632) 891-2860

The date of this Prospectus is 10 December 2018

THIS PROSPECTUS SHOULD BE READ CAREFULLY BEFORE INVESTING AND RETAINED FOR FUTURE REFERENCE
FIRST METRO SAVE & LEARN MONEY MARKET FUND, INC.

(A corporation organized under Philippine laws)

This Prospectus relates to the offer of 100,000,000 common shares of the First Metro Save & Learn Money Market Fund, Inc. (the “Fund”). The common shares with a par value of PHP0.01 per share will be sold at the current Net Asset Value Per Share (“NAVPS”).

Total gross proceeds of the 100,000,000 Offer Shares, is estimated PHP99,720,000 (computed by multiplying 100,000,000 Offer Shares by PHP0.9972/share offer price).

The net proceeds from the offering will be invested in short-term (less than one year) fixed income instruments such as, but not limited to, government securities, high-income commercial papers, promissory notes, other deposit substitutes, and other fixed income instruments or securities, both Philippine peso and foreign currency denominated. Please refer to the section of this prospectus entitled “Use of Proceeds” for details of the net proceeds.

The investment objective of the Fund is classified as low risk or conservative. The assets of the Fund shall be structured based on market conditions, the level of interest rates, and liquidity needs of the Fund.

The Issuer is a domestic corporation, incorporated on March 1, 2018 as First Metro Save and Learn Money Market Fund, Inc. (the “Fund”), with principal business office address at 18th Floor, PSBank Center 777 Paseo de Roxas Makati City, Philippines, and Telephone Numbers: (632) 891 28 60-65.

The Issuer is engaged primarily in the business of investing, reinvesting and trading in securities and the sale of its shares of stock. As a licensed Mutual Fund, it offers to the public, on a continuous basis, redeemable shares of stock, at net asset value per share on a daily basis.

While the Fund aims to provide total returns consisting of current income and capital appreciation, various risk factors (such as interest rate risk, credit risk, inflation risk, manager risk) can affect the market value of the assets of the Fund and because the Fund’s net assets value vary. Consequently, there can be instances where the redemption prices of the redeemed shares could be less than the prices at which the shares were originally purchased. Investors who redeem their shares during this time may not recover the full cost of their investment.

First Metro Asset Management, Inc. (FAMI) is the Investment Manager, Fund Administrator and Principal Distributor of the Fund.

The Fund intends to invest the proceeds in short-term (less than one year) fixed income securities and instruments. The Fund’s investments shall be guided by Investment Guidelines and Restrictions, which are set out in detail in the body of this Prospectus.

The Management fee (which includes fee as a distributor) payable to First Metro Asset Management, Inc. (FAMI), is 1.5% per annum of the average net asset value of the Fund’s assets, computed on a daily basis.

The “net asset value” (NAV) shall be determined by computing the total value of the Fund’s assets less its liabilities divided by the number of outstanding shares in accordance with the procedure used in computing the net asset value of each share of the Fund.

The Fund is authorized under its By-Laws to issue cash, property and stock/unit dividends out of its unrestricted retained earnings whenever the condition of the Fund’s finances will render it expedient to declare said dividends. If ever dividends are declared, the computation and distribution shall be proportionate to the holdings or ownership of each of the stockholders at the time of declaration.
The Board of Directors may make arrangements with its stockholders whereby dividends and/or other distributions may be reinvested in the Fund’s securities in lieu of cash to be paid to the stockholders. The arrangement with shareholders/ shall be such that the dividends to be reinvested shall be valued at the net asset value per share/per unit of the Fund at the time said dividends are paid declared.

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

EDUARDO S. CARREON
President

SUBSCRIBED AND SWORN TO BEFORE ME this 10th day of December 2018 in the City of Quezon, exhibiting to me his Driver’s License with ID No. N10-70-036507.

Doc No. 77
Page No. 19
Book No. XC
Series of 2018.

Notary Public

ATTY. ROGELIO B. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
IN ADM., NOT.COM., NO. WP-0581-12-17 UNTIL 12-31-2018
I.D. No. 1038574 JAN. 2017 UPTO DEC. 2018
PTR O.R. NO. 5522486 L1-3-18
ROLL NO. 33832/1N A 729-871-089
W.R. NO. V-0015256 VALID FROM 04/11/2016 UPTO 04/14/2019
ADDRESS: 311 T. HARRIVD ST., CUBAO, QC.
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No dealer, selling agent and any other person has been authorized to give information or make any representation not contained in this Prospectus. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction or to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The delivery of this Prospectus at any time does not imply that the information herein contained is correct as of any time subsequent to this date.

The information in this Prospectus has been supplied by First Metro Save & Learn Money Market Fund Inc. which accepts full responsibility for the accuracy of the information given herein, and confirms that there are no omissions of fact that would make any statement in this Prospectus misleading. First Metro Asset Management, Inc., the Fund Administrator of First Metro Save & Learn Money Market Fund, Inc. has exerted reasonable efforts to verify the information herein and does not make any representations or warranties as to the accuracy or completeness of materials contained herein.

First Metro Save & Learn Money Market Fund, Inc. has filed Registration Statements with the Securities and Exchange Commission in accordance with the Investment Company Act and the Securities Regulation Code.
LIST OF EXHIBITS

Exhibit 1 - Affidavits of Publication
Exhibit 2 - Articles of Incorporation and By laws
Exhibit 3 - Anti-Money Laundering Operating Guidelines
Exhibit 4 - Subscription Form (with attached Client Suitability Assessment Form)
Exhibit 5 - Redemption Form
Exhibit 6 - Independent Tax Opinion
Exhibit 7 - Curriculum Vitae
Exhibit 8 - Board Resolution
Exhibit 9 - Certification on ICA Compliance
Exhibit 10 - Financial Statements
Exhibit 11 - Manual of Corporate Governance
Exhibit 12 - Material Contracts
Exhibit 13 - Secretary’s Certificate
PRINCIPAL PARTIES TO THE OFFER

REGISTRANT

First Metro Save & Learn Money Market Fund, Inc.
18th Floor, PSBank Center
777 Paseo de Roxas, Makati City
e-mail: fami@fami.com
website: www.famifunds.com
Telephone No. 891-2860
Fax No. 849-9744

INVESTMENT COMPANY ADVISER, DISTRIBUTOR

First Metro Asset Management, Inc.
118th Floor, PSBank Center
777 Paseo de Roxas, Makati City
e-mail: fami@fami.com
website: www.famifunds.com
Telephone No. 555-8888
Fax No. 849-9744

CUSTODIAN BANK

Hong Kong and Shanghai Banking Corp.
7th Floor, HSBC Centre 3058 Fifth Avenue
West
Bonifacio Global City, Makati City

TRANSFER AGENT

Metropolitan Bank and Trust Company
16F Metrobank Center
7th Avenue corner 35th Street, Bonifacio Global City, 1634 Taguig City

INDEPENDENT AUDITOR

Sycip Gorres & Velayo ("SGV")
19/F Net Lima Plaza
Ayala Avenue, Makati City
<table>
<thead>
<tr>
<th>ITEMS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>Authorized Capital Stock</td>
</tr>
<tr>
<td>AUM</td>
<td>Assets Under Management</td>
</tr>
<tr>
<td>BSP</td>
<td>Bangko Sentral Ng Pilipinas</td>
</tr>
<tr>
<td>Business Day</td>
<td>A day in which all of the markets where the Fund’s assets are traded and open for clearing of funds and trading in securities, and each business day will end at the hour and minute when such last exchange closes for trading of securities for the day.</td>
</tr>
<tr>
<td>Dealers</td>
<td>Eligible securities dealers that have entered into an agreement to sell shares with the Fund’s Principal Distributor</td>
</tr>
<tr>
<td>FATCA</td>
<td>Foreign Account Tax Compliance Act</td>
</tr>
<tr>
<td>Fund</td>
<td>First Metro Save &amp; Learn Money Market Fund, Inc.</td>
</tr>
<tr>
<td>NAVPS</td>
<td>Net Asset Value Per Share</td>
</tr>
<tr>
<td>Offer</td>
<td>The offering for subscription of shares of common stock of participation at an offer price of the current NAVPS.</td>
</tr>
<tr>
<td>Offer Shares</td>
<td>One Hundred Million (100,000,000) with a par value of One Centavo (PHP 0.01) per share</td>
</tr>
<tr>
<td>Peso / PHP</td>
<td>The currency of the Republic of the Philippines</td>
</tr>
<tr>
<td>PIFA</td>
<td>Philippine Investment Funds Association, Inc.</td>
</tr>
<tr>
<td>Principal Distributor</td>
<td>First Metro Asset Management, Inc., the entity mainly responsible for selling the Fund’s shares</td>
</tr>
<tr>
<td>R. A. No. 2629</td>
<td>Investment Company Act</td>
</tr>
<tr>
<td>R. A. No. 8799</td>
<td>The Securities Regulation Code</td>
</tr>
<tr>
<td>R.A. No. 10168</td>
<td>The Terrorism Financing Prevention and Suppression Act of 2012</td>
</tr>
<tr>
<td>R.A. No. 10173</td>
<td>Data Privacy Act of 2012</td>
</tr>
<tr>
<td>Redemption Fee</td>
<td>The fee paid when the amount subscribed is redeemed within 7 days from subscription.</td>
</tr>
<tr>
<td>SEC or the Commission</td>
<td>Securities and Exchange Commission</td>
</tr>
<tr>
<td>FAMI Funds</td>
<td>First Metro Save and Learn Equity Fund, Inc. First Metro Save and Learn Fixed Income Fund, Inc. First Metro Save and Learn Balanced Fund, Inc. First Metro Philippine Equity Exchange Traded Fund, Inc First Metro Consumer Fund on MSCI Philippines IMI, Inc. One Wealthy Nation Fund, Inc.</td>
</tr>
<tr>
<td>UITF</td>
<td>Unit Investment Trust Fund</td>
</tr>
<tr>
<td>Sales Load</td>
<td>Charge levied on the purchase of shares</td>
</tr>
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www.fami.com.ph
SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. Certain terms used herein are defined under “Glossary”.

THE FUND
The Fund is a Philippine corporation registered as an open-end investment company under R.A. 2629 and R.A. 8799, on March 1, 2018 under SEC registration No. CS201801646. It is principally engaged in the sale of its shares of stock and in the investment of the proceeds from these sales into a portfolio of short-term (less than one year) fixed income securities and instruments. The Fund’s investment objective is classified as low risk or conservative. While the fund aims to provide good returns, various risk factors (Please see discussions on “Risk Factors”) can affect the market value of the assets of the Fund’s net assets value to vary:

Open-end mutual fund companies in the Philippines are organized as stock corporations. The Fund may become fully subscribed at any point in time. In such case, the Fund would continue to accept deposits for future subscription (“DFFS”) in anticipation of an increase in capital, subject to the requirements of the law and regulations on the same. The DFFS accepted would be earmarked for the issuance of the appropriate number of shares that the DFFS would have purchased as of date of acceptance. Upon approval of the increase in authorized capital stock and upon registration of the new shares resulting therefrom with the Securities and Exchange Commission, the Fund would release the shares equivalent to the DFFS accepted, according to the “first in, first out” rule.

FINANCIAL HIGHLIGHTS (IN PESOS)

First Metro Save & Learn Money Market Fund, Inc.
(An Open-End Mutual Fund Company)
Summary of Financial Information
Audited Statement of Financial Position
As of August 31, 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>₱24,931,030</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>₱24,931,030</td>
</tr>
<tr>
<td>Net Assets</td>
<td>₱24,931,030</td>
</tr>
<tr>
<td>Capital Stock – P0.01 Par Value</td>
<td>₱250,000</td>
</tr>
<tr>
<td>Authorized Capital Stock - 400,000,000 Shares</td>
<td></td>
</tr>
<tr>
<td>Issued And Outstanding - 100,000,000 Shares</td>
<td></td>
</tr>
<tr>
<td>APIC</td>
<td>24,750,000</td>
</tr>
<tr>
<td>Deficit</td>
<td>(68,970)</td>
</tr>
<tr>
<td>Net Assets</td>
<td>₱24,931,030</td>
</tr>
<tr>
<td>Net Asset Value Per Share (NAVPS)</td>
<td>0.9972</td>
</tr>
<tr>
<td>*The Company has not yet started commercial operations</td>
<td></td>
</tr>
</tbody>
</table>
First Metro Save & Learn Money Market Fund, Inc.  
(An Open-End Mutual Fund Company)  
Summary of Financial Information  
Audited Statement of Comprehensive Loss  
As of August 31, 2018

| Total Income                  | ₱67,611          |
| Total Expenses                | 123,059          |
| Loss Before Income Tax        | (55,448)         |
| Provision For Income Tax      | 13,522           |
| Net Loss/Total Comprehensive Loss | (₱68,970)       |
| Basic Loss per Share          | (₱0.0027)        |

*The Company has not yet started commercial operations

RISKS OF INVESTING

Prospective investors should carefully consider the matters addressed under “Risk Factors” before making an investment decision regarding the Offer Shares. Each of these matters could have adverse consequences to the Fund.

These risks (as described and explained under “Risk Factors”) include:
  1. Dilution Risk
  2. Equity Risk
  3. Large Transaction Risk
  4. Liquidity Risk
  5. Market Risk
  6. Non-Guarantee
  7. Not Insured
  8. Regulatory Risk

The enumerated risks could adversely affect the redemption value of the securities for the shareholders resulting in losses should the shareholder redeem his shares when the NAVPS of the Fund is below his acquisition cost. For a more detailed discussion of these risks to be considered in connection with an investment in the Fund’s shares, see “Risk Factors”.

Common Shares

The Fund is offering 100,000,000 shares of common stock with a par value of PHP 0.01 per share, at offer price of the current NAVPS. The Offer Shares are being offered in the Philippines through FAMI.

TERMS OF THE OFFER

| Minimum Initial Investment | PHP 5,000.00 |
| Minimum Subsequent Investment | PHP 1,000.00 |
| Minimum Redemption Amount   | PHP1,000.00   |

Should the shares of the investor fall below the minimum redemption amounts after redemption, FAMI may, without notice, redeem the remaining shares and pay the proceeds to the investor. The Fund reserves the
<table>
<thead>
<tr>
<th>Offer Price</th>
<th>The Offer Price per Offer Share is the current NAVPS.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voting Rights</td>
<td>Each holder of a share in the Fund is entitled to one vote, in person or by proxy.</td>
</tr>
<tr>
<td>Dividends</td>
<td>The Board of Directors of the Fund has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from the Fund’s unrestricted retained earnings. The amount of such dividends (either in cash, stock, property or a combination of the foregoing) will depend on the Fund’s profits, cash flows, capital expenditure, financial condition, and other factors and will follow SEC’s guidelines on determining retained earnings available for dividend declaration. The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings or profits. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, which are considered not available for dividend declaration. Taking into account the Fund’s cash flows, capital expenditure, investment objective and financial condition, at least 10% of the actual earnings or profits may be declared by the Board of Directors as dividends.</td>
</tr>
<tr>
<td>Reinvestment of Cash Dividends</td>
<td>The Board of Directors may make arrangements with its stockholders whereby dividends and/or other distributions may be reinvested in the Fund’s securities in lieu of cash to be paid to the stockholders. The arrangement with shareholders shall be such that the dividends to be reinvested shall be valued at the net asset value per share/per unit of the Fund at the time said dividends are paid declared. Cash dividends so declared may be automatically reinvested in Additional shares on behalf of the shareholders, without sales charges, at the NAVPS on the payment date established for such dividends.</td>
</tr>
<tr>
<td>Eligibility of Shareholder</td>
<td>Both Philippine nationals and non-Philippine nationals can subscribe to the Fund’s shares, including the Offer Shares.</td>
</tr>
</tbody>
</table>
| Application and Payment | Shares of the Fund are sold on cash basis only. Installment sales will not be made. Shares of the Fund are offered for sale on a continuous basis at the NAVPS through FAMI’s registered representatives and dealers. The dealers and registered representatives are required to forward to FAMI the prescribed and complete documents to purchase shares of the Fund on the same business day they are received. For purposes of facilitating transactions, the completed documents may be submitted electronically through fax or on-line, or any mode of transmittal which FAMI may establish and deem acceptable from time to time. All payments to be forwarded to and received by FAMI should come with and must be supported by the appropriate documents. Payments must also be forwarded and received by FAMI through mediums recognized and accredited by FAMI. The investor’s account will be credited for the subscription only when the payment is in the form of cash, check or electronic transfer. The subscription will not be processed into the investor’s account until the payments have become available to the Fund for investment deployment. Investors should inquire with their banks the clearing time required for each form of payment and when their investments will be available to the Fund. Applicable bank charges will be deducted from the investible amount.

FAMI has the option to process local checks denominated in Philippine pesos as cleared funds provided that:

1. The investor accomplishes a waived clearing form upon payment.

2. The check will be deposited into a bank accredited by FAMI for such purpose. |
| Minimum Holding Period Early Redemption Fee | There will be a minimum holding period of seven (7) days. Redemptions made within the minimum holding period from the date of investment will be charged up to 1% early redemption fee based on the redemption amount. |
| Subscription Process | Subscriptions received by FAMI or its authorized distributors by 12 o’clock noon on a business day will be processed at the NAVPS determined at the close of business that day.

FAMI reserves the right to reject any specific subscription or to restrict purchases by a particular investor, for example, when such purchase is contrary to the best interests of the other shareholders or would otherwise disrupt the management of the Fund. This decision will be made within two (2) business days after receipt of the subscription and, in the event of a rejection, the subscription amount will be returned as soon as possible to the investor without interest and after deducting applicable bank charges.

There are is no sales load upon subscription. |
| Cut Off Period | If received after 12 o’clock noon, subscriptions will be processed at the NAVPS calculated for the next business day. |
| Redemption Process | Shares are redeemable at any time at their respective NAVPS.

A shareholder may request for the redemption of his shares by delivering an order ticket or any document to be prescribed and recognized by FAMI for redemption to a registered representative, dealer or to FAMI. The order ticket for redemption must be accompanied by the appropriate certificate(s), if applicable, representing the shares to be redeemed.

The redemption price is the NAVPS at the close of business day if order ticket is received on or before 12 o’clock noon. After 12 o’clock noon, the order ticket is deemed to have been received the following business day, and the redemption price will be the NAVPS determined at the close of business on the next business day.

Payment upon redemption will be made either by issuing a check to the registered shareholder or through bank remittance. Payments for shares redeemed, less any redemption charges and taxes applicable, will be made by the Fund within seven (7) business days from its receipt of the request for redemption. Payment made through bank remittance may be subjected to applicable bank charges, subject to client’s arrangement with the remitting and receiving bank. FAMI reserves the right to deduct any applicable bank charges from the redemption value. For payment made through check issuance, investor will receive payment within seven (7) banking days from date of redemption for the amount redeemed.

The Fund may suspend redemptions or postpone the
date of payment for a redemption upon the occurrence of any of the following: (i) when the Philippine banking system is closed, (ii) for any period when normal trading is restricted or suspended in the markets where the Fund may be investing, (iii) for any period during which an emergency exists as a result of which (a) disposal by the Fund of securities owned by it is not reasonably practicable or (b) it is not reasonably practicable for the Fund to fairly determine the value of its net assets, (iv) when any breakdown occurs in the means of communication normally employed in determining the value of any of the investments of the Fund or when for any other reason the value of any of the investments or other assets of the Fund cannot reasonably or fairly be ascertained, (v) when the shareholder fails to surrender to FAMI the original share certificate on the redeemed or transferred shares, or (vi) all other conditions for the suspension of redemption are subject to the approval of sec per section 22(b) (3) of R. A. No. 2629.

The SEC may, whenever necessary or appropriate, in the public interest or for the protection of investors, suspend the redemption of securities of open-end companies.

No deferred sales charge or redemption fee is imposed on redemptions on transferred shares under Option B in case of death of the investors. In order to qualify for this waiver, redemption must be made within 1 year of a shareholder’s death. FAMI must be notified in writing of such death at the time of the redemption request either by the legal heir or administrator of the estate appointed by the court. FAMI must be provided with satisfactory evidence of the death, identity of the heirs, or appointment of the administrator, or such other documents necessary to process the redemptions.

<p>| Procedure for Monitoring Fund Distribution | The fund distribution is monitored thru the financial statements that were generated daily. The said statements show the outstanding number of shares on a given period. |
| Procedure for Handling Customer’s Complaints | Several platforms are available to clients in coordinating with FAMI such as phone call (8912860 up to 65), email (<a href="mailto:fami@firstmetro.com.ph">fami@firstmetro.com.ph</a>), social [Facebook (firstmetroassetmgmt); Viber Public (fami); Instagram (firstmetrofunds); Twitter (@saveandlearn)] networking sites, website and chat box. Customer Care Associates are assigned to handle aftersales transactions which also include customer complaints. Guided by the key driver: Customer Experience, FAMI is continuously developing a customer-centric experience by paying considerable attention to client concerns. A strict turn-around time guidelines for each complaint category is implemented to ensure speed and efficiency |</p>
<table>
<thead>
<tr>
<th>Restriction on Issue and Transfer of Shares</th>
<th>FAMI and its nominees, who are original shareholders of the Fund, shall not be allowed to sell, transfer, convey, encumber or otherwise dispose of their shares within twelve (12) months from the original registration of the Funds.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers among FAMI Funds</td>
<td>At any time, an investor who purchased shares of the Fund may request through a registered representative that such shares be redeemed and the proceeds reinvested in shares of one (1) or more eligible FAMI-managed funds. Transfer from other eligible FAMI-managed funds is allowed. However, the investor must redeem his/her shares from the other FAMI-managed funds.</td>
</tr>
<tr>
<td>Pre-Emptive Right</td>
<td>No stockholder shall, because of his ownership of stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of any stock or of any other securities convertible into carrying options or warrants to purchase stock of the registrant.</td>
</tr>
<tr>
<td>Issuance of Stock Certificate</td>
<td>Shareholders are given an official receipts and confirmation slips upon subscription. Shares are recorded on a stock register by FAMI, and shareholders that do not elect to receive certificates have the same rights as if certificates had been issued to them.</td>
</tr>
</tbody>
</table>
RISK DISCLOSURE STATEMENT

I. GENERAL WARNING
The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling of securities. In such a case, the liabilities of the shareholders are limited to their investments to the Fund.

Past performance is not a guide to future performance.

There is an extra risk of losing money when securities are bought from smaller companies.

An investor deals in a range of investments each of which may carry a different level of risk.

II. PRUDENCE REQUIRED
The risk of disclosure does not purport to disclose all the risk and other significant aspects of investing in these securities. An investor should undertake his own research and study on the trading of securities before commencing any trading activity. He may request information on the securities and issuer thereof from the commission, which are available to the public.

III. PROFESSIONAL ADVICE
The investor should seek professional advice if he is uncertain or has not understood any aspect of the securities or the nature of risks involved in trading of securities, especially high-risk securities.

RISK FACTORS
Before investing, potential investors should consider carefully the factors set forth below in conjunction with the other information contained in this Prospectus, in evaluating an investment in the Offer Shares.

There are many potential advantages to investing in mutual funds and in the Offer Shares. However, in deciding to invest, the investor is strongly advised to also consider the risks involved in investing in mutual funds, and in the Offer Shares, as well as the risks that the Fund faces, given its underlying assets whose respective values essentially affect the Fund’s overall net asset value.

Aside from the risks listed below, the returns of the Funds are not guaranteed, and there is a risk that a Fund might not achieve its investment objectives.

The Fund’s Risk Officer is responsible for overseeing the management of risks resulting from the Fund’s business activities. He reports to the audit and compliance committee of the Board of Directors. His duties and responsibilities include, among others:

- Monitoring the investments of the Fund to ensure that all identified gaps in management’s risk and management processes are resolved on a timely basis;
- Provide leadership to facilitate management’s understanding of the risk management framework, policies and processes;
- Ensuring that the Philippine risk management organization is appropriately staffed with individuals who have the requisite skills and competencies, and that the organization structure and reporting relationships are appropriate and sufficiently independent;
- Organizing and participating in the risk workshops of the annual risk identification process; ensuring that business identify plausible risk scenarios;
- Ensuring that risk-based measurement and reporting metrics, including risk limits and exception reporting are established, assigning risk category to the final risk lists;
- Providing expertise in the development of action plans to address the risks identified;
• Reviewing and updating the risk report quarterly, identifying and escalating as appropriate any missed target dates for key risk action plans; and

• Providing documented quarterly status updates on key risks to the audit and compliance committee.

Pursuant to the foregoing, the Risk Officer has identified the risks enumerated below in the order of their importance:

1. **Interest rate risk:** If interest rates rise, the prices at which the assets of the Fund can be sold may fall. The longer the maturity of the assets, the more sensitive the prices of the assets will be to changes in interest rates. In other words, a long-term investment will have higher interest rate sensitivity than a short-term investment. To mitigate the risks, the Fund manager will diversify in terms of the type of securities and the time horizons of the said securities.

2. **Credit risk:** Credit risk (also called default risk) is the risk that the issuer of the security will not be able to make principal and interest payment on a debt issue. The credit ratings of issuers can change and affect the Fund's returns. To manage the risk, good quality and/or investment grade fixed income securities will be selected.

3. **Inflation risk:** Inflation risk is the risk that inflation may erode the real value of an investment by the Fund. One way to manage the risk is to actively trade in fixed-income securities, particularly government securities, which are valued on a marked-to-market basis. Mark-to-market method of valuation of fixed-income instruments, assesses such instruments on the current market price for that particular instrument so that any profit or loss is reflected or booked in the net assets of the Fund, hence, the net asset value per share/unit is affected.

4. **Manager risk:** The performance of the Fund is dependent upon the investment manager's skill in making the appropriate investments. As a result, the Fund may underperform the market or its peers. Also, the Fund could fail to meet its investment objectives. The board of directors of the issuer will see to it that all investment policies and restrictions enumerated in this prospectus are strictly followed. The board will meet more often to continually monitor the investment manager's performance in this area.

5. **Liquidity Risk:** The fund is usually able to service redemption of investors within seven (7) business days after receipt of the notice of redemption by paying out redemptions that exceed these liquid holdings, the Fund will have to sell less-liquid assets, and during periods of extreme market volatility, the Fund may not be able to find a buyer for such assets. Consequently, the Fund may not be able to generate enough cash to pay for the redemptions within the normal 7-day period.

The Fund manages liquidity risk in a variety of ways. First, at least 5% of total assets are in the form of cash or cash equivalents. Second, the Fund invests a majority of their money in securities and issues with sufficient liquidity to ascertain that the Fund will be able to meet its financial obligations in a timely manner.

The following are additional risks present in managing the Fund, however, non-quantifiable.

**Dilution Risk:** Being an open-end mutual fund, various investors may effectively subscribe to any amount of shares of the Fund. As such, investors face the risk of their investments being diluted by the shares of the other investors of the Fund. The influence that the investors can exert over the control and management of the Fund decreases proportionately.

**Large Transaction Risk:** If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of shares of a Fund, that Fund may be forced to sell securities at unfavorable prices to pay for the proceeds.
of redemption. This unexpected sale may have a negative impact on the net asset value of the Fund.

**Non-Guarantee:** Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the Philippine Deposit Insurance Corporation ("PDIC"). Hence, investors carry the risk of losing the value of their investment, without any guarantee in the form of insurance. Moreover, as with any investment, it is important to note that past performance of the Fund does not guarantee its future success.

**Not Insured:** The investor should be aware that any investment in the Fund is not insured with the Philippine Deposit Insurance Corporation ("PDIC"). The Fund Manager is prevented by law to guarantee any return.

**Regulatory Risk:** The Fund’s operations are subject to various regulations, such as those affecting accounting of assets and taxation. These regulations do change, and as a result, investors may experience lower investment returns or even losses depending on what such a regulatory change entails. For example, higher taxes would lower returns, and a mandated precautionary loan loss provisions could result in the Fund experiencing a loss in the value of assets.

The above risk factors are by no means exhaustive. New and/or unidentified risks may arise given the fast changing financial markets and economic environment.

**Classification of the Fund into low, medium or high risk investment:** The investment objective of the Fund is classified as low risk or conservative. The Fund’s portfolio may consist of fixed income instruments such as, but not limited to, government securities, high-grade commercial papers, promissory notes, other deposit substitutes, and other fixed income instruments or securities.

**INVESTOR PROFILE AND INVESTMENT SUITABILITY**

Prior to account opening, the fund shall perform an investor profiling process for all investor under the general principles on client suitability assessment to guide the investor in choosing investment outlets that are best suited to their objectives, risk tolerance, preferences and experience. The profiling process shall, at the minimum, require the client to provide relevant information thru the Suitability Assessment Form (SAF) and classify them according to their financial sophistication and communicate the SAF results to the Fund.

**USE OF PROCEEDS**

Proceeds from the sale of the Offer Shares shall be invested in short-term (less than one year) fixed-income securities and instruments in accordance with the policies and limitations of this prospectus and other applicable laws. The Fund’s investment manager shall be guided by the Fund’s Investment Policies and Legal Limitations. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid in capital of the Fund shall be held by the custodian banks.

The Fund shall not make loans to other interested persons such as members of its Board of Directors, officers of the Fund and any of its affiliates/affiliated corporations. The Fund shall not acquire assets or finance the acquisition of other business. It does not have any existing debt, thus, proceeds shall not be utilized to settle any existing indebtedness or obligation.

Expenses charged to the Funds include, but are not limited to, remuneration of the members of the board who are not officers and/or employees of FAMI, SEC filing fees, documentary stamp taxes, registration statement fees, transfer, management and distribution fees.

Below are the estimated expenses for the registration of the Offer Shares:
Estimated Expenses for the Registration of the Company

SEC Registration Fees 404,000.00
Publication 30,000.00
Documentary 20,000.00
Professional Fees 80,000.00

**TOTAL** 534,000.00

The net proceeds of the Fund are estimated to be as follows:
Gross Proceeds 99,720,000.00
Less: Estimated Expenses 534,000.00
Net Proceeds 99,485,543.00

The proceeds from the sale of the Offer Shares will not be used to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, and money loaned or advanced or otherwise.

**SUMMARY OF FEES**
The following are the summary of fees charged to the fund in the regular operation of the Fund:

<table>
<thead>
<tr>
<th>FEES</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and Related Fees</td>
<td>Charged to the Fund Php50,000.00</td>
</tr>
<tr>
<td>Management Fee</td>
<td>Up to 1.5% of the total Asset Under Management</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>Php60,000.00</td>
</tr>
<tr>
<td>Transfer Agent Fee</td>
<td>Php10,000.00/month</td>
</tr>
<tr>
<td>Custodianship Fee</td>
<td>USD750m&amp;above 1.25bps</td>
</tr>
<tr>
<td></td>
<td>USD300m to less than USD750m 1.50bps</td>
</tr>
<tr>
<td></td>
<td>Less than USD300m 1.75bps</td>
</tr>
</tbody>
</table>

**Charged to the Investor**
Redemption Fee 1% of the amount redeemed within 7 days from subscription

**DETERMINATION OF OFFERING PRICE**
The offer price will be the NAVPS at the end of the day. NAVPS is computed by dividing net assets (total assets\(^1\) less total liabilities\(^2\)) by the total number of shares issued and outstanding, plus the total

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\(^1\) The assets of the Fund shall be deemed to include (i) all cash on hand, or on call, (ii) all bills, notes and accounts receivables, (iii) all shares of stocks and subscription rights, and other securities owned or contracted for the Fund, other than its own capital stock, (iv) all stock and cash dividends and cash distributions to be received by the Fund but declared to stockholders of record on a date on or before the date as of which the net asset value per share of the Fund is being determined, (v) all interests accrued on any interest-bearing security owned by the Fund, (vi) all real properties and interests therein, and (vii) all other property of every kind and nature including prepaid expenses.

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number of shares outstanding due to DFFS and for conversion to shares, if any, as of the end of the reporting day.

The Fund will compute and post the NAVPS on a daily basis and will publish such daily prices in at least two (2) newspapers of general circulation in the Philippines.

**ASSET VALUATION**
The Fund will be valued using the mark-to-market basis in accordance with PFRS 9. Thus, the NAV of the Fund will fluctuate with changes in the market value of the Fund’s investments. Such changes in the market value may occur as a result of various factors including material changes in the Fund, general economic conditions or interest rate and foreign exchange policy changes.

**PLAN OF DISTRIBUTION**
The Fund does not have any underwriter, and has not entered into any underwriting agreement. There are no shares designated to specified persons. There is no plan to apply for listing in any exchange the shares of Registrant. Thus, none of the Registrant’s shares are to be allocated to an exchange and/or to its members.

**PRINCIPAL DISTRIBUTOR**
FAMI serves as the Fund’s Principal Distributor. An annual fee of up to 1.5% of AUM is paid by the Fund for the distribution services of FAMI. As principal distributor, FAMI will continuously offer for sale shares of the Fund through its registered representatives legally qualified to sell the Fund’s shares and dealers with whom it has entered into distribution agreements.

Any order for shares may be rejected by FAMI. The SEC, the Fund, or FAMI may suspend the continuous offering of shares to the general public at any time in response to conditions in the securities.

**CUSTODIAN OF PORTFOLIO SECURITIES**

<table>
<thead>
<tr>
<th>Hong Kong Shanghai Bank Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSBC 7/F HSBC Centre</td>
</tr>
<tr>
<td>3058 Fifth Avenue West</td>
</tr>
<tr>
<td>Bonifacio Global City, Makati City</td>
</tr>
</tbody>
</table>

Hong Kong Shanghai Bank Corporation (HSBC) acts as the Fund’s custodian. In consideration of the services to be rendered by the custodians, the Fund shall pay the custodian all fees, charges and obligations incurred from time to time for services rendered pursuant to the direct custodial services agreements between each registrant and custodian with the terms of the fees schedule specified from time to time by the custodian, upon prior notice to the registrants.

Fees will be charged on a monthly basis based on the month end value of the assets under management (AUM).

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2 The liabilities of the Fund shall be deemed to include (i) all bills, notes and accounts payable, (ii) all administrative expenses payable and/or accrued (including management fees), (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid dividend declared upon the Fund’s stock and payable to shareholders of record on or before the date on which the value of the Fund is being determined, (iv) all reserves authorized or approved by the Board of Directors for taxes or contingencies, and (v) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by the outstanding capital stock and surplus of the Fund.
INVESTMENT COMPANY ADVISER

1. FAMI is an Investment Company Adviser incorporated on 21 April 2005 and started commercial operations on 1 May 2005. Its primary purpose is to manage, provide and render management and technical advice and service for mutual funds, corporations, natural persons and other entities and in connection therewith, as far as may be permitted by law, to purchase, subscribe for or otherwise acquire, mortgage, sell or otherwise dispose of, and deal in securities of every kind and description including, but not limited to, stocks, bonds, notes, commercial papers and to promote, manage and participate in the distribution of any securities, to the extent provided by law.

2. FAMI is a licensed Investment Company Adviser and holds a current license from the SEC. The license of FAMI was renewed on December 29, 2017.

In a letter dated 05 July 1999 addressed to the PIFA, the SEC advised of the suspension of the implementation of SEC-BED Memorandum Circular No. 1, Series of 1999, which required investment managers and/or advisers to secure a license as a securities broker on or before 30 June 1999.

3. FAMI's registered office address is at the 18th Floor PSBank Center, 777 Paseo de Roxas, Makati City.

4. The services provided by FAMI are subject to the supervision of its officers and directors. They include marketing the Fund, being responsible for investments, investor communications, fund accounting, shareholder record-keeping and other day-to-day administration of matters related to the corporate existence of the Fund, maintenance of records and preparation of shareholder reports, Board of Directors' meetings and annual Shareholders' Meetings held every 3rd Wednesday of June.

The Fund is responsible for its own operating expenses. At times, FAMI may reduce its fees and/or pay expenses in order to reduce the Fund's aggregate annual operating expenses. This arrangement may be revised or discontinued by FAMI at any time.

5. As Investment Company Adviser, FAMI is also primarily responsible for the execution of the Fund's portfolio transactions and the allocation of brokerage commissions. FAMI makes investment decisions, prepares and makes available research and statistical data, and invests with respect to the purchase and sale of securities on behalf of the Fund, including the selection of brokers and dealers to carry out the transactions, all in accordance with the Fund's investment objectives and policies. FAMI maintains records and furnishes or causes to be furnished all required reports.

6. FAMI may, at its expense, engage the services of consultants and other persons or firms to furnish FAMI statistical and other information, advice regarding economic factors and trends, information with respect to technical and scientific developments, and such other information, advice and assistance as FAMI may desire, including investment management and other related duties.

FUND MANAGER

The following shall be the responsibilities of the Fund Manager:

(a) The Fund Manager may without need of prior approval of or prior notification to the Fund, purchase and sell securities and otherwise make or dispose of investments for the account of the Fund, within the limits of the investment policies and guidelines which the Board of Directors of the Fund may from time to time prescribe and subject to the provisions of the Investment Company Act and registration statements of the Fund.

(b) Fund Manager shall exercise the diligence and prudence in connection with the investment or re-investment of the Fund's assets; but, except for willful misfeasance, bad faith, gross negligence or reckless disregard of its duties, Fund Manager shall not be liable for any loss or depreciation in the

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2 Then called the Investment Company Association of the Philippines
value of any assets of the Fund arising from any of such investments or re-investments, provided that Fund Manager acted in good faith and in accordance with the investment policies or guideline prescribed by the Board of Directors of the Fund.

(e) The securities, as well as the appurtenant certificates and other evidences of title to assets within the investment portfolio of the Fund, shall be under the custody of a custodian bank, subject to the authority of Fund Manager to dispose of such securities pursuant to paragraph (a) of this Section, and, for this purpose, Fund Manager shall cause such securities, certificates and other evidences of title to assets to be delivered directly to the custodian bank. Fund Manager shall, either directly or through said custodian bank, take charge of the collection of interests, dividends or other payments on all securities owned by the Fund, and shall on behalf and for the benefit of the Fund, exercise any and all rights of the Fund appertaining to such securities such as the exercise of pre-emptive rights, redemption rights, options, and others. Fund Manager may use voting rights for quorum purposes only. In the event of unusual circumstances, Fund Manager may request the Fund in writing for permission to exercise the voting rights for any other specified purpose.

(d) Fund Manager shall furnish the Fund, through its duly designated representative(s), such periodic reports and accounting relating to the Fund’s investments as the Board of Directors may from time to time reasonably direct.

LIMITATION OF LIABILITY
To the extent allowed by law, the Fund and/or the Fund Manager’s liability shall be limited to those arising from willful default or gross negligence. The Fund Manager shall not be liable for act or omission where such action or inaction, in the good faith judgment of the Fund Manager, was then necessary, reasonable or appropriate for the proper and advantageous administration and management of the Fund. The investment risks, including but not limited to credit risk, market risk, taxation risk, regulatory risk, interest risk and liquidity associated with the Fund are to be borne solely by the investor. The liability of the investors is limited to their investments in the Fund.

TRANSFER AGENT
Metrobank Trust serves as the Fund’s Transfer Agent. Transfer Agent services include, but are not limited to, account/certificate registration, processing of dividend and capital gains checks, periodic preparation and mailing of shareholder statements and management reports, as required.

DESCRIPTION OF SECURITIES TO BE REGISTERED

CAPITALIZATION
At incorporation, the Fund had an authorized capital stock (ACS) of PHP 1,000,000.00 divided into 100 Million common shares with a par value of PHP0.01 per share.

SEcurities OF THE FUND

Common Shares:
Each share of stock of the Fund is a voting stock with voting rights equal to every other outstanding share of stock of the same Fund, and subject to the following conditions:

(1) Distribution of Dividends. Each shareholder has a right to any dividends declared by the Fund.

(2) Denial of Pre-emptive Rights. No stockholder shall, because of his ownership of stock, have preemptive or other right to purchase, subscribe for, or take any part of any other securities convertible into or carrying options or warrants to purchase stock of the Fund.
(3) Right of Redemption. The holder of any share of the Fund, upon its presentation to the Fund or to any of its duly authorized representatives, is entitled to receive by way of redemption approximately his proportionate share of the Fund’s current net assets or the cash equivalent thereof.

(4) Modification of Rights of Shareholders. The rights of shareholders of the Fund shall not be modified except by amendment of the Fund’s Articles of Incorporation and/or By-Laws.

Other than the above and those provided by law, there are no other material rights accorded to the shareholders.

While the DFFS holders are not shareholders (hence, they do not have the rights to vote and receive dividends), they have the right to ask for a return of their DFFS amounts at any time based on NAVPS at the time of withdrawal.

INTERESTS OF NAMED EXPERTS AND INDEPENDENT

INDEPENDENT AUDITORS
The Financial Statements of the Fund together with the notes thereto have been examined by Sycip,Gorres & Velayo (“SGV”), independent public accountants, as indicated in their report with respect thereto and included herein. SGV has given, and not withdrawn, its consent to the inclusion of these reports as they appear herein.

SGV will continue being the external auditors for the Fund. SGV will not have any direct or indirect interest in the Fund or in any securities thereof (including options, warrants or rights thereto) nor has it acted at any time as promoter, underwriter, voting trustee, director, officer or employee of the Fund.

INFORMATION WITH RESPECT TO THE REGISTRANT

DESCRIPTION OF BUSINESS

The Fund
The Fund is a Philippine corporation registered as an open-end investment company under R. A. 2629 and R. A. 8799 on March 1, 2018 under SEC Registration No. CS201801646. The Fund is an open-end investment company engaged in the sale and distribution of mutual fund shares, and invests short-term (less than one year) fixed-income securities and instruments in accordance with the policies and limitations of this prospectus and other applicable laws. The annual stockholders meeting shall be held every 3rd Wednesday of June.

The Fund is part of the FAMI Mutual Funds (the “FAMI Funds”). The FAMI Funds make investing simple, accessible and affordable. The FAMI Funds offer a unique “family of funds” to choose from. The “family of funds” concept allows investors to modify their investment strategies over time, by letting them transfer from one fund to another, as their needs dictate.

Distribution
For a detailed discussion of the Fund’s distribution methods, please refer to the section on “Plan of Distribution”.

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**Competition**

The Fund principally competes directly with other money market mutual funds in the Philippines and with the Unit Investment Trust Funds ("UITFs") offered by commercial banks, in terms of returns and the associated risks of the return. The Fund's market strength is its wide distribution network that provides strategic distribution of Fund shares and the financial stability and reputation of its Investment Company Adviser, FAMI. The Fund intends to compete principally based on the reputation of FAMI for superior investment performance and corporate governance coupled with its distribution network and superior backroom operations.

The Fund participates in the mutual funds sector, which is a sub-sector of the financial services industry. There are no national geographical boundaries as the nature of the industry and prevailing technology make it possible for the various players to offer their services to almost any place in the country.

The Fund falls under the Peso-denominated money market fund category. In its category, the Fund competes with three Peso-denominated money market funds as of end June 2018, to wit:

<table>
<thead>
<tr>
<th>Money Market Funds</th>
<th>NET ASSET VALUE (in Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALFM Money Market Fund, Inc.</td>
<td>Php 10,638.80</td>
</tr>
<tr>
<td>Philam Managed Income Fund, Inc.</td>
<td>Php 615.35</td>
</tr>
<tr>
<td>Sun Life Prosperity Money Market Fund, Inc.</td>
<td>Php 25,408.57</td>
</tr>
</tbody>
</table>

**Transactions with and/or Dependence on Related Parties**

FAMI is the Fund’s Principal Distributor and Investment Company Adviser. For a fuller discussion, please see “Summary of Principal Agreements” and “Certain Relationships and Related Transactions.”

**Investment Objectives And Legal Restrictions**

The Fund's investment objective is classified as low risk or conservative. It is a fund which seeks good returns through current income by investing in fixed income instruments and securities with a tenor of less than one year.

The Fund is governed by the following fundamental investment policies:

1. The Fund shall not issue senior securities.
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 its borrowings. 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 participate in any underwriting or selling group in connection with the public distribution of securities, except its own capital stock.
4. The Fund will primarily invest in high quality debts securities, deposits and money market instruments and will refrain from engaging in direct lending of monies.
5. The Fund will:
   - Have a cash reserve, or assets with high liquidity, low market risk and can be sold/liquidated within T+1 day, of at least ten percent (10%) of its net assets
   - Invest in the following:
     - High quality debts securities

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6. The Fund shall not invest more than twenty percent (20%) of its net assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any.

7. The Fund shall neither purchase nor sell:
   - Commodity futures contracts
   - Margin purchase of securities except investment in partly paid shares
   - Precious Metals
   - Unlimited liability investments

Furthermore, the Fund shall not engage in direct lending of monies.

8. The Fund’s deposits shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license excluding monies for liquidation of a revoked Investment Companies

9. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.

10. The Fund may use various techniques to hedge investment risks.

11. The Fund will not change its investment objectives without the prior approval of a majority of its shareholders and prior notice to the SEC.

**Policies With Respect To Security Investments**

The following are the Fund’s policies in regard to security investments:

1. The Fund’s investment objective is classified as low risk or conservative. It is a fund which seeks good returns through current income by investing in fixed income instruments and securities with a tenor of less than one year. For purposes of liquidity, regulations require that each Fund invest a minimum of 10 percent (10%) of the Fund’s net assets in liquid or semi-liquid assets, such as:

   i. Treasury notes or bills, certificates of indebtedness issued by the BSP 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;

   ii. Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCTD)

   iii. 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;

   iv. 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” or “numbered” account or other similar arrangement

   v. Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;

   vi. Other collective schemes wholly invested in liquid/semi-liquid assets

Provided that the open-end company fund shall submit liquidity contingency plan to the commission before it implements a decreased investment of less than ten percent (10%) but not less than five percent (5%) of its assets in liquid or semi-liquid assets.

2. Minimum of 5% of the net assets of the Fund may be invested in foreign government debt securities or money markets where the issuer is a government, sovereign or central bank with
an international long-term issuer rating of non-investment grade. It may be increased to 35% if the rating is investment grade.

3. The total investment of the Fund shall not exceed ten percent (10%) of the outstanding voting securities of any investee company.

4. The Fund shall invest 5% of its net assets if the derivatives are not investment grade. If the derivatives are investment grade, investment may be increased to 10% of the net assets of the Fund. Should the derivatives counterparty is used for efficient portfolio management; it may be increased up to 20%.

In order for the Fund to meet all its payment and delivery obligations, it shall invest 5% of its net assets to liquid assets.

5. The Fund will not exercise control or management over other companies.

6. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its Investment Adviser, Manager or Distributor or firms of which any of them are members, any security other than the Fund’s own capital stock.

7. The total operational expenses of the Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in its previous Audited Financial Statements covering the immediately preceding fiscal year.

8. Until SEC provides otherwise, the Fund shall not short sell securities or invest in any of the following:

i. Margin purchases of securities (investment in partly paid shares are excluded),

ii. Commodity futures contracts,

iii. Precious metals, and

iv. Unlimited liability investments such as a general partnership.

Prevention of Money-Laundering and Terrorist Financing

As part of the Fund’s responsibility for the prevention of money-laundering under the Anti-Money Laundering Act of 2001 (R. A. 9160), as amended, the Terrorism Financing Prevention and Suppression Act of 2012 (R.A. 10168) and other relevant rules and regulations, the Fund or an entity acting on its behalf may require evidence verifying the identity of a prospective purchaser of shares and the source of the relevant funds. Whether or not such evidence will be required and, if so, the nature and extent of such evidence will depend on the particular circumstances. The Fund and any entity acting on its behalf reserve the right to request such information as considered necessary to verify the identity of a proposed purchaser of shares in each case, and the Fund has absolute discretion to refuse to accept a subscription for shares in the event of delay or failure in the provision of any such information required. The Fund and/or relevant government agencies shall immediately preserve the subject property or funds upon receipt of the notice of a freeze order, in accordance with the order of the court of competent jurisdiction or the AMLC. The owner or holder of the property or funds shall be given a copy of the notice of the freeze order.

Compliance with Data Privacy Act of 2012 (Republic Act No. 10173)

To enable the Fund to comply with the requirements of the Data Privacy Act of 2012 (Republic Act No. 10173), the Fund requires all investors to expressly authorize the Fund to collect, process, use, destroy his/her personal and sensitive personal information and any information related to him/her and his/her account as well as its sharing, transfer and/or disclosure to any of the Fund’s branches, subsidiaries, affiliates, agents and representatives, industry associations and third parties such as but not limited to outsourced service providers, external auditors, and local and foreign regulatory authorities in relation to any matter including but not limited to those involving anti-money laundering and tax monitoring, review and reporting, statistical and risk analysis, provision of any products,
service, or offers made through mail/email/fax/sms/telephone, customer satisfaction surveys; compliance with court and other lawful orders and requirements. The Fund further requires the investors to hold the Funds and FAMI free and harmless from any liability that may arise from any transfer, disclosure, processing, collection, use, storage or destruction of said information.

**Compliance with Foreign Account Tax Compliance Act**
For purposes of compliance with the Foreign Account Tax Compliance Act (FATCA or Chapter 4 of the US Internal Revenue Code) particularly, Change in Circumstances (in compliance with the Foreign Account Tax Compliance Act also known as FATCA or Chapter 4 of the US Internal Revenue Code), the Fund requires the investors to:

1) Notify the Fund in writing and provide the required details or documents within thirty (30) days from a change of your circumstances. Change of circumstances means any change in the investor’s circumstances which results in the Fund being subject to tax reporting and withholding requirements under local and/or foreign laws applicable to the investor or investor’s property (such as the US Foreign Account Tax Compliance Act). There is a change of circumstances if there is a change in the investor’s contact information, identification documents, place of residence, citizenship of the owner or beneficiary, or other circumstances as defined under applicable laws;

2) Failure to accomplish the foregoing gives the Fund the right to exercise any of the following: a) continue the account on the same terms and conditions; b) continue the investment on the same terms and conditions and deduct from it any amounts that the Fund has to withhold under the applicable laws; or c) terminate your account. The right to terminate the account will only be exercised after the investor have failed to provide the required information within thirty (30) days from written notice from the Fund and only after the Fund is unable to transfer your policy or take any steps other than termination in order to comply with applicable laws.

**Effect of Existing or Probable Governmental Regulations on the Business**
Senate and congressional bills amending R. A. 2629, which is the main law that regulates the mutual fund industry, have been filed. The most prominent of these are the bills on the proposed Collective Investment Schemes Law ("CISL"). One of the noteworthy provisions of the CISL bills is the exemption of mutual fund companies from certain requirements of the Corporation Code as regards increasing ACS. If passed into law, this would be of possible benefit to the mutual fund companies which, with their numerous stockholders, find it difficult to obtain the votes of stockholders representing at least 2/3 of the outstanding capital stock to approve certain corporate actions. FAMI, through PIFA, participates in the hearing and deliberation of the CISL bill. FAMI expects the regulatory environment to improve with the passage of the CISL bill to the benefit of investors.

**Effect of Dissolution of the Investment Company**
The stockholders shall have the following rights provided for in the event of dissolution:

1. Inspect the corporate books and financial records
2. Share in the remaining assets after all the Fund’s creditors are duly paid

The Fund Manager shall carry out the winding up and all liquidation of assets on behalf of the Fund.

The Investment Company, or the Fund Manager, shall inform the Commission of the status of the redemption of securities every 30th of January until all the shares/units have been fully redeemed.

**Major Risks Involved in the Business of the Fund**
For a detailed discussion on the major risks involved in the business of the Fund, including procedures undertaking to identify, assess and manage such risks, please see "Risk Factors."
LEGAL PROCEEDINGS
There is no material pending legal proceeding to which the Fund or any of its affiliates is a party or in which any of its properties are the subject of the proceeding.

Employees
The Fund does not employ personnel. Day-to-day operations are carried out by FAMI pursuant to the terms and conditions of the Management Agreement and Distribution Agreement between the Fund and FAMI.

DESCRIPTION OF PROPERTY
The Fund has financial assets in the form of cash, fixed income securities, and equity securities. It does not own any real property. As prescribed by SEC rules, all of the Fund’s assets must be held by the custodian bank as disclosed on the inside back cover of this Prospectus.

MARKET PRICE FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION
The shares of the Fund are traded over-the-counter, hence, there is no public trading for the registrant’s shares.

The Fund’s common stocks are available through the Principal Distributor’s registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund’s Principal Distributor, First Metro Asset Management, Inc. (FAMI).

HOLDERS
As of September 30, 2018, the Fund has 12 shareholders.

DIVIDENDS
The Board of Directors of the Fund has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from the Fund’s unrestricted retained earnings. The amount of such dividends (either in cash, stock, property or a combination of the foregoing) will depend on the Fund’s profits, cash flows, capital expenditure, financial condition, and other factors and will follow SEC’s guidelines on determining retained earnings available for dividend declaration. The existence of surplus profit is a condition precedent before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings or profits. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, which are considered not available for dividend declaration. Taking into account the Fund’s cash flows, capital expenditure, investment objective and financial condition, at least 10% of the actual earnings or profits may be declared by the Board of Directors as dividends.

Dividends so declared will be automatically reinvested in additional shares on behalf of the shareholders, without sales charges, at the NAVPS on the payment date established for such dividends. As such, shareholders realize their gains when shares are redeemed. Shareholders may elect not to have dividends reinvested and receive payment in cash, net of tax.

DIVIDENDS POLICY
The Corporation Code generally requires a Philippine corporation with surplus profits in excess of 100% of its paid-up capital to declare and distribute such surplus to its shareholders in the form of dividends. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus when (i) justified by definite corporate expansion projects or programs approved by the Board of Directors; or (ii) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (iii) when it can
clearly be shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probably contingencies.

The Board of Directors of the Fund has adopted a policy, consistent with the Fund’s objective of capital appreciation, to retain the surplus profits of the Fund in the retained earnings account. Such accumulation is reflected in the computation of the net asset value per share. Shareholders realize their gains when shares are redeemed. To date, there have been no distributions of dividends to shareholders. The Board of Directors of the Fund may amend the dividend policy as conditions warrant. In said event, the declaration of cash dividends is subject to the restriction that no dividends will be declared that will impair the capital stock of the company.

The Board of Directors of the Fund may decide to declare dividends from the unrestricted retained earnings of the Fund at a time and percentage as the same Board may deem proper and in accordance with law. If dividends are to be declared, the computation and distribution shall be proportionate to the holdings or ownership of each of the stockholders.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

STATEMENT OF FINANCIAL POSITION AS OF AUGUST 31, 2018

ASSETS
Cash and cash equivalents (Notes 5 and 9) P24,911,841
Accrued interest receivable 19,189

Total Assets P24,931,030

LIABILITIES

EQUITY
Capital stock (Note 6) P250,000
Additional paid-in capital 24,750,000
Deficit (68,970)

Total Liabilities P24,931,030

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD MARCH 1, 2018 TO AUGUST 31, 2018*

INCOME
Interest income P67,611

EXPENSES
Directors’ fees 70,500
Taxes and licenses 47,430
Miscellaneous 5,129

Total Expenses P123,059

LOSS BEFORE INCOME TAX 55,448

PROVISION FOR INCOME TAX 13,522
NET LOSS/TOTAL COMPREHENSIVE LOSS

Basic Loss per Share

*First Metro Save and Learn Money Market Fund, Inc. was registered with the Securities and Exchange Commission on March 1, 2018.*

**Financial Position as of August 31, 2018**

**Cash and cash equivalents**

This account consists of cash in bank, time deposits and short-term placements amounting to ₱12.88 million, ₱6.01 million and ₱6.01 million, respectively.

Cash in bank earns annual interest at 0.25%. Cash equivalents consist of time deposits and short-term placements in banks and quasi-banks with maturity of less than three months which earn annual interest ranging from 3.00% to 3.875%.

**Accrued interest receivable**

This consist of accrued interest from time deposit and short-term placements.

**Capital Stock**

As of August 31, 2018, details of capital stock are as follows:

<table>
<thead>
<tr>
<th>Shares</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common - ₱0.01 par value</td>
<td></td>
</tr>
<tr>
<td>Authorized</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Issued and outstanding - subscriptions</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Balance at August 31, 2018</td>
<td>25,000,000</td>
</tr>
</tbody>
</table>

The Fund’s objective is to achieve reasonable capital growth through investing in short-term (less than one year) fixed-income securities and instruments. The Fund seeks to provide a high level of current income, consistent with the preservation of capital and liquidity by observing regulatory guidelines.

The initial authorized capital of the Fund amounting to ₱1.00 million is divided into 100 million common redeemable shares of ₱0.01 par value with each share carrying one vote was approved by the SEC on March 1, 2018.

**NAV per share**

As defined by the Fund’s prospectus, NAV per share is computed by dividing net assets/liabilities (total assets less total liabilities) by the total number of units/shares issued and outstanding as of the reporting date.

As of August 31, 2018, NAV per share follows:

| NAV attributable to holders of redeemable shares | ₱24,931,030 |
| Number of redeemable shares | 25,000,000 |
| NAV per share | ₱0.9972 |

*Deficit* of ₱0.07 million pertains to the net loss incurred for the period March 1, 2018 to August 31, 2018.
Results of Operations (March 1, 2018 to August 31, 2018)

The Fund incurred a net loss of P0.07 million for the period March 1, 2018 to August 31, 2018.

The details of the income and expenses incurred are as follows:

*Interest income*
Interest income amounting to P0.07 cash in bank, time deposits and short-term placements.

*Directors’ fees*
This account pertains to the fees paid to the Directors and Officers for their attendance in the meeting held during the period.

*Taxes and licenses*
Taxes and licenses relates to local business permits.

*Miscellaneous*
This account consist of various pre-operating expenses.

**Key Performance Indicators**

*Net Asset Value Per Share* - Net Asset Value per share amounted to (P1.7933) and (P1.2435) as of September 30, 2017 and December 31, 2016, respectively.

*Sales for the period* - The Fund had no sales for the period March 1, 2018 to August 31, 2018 aside from the seed capital infused by FAMI.

*Redemptions for the period* - The Fund had no redemption for the period March 1, 2018 to August 31, 2018.


*Market Share vs. Benchmark* – The fund has not yet started its commercial operations. As of August 31, 2018, the Fund held no share yet in the Money Market Fund Local Currency denominated category and among all mutual funds in terms of net assets. On the basis of account holders, the Fund has six outstanding accounts.

**Discussion and analysis of material events and/or uncertainties**

The Fund Manager is not aware of any event and/or uncertainties that:
- will have a material impact on liquidity
- will trigger direct or contingent obligation that is material to the Fund including any default or acceleration of obligation
- will have an impact on all material off-balance sheet transactions, arrangement, obligations and other relationships of the Fund
- is a significant element of income or loss that did not arise from the Fund’s continuing operations.
Financial Soundness Indicators

The following basic ratios measure the financial performance of the Company for the periods ended September 30, 2017 and December 31, 2016.

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>September 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Assets (^1)</td>
<td>(0.28%)</td>
</tr>
<tr>
<td>Return on Equity (^2)</td>
<td>(0.28%)</td>
</tr>
<tr>
<td>Cost to Income Ratio (^3)</td>
<td>n.a.</td>
</tr>
<tr>
<td>Net Asset Value Per Unit (^4)</td>
<td>₱0.9972</td>
</tr>
<tr>
<td>Earnings Per Share (^5)</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

\(^1\) Net Investment Income divided by Average Total Assets  
\(^2\) Net Investment Income divided by Average Total Equity  
\(^3\) Operating expenses for the cost-to-income ratios do not include provision for probable losses and provision for income taxes.  
\(^4\) Net asset value per unit by deducting total liabilities from total assets to come up with the Net Assets and dividing with the outstanding number of shares for the year.  
\(^5\) Net income divided by weighted average number of common shares

TOP FIVE KEY PERFORMANCE INDICATORS

The performance of a Fund is important to its investors. Oftentimes, it is used when making investment decisions. That is why Key Performance Indicators (KPI), a set of quantifiable measures, is necessary to gauge its performance in terms of meeting the Fund’s investment objective while consistently following its investment policy.

I. Total return

The performance of a mutual fund is always expressed in terms of its total return, which is the sum of the change in a Fund’s Net Asset Value (NAV), its dividends and its capital gains distributions over a given period of time, net of its expenses.

II. Market conditions

A Fund’s true performance potential needs to be evaluated within the context of the market environment prevailing during the different periods used.

It is most relevant to investors to measure the performance of a fund within a 10-year time frame as it will most likely cover a mix of market conditions that may be translated into a more reliable long-term indicator of the Fund Manager’s investment management abilities.

III. Benchmarks

Benchmarking is one of the most important aspects of a mutual fund’s total return performance. A fund’s performance metrics only have meaning if they are compared to appropriate "guideposts," or benchmarks.

As for the Fund, its performance is measured against a thirty (30) days special savings account of Top Tier Banks.

IV. Peer comparisons

Mutual funds are also compared to their peers, or peer groups, and relevant fund categories. For example, it is common for investment research materials to compare a stock fund, like the FAMI Philippine Stock Index Fund, to funds similar in nature (peers or peer group). While this information is made available to the Fund’s investor, the same may be found in the website of the Investment Company Association of Philippines at www.pifa.com.ph.
V. Asset size

Open-ended mutual funds grow their asset size in two ways:

1. Increase in the value of the underlying assets as a result of the strong performance of equity securities and/or bonds in the fund's portfolio. When the underlying assets in a portfolio increase in value, the fund's asset size increases.

2. The inflow of investors' money. This is why a fund's asset size will continue to grow even if it has a negative return.

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

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

Most analysts check whether the performance of a mutual fund is attributable to personnel who have since left the fund. While there is no magic number when it comes to fund manager tenure, it should provide some investor comfort to know that with respect to the Fund, the Fund Manager and the Fund’s top management have been with the Fund for at least 5 years. Furthermore, the company, having been in the business for decades combined with a record of consistent strong performance indicates a stability and resilience capable of withstanding the different stages of the business cycle.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

AUDIT AND AUDIT-RELATED FEES

The present auditor of the Fund is Sycip, Gorres, Velayo and Company. The reports of said auditors on the interim financial statements of the company for the period ended March 1, 2018 to August 31, 2018 contained unqualified opinions.

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their respective reports on the financial statements for such years.

The aggregate fees paid for the professional services rendered by SGV & Company for the audit of our Interim Financial Statements for the period ended March 1, 2018 to August 31, 2018 is ₱55,440. SGV & Co. Conducted the audit in accordance with auditing standards generally accepted in the Philippines to obtain reasonable assurance about whether the financial statements are free of material misstatements. Their audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

TAX FEES

There are no professional services rendered by the external auditor for the last two fiscal years for tax accounting, compliance, advice, planning and any other form of tax services.

ALL OTHER FEES

There are no other fees billed by the external auditor for any other products and services for the last two fiscal years.

The Fund’s audit and compliance committee reviews the client service plan and service fee proposal presented by the external auditor and recommends such for the approval of the Board of Directors, if found acceptable.
DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

DIRECTORS AND EXECUTIVE OFFICERS
The Board of Directors is responsible for conducting all businesses of the Fund. It shall exercise general supervision over the duties performed by the Investment Company Adviser, Distributor, Transfer Agent and Custodian of the Fund.

The Fund has seven (7) directors, all of whom must be pre-screened and shortlisted by the Fund’s nomination committee in accordance with the qualifications and disqualifications set forth in the Fund’s Manual on Corporate Governance prior to their election. All elected directors hold office for one (1) year until the stockholders elect their successors annually during the annual meeting or adjournment thereof, or at any special meeting called for that purpose.

The following are the Fund’s current directors and officers:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusto M. Cosio, Jr.</td>
<td>Chairman</td>
</tr>
<tr>
<td>Eduardo S. Carreon</td>
<td>President</td>
</tr>
<tr>
<td>Roderick C. Salazar Jr.</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Jose Allan I. Arellano</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Rafael K. Eloriaga</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Edgar B. Solilapsi</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Helen U. Fargas</td>
<td>Independent Director</td>
</tr>
<tr>
<td>Marie Arabella D. Veron</td>
<td>Treasurer</td>
</tr>
<tr>
<td>Jonef A. Samonte</td>
<td>Assistant Treasurer</td>
</tr>
<tr>
<td>Nimfa B. Pastrana</td>
<td>Corporate Secretary</td>
</tr>
<tr>
<td>Jonathan Tabac</td>
<td>Compliance Officer</td>
</tr>
</tbody>
</table>

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

**Augusto M. Cosio, Jr., 66, Filipino, Chairman.** Term of office is one year. He served as President of First Metro Asset Management, Inc. and has been a member of the First Metro Investment Corporation (FMIC) Investment committee since 2008. In FMIC, he held the position of Vice President from September 2006-2010. Mr. Cosio has had extensive experience in investments and the capital markets both locally and internationally. He served as consultant to the Mutual Fund Company of the Philippines (Kabuhayan Fund) in 2003. He was Vice President at Bank Austria Private Banking in Hong Kong from 2000 to 2001 managing portfolios for private clients. He was previously President of PNB Securities Inc. (1997 to 2000) and a nominee and a member of the board of the Philippine Stock Exchange (1999).

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

He is also a resource speaker for a fixed income courses at the Ateneo Center for Continuing Education and the University of Asia and the Pacific as well as for the PSE Certified Securities Specialist Course. He pursued his course of AB Social Science at the University of the Philippines finishing in 1974. He received further training in international capital markets through seminars and courses conducted by BNP and Barque Paribas in London, Paris, Tokyo and New York.
Eduardo S. Carreon, 58, Filipino, President. Term of office is one year. Mr. Carreon is the President and CEO of CVLFF Consultancy and Outsourcing Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise Financial Services (2003-2008). He served as Consultant for Capital Advisors for Private Enterprise Expansion Inc. from 1998-1999. He was also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank – 1974-1979; and Pro Manager, Citibank from 1970-1973. Mr. Carreon graduated from the Ateneo de Manila University in 1969 with a Bachelor of Arts degree. He is also an MBA candidate from the Ateneo Graduate School of Business.

Roderick C. Salazar, 70, Filipino, Director. Term of office is one year. Mr. He has served as an independent director of Cebu Holdings Inc. (CHI) since 2005. For more than 15 years, until June 2014, he was Chairman of the Board of Trustees of St. Jude Catholic School in Manila. He is currently the Chair of the Board of Trustees of St. Scholastica's College, Westgrove; and St. Agnes Academy in Legazpi City. He is a member of the Board of Trustees of St. Paul University in Dumaguete City and Center for Educational Measurement (CEM). He is the Regional Secretary for Asia, and the President of the Office Internationale de l'Enseignement Catholique (OIEC), while concurrently serving as the Executive Secretary of the Office of Education and Faith Formation of the Federation of Asian Bishops Conferences (FABC-OEFF). He worked in various academic and administrative positions at the University of San Carlos for 34 years (1975-2009) since his ordination to the priesthood on June 21, 1974. He was USC president for twelve years (four 3-year terms: 1987-1990; 1990-1993; 2002-2005; 2005-2008). From 1992 to 2008, he was also President of the Catholic Educational Association of the Philippines (CEAP). Before being elected OIEC president in October 2011, he was vice president for Asia of the same organization. His term as OIEC president having expired in 2015, he is now Vice President and Regional Secretary for Asia of the same organization. Outside USC, he was member of various groups like FILIPINO, Inc. (Filipino Institute for the Promotion of Integrity and Nobility); San Carlos Community Development Foundation, Divine Word Educational Association (DWEA); Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU); Private Educational Advisory Council (PEAC); Word Broadcasting Corporation. As CEAP president, he served three terms as chair of the Coordinating Council of Private Educational Associations (COCOPEA). He has also been Chair of the Board of Trustees of St. Scholastica's Academy in Tabunok, Talisay City, Cebu; Divine Word University (now Liceo del Verbo Divino) in Talcloban City; and Divine Word College of Tagbilaran (now Holy Name University). He was a member of the Board of Trustees of St. Paul University in Tuguegarao, and, at different times, of the St Paul Colleges in Pasig, Iloilo, and Surigao, as well as of the Visayas Cluster of the Daughters of Charity (DC) schools. He was a Board Director of People's Television Network (PTV4), and of First Metro Asset Management, Inc. (FAMI). He has two Master’s Degree, one in Philosophy from Divine Word Seminary, Tagaytay City, and another in Mass Communications from the University of Leicester, England. He has two honorary Doctorates in the Humanities, the first given in March 2010 by St Paul University, Tuguegarao City; the second, awarded by Aquinas University, Legazpi City on April 8, 2011. On August 14, 2010, in the Archdiocese of Cebu, he received the Papal Award Croce Pro Ecclesia et Pontificie for his years of service to Catholic Education. In June 2014 his congregation appointed him Director of SVD Mission Philippines. In June 2015, he became member of the Board of Trustees of Immaculate Conception Academy, a Catholic school run by the Missionaries of the Immaculate Conception (MIC).

Dr. Edvia B. Valero - 55 years old, Filipino, Vice President. Term of office is one year. He is First Vice President of First Metro Asset Management, Inc (from 2005-Present). He was the President of First Metro Save & Learn Balanced Fund (Jan 2007 to June 2011), First Metro Save & Learn Fixed Income Fund and First Metro Save & Learn Equity Fund (from May 2005 to June 2011), and President of First Metro Save and Learn Money Market Fund, Inc. (2008 to 2011). He is Vice President/Trustee/Corporate Secretary of Philippine Investment Funds Association, Inc. (2006-present) and an Associate Professorial Guest Lecturer at De La Salle University-Graduate School of Business (2000-2009). He was a Mutual Fund Strategist/Consultant at First Metro Investment Corp.
Jose Allan I. Arellano, 49, Filipino, Director. Term of office is one year. He is the OIC and Executive Director of Catholic Educational Association of the Philippines since 2010. He ensures that the organization is fiscally and programmatically sound and strategically advancing its purpose and goals. He has served 15 years of teaching, in administrative and supervisory work at St. Scholastica’s College High School Unit, Manila and was awarded the “Teaching Chair Holder” from 1994-2006. He finished his BSE Major in Social Science and Certificate for English Teaching, Cum Laude at Philippine Normal University. He earned his Master’s degree in Religious Studies/Pastoral Ministry at St. Vincent School of Theology, Adamson University. Mr. Arellano was also Principal, in Basic Education Dept., at World Citi Colleges where he formulates, recommends, documents plans, policies, rules and procedures in line with the objective and goals of the institution.

Raphael K. Eloriaga, 54, Filipino, Director. Term of office is one year. He is the Finance Committee Member of Congregation of the Mission since 2013 and the Chairman of Philippine Association of Religious Treasurers (PART) in 2014. He held various key positions in the Bank of the Philippine Islands from 1991 to 2006. He has a Bachelor of Science Degree in Accountancy, Cum Laude from Fr. Saturnino Urios University and a Bachelor of Arts Degree in Philosophy and Literature from Adamson University and De La Salle University.

Edgar B. Solilapsi, 66, Filipino, Director. Term of office is one year. He is an Independent Director for First Metro Save and Learn Fixed Income Fund, Inc. and First Metro Save and Learn Equity Fund, Inc. Mr. Solilapsi served as the Executive Vice President (EVP) for Investments in the Social Security System (SSS) (2010 to 2014). Prior to his stint as EVP, he held various positions in SSS from 1988 to 2010. Prior to joining SSS, Mr. Solilapsi held various positions in other institutions. He was also Teacher for International School and a professional lecturer at the University of the Philippines College of Business Administration.

Mr. Solilapsi received his Bachelor of Science in Mathematics degree from the University of the Philippines in 1973 and earned a master in business administration from the University of the Philippines in 1981. He also took a course on Operations Research / Management Science, Fellow, Life Management, from the Institute of Atlanta, Georgia also in 1981.

Helen U. Fargas, 65, Filipino, Director. Term of office is one year. Ms. Fargas is currently a Consultant in National Branch Banking Sector and has been with Metrobank since 2000. She served as a director in Orix Metro Leasing Corp. from 2011-2014 and in Charter Ping-An Insurance Corp from 2007-2011. She has been a member of different bank-level committees from 2004-2014. Ms. Fargas held various key positions and supervised all of the 610 Metrobank Domestic Branches nationwide with manpower headcount of 6,035 when she was the Executive Vice President/Sector Head from 2012-2014. She also joined PCI Bank and served from 1973-1999 where she achieved the most coveted award in all categories bankwide, the Area of the Year Award when she was the Assistant Vice President / Area Manager – Branch Banking Segment.

Marie Arabella D. Veron, 57, Filipino, Treasurer. Term of office is one year. Ms. Veron was elected to the Board in April 2011. She is the Controller and First Vice President of First Metro Investment Corporation, Treasurer/Director of SBC Properties, Inc. (2003-2016) and Treasurer of PBC Capital Investment Corporation (2006-2016), Treasurer of First Metro Save & Learn Money Market Fund, Inc., First Metro Global Opportunity Fund, Inc., First Metro Save & Learn Fixed Income Fund, First Metro Save & Learn Equity Fund and First Metro Save and Learn Balanced Fund, Inc., (2006-present). She was a manager of MBTC Domestic Subsidiaries, a Senior Auditor of Joaquin Cunanan & Co./Price Waterhouse (1980-1985) and of Philippine International Trading Corporation (1985-1990). Ms. Veron finished her Bachelor of Science Degree in Business
Administration, major in Accounting from University of the East. She is a Certified Public Accountant and a Certified Management Accountant.

**Jonef A. Samonte, 48, Assistant Treasurer.** Term of office is one year. Mr. Samonte is the Vice President of First Metro Assset Management, Inc. (FAMI) since 2016. Prior to joining FAMI, he was with Manulife Philippines from 2012 to 2016 during which time he held the position of Assistant Vice President – New Markets Development & Agency Recruitment and Branch Head of Perseus Branch. From 2009 to 2012 he was the director of Gnostek and headed the non-technical glass reinforced systems. In Generali Pilipinas Insurance, Co., from 2006 to 2009, he was the Senior Assistant Vice President and the Channel Head (Nonlife). He was with One Gen Marketing Services fr two years (2004 – 2006) as a General Manager. When he was with American International Group (AIG) Philam Insurance, he was the Operations Head of Agencies and Branches. Another notable positions held were Assistant Vice President Specialized Marketing Services, International Operations Platinum Plans Phil., Inc. (2000 to 2002). Mr. Samonte finished his tertiary education at the University Of The Philippines earning a Bachelor of Science in Hotel &Restaurant Administration.

**Nimfa B. Pastrana, 56, Filipino, Corporate Secretary.** Term of office is one year. Atty. Pastrana is the First Vice President, General Counsel and Asst. Corporate Secretary of First Metro Investment Corporation since 2012 and 2002, respectively. She is also the Corporate Secretary of First Metro Save & Learn Fixed Income Fund, Inc., (from May 2005 to present) First Metro Save & Learn Dollar Bond Fund, Inc. (from 2008 to present) First Metro Global Opportunity Fund, Inc. (from 2010 to present), First Metro Securities Brokerage Corporation (2004 to present), PBC Capital Investment Corporation (2004 to present), Prima Ventures Development Corporation and First Metro Asset Management Inc. She graduated from the University of the Philippines with a degree A.B. Philosophy and from San Beda College with a Bachelor of Laws degree.

**Jonathan T. Tabac, 63, Filipino, Compliance Officer.** Term of office is one year Mr. Tabac has served as FAMI’s Compliance Officer since 2005. Term of office is one year. He is also the Compliance Officer of First Metro Investment Corporation, First Metro Securities Brokerage Corporation, First Metro Save & Learn Fixed Income Fund, First Metro Save & Learn Equity Fund, and First Metro Asset Management, Inc (from May 2005 to present). He was AVP & Compliance Officer of Citystate Savings Bank (2002-2003), Vice President of Maybank Philippines (formerly PNB Republic Planters Bank)-1997-2001 and Chairman of the Board of RPB Provident Fund, Inc.(1997-2001) Mr. Tabac finished BSC-Accounting from University of Baguio and MBA units from the University of Santo Tomas. He is a Certified Public Accountant.

**INCORPORATORS**
The following are the incorporators of the company:

1. Augusto M. Cosio, Jr.
2. Rey D.C. Erlano
3. Marie Arabella D. Veron
4. Edwin B. Valeroso
5. Jonef A. Samonte

**SIGNIFICANT EMPLOYEES**
There is no “significant employee” as defined in Part IV(A) (2) of SRC Rule 12 (i.e., any person who is not an executive officer of the corporation but who is expected to make a significant contribution to the business)

**FAMILY RELATIONSHIP**
None of the current directors or officers is related to each other up to the 4th civil degree of affinity or consanguinity.

www.fami.com.ph
INVolVEMENT IN CERTAIN LEGAL PROCEEDINGS
None of the directors or executive officers of the Fund, its Fund Manager, and its Fund Manager’s directors and officers were involved during the past five (5) years in any legal proceeding which is material to an evaluation of their ability or integrity to serve as such, including, bankruptcy petition, conviction by final judgment, domestic or foreign criminal proceeding, being subject to any order, judgment or decree, or violation of a securities, banking or commodities law.

Likewise, there is no material pending legal proceeding to which the Fund, any of its affiliates is a party or in which any of its properties are the subject of the proceeding.

COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE
All of the directors and officers of the Fund have attended seminars on corporate governance given by a SEC-accredited provider. The Board reviews and updates its Manual on Corporate Governance (“Manual”) at least annually to ensure that it is kept abreast of global leading practices and principles on good corporate governance. At least annually, the directors accomplish a Board Effectiveness Questionnaire to determine their level of compliance, as well as top management’s. There have been no deviations from the manual.

In dealing with conflict of interest the following are the policies and procedures adopted by the Fund:

1. To ensure a high standard of best practice for the corporation, its stockholders and other stakeholders, the Board shall establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

2. A director shall conduct fair business transactions with the corporation and ensure that his personal interest does not conflict with the interests of the corporation. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest shall seriously consider resigning from his position.

A conflict of interest shall be considered material if the director’s personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.

3. The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation’s governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts. The minimum internal control mechanisms for the performance of the Board’s oversight responsibility may include Review of the corporation’s human resource policies conflict of interest situations, compensation program for employees, and management succession plan.

4. The Audit Committee has the following duties and responsibilities, among others:

- Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation’s overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation’s Annual Report and Annual Corporate Governance Report

- Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company’s RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the
approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company’s affiliation or transactions with other related parties.

5. The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation’s performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law. The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the corporation. Non audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

EXECUTIVE COMPENSATION
The members of the Board of Directors of the Fund shall receive per diem for their attendance in regular or special meetings of the Board in the amount of P10,000 per Director for every actual meeting attended.

For year 2018, the Fund forecasts a total Independent Directors’ per diem of Php174,000. The fund is newly incorporated, thus, no executive compensation was incurred from the previous year.

There is no employment contract between the Registrant and a named executive officer. There is no compensatory plan or arrangement, including payments to be received from the Registrant, with respect to a named executive officer in the event of resignation, retirement or any other termination of such officer’s employment with the Registrant and its subsidiaries.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AS OF 31 AUGUST 2018

<table>
<thead>
<tr>
<th>Title of Class</th>
<th>Name of and Address of Record Owner</th>
<th>Name of Beneficial Owner and Relationship with Record Owner</th>
<th>Citizenship</th>
<th>Number of Shares Held</th>
<th>Percent of Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>First Metro Asset Management, Inc.,(^1) /Stockholder /18F PSBank Center 777 Paseo de Roxas cor. Sedeno St. Salcedo Village, Makati City</td>
<td>Both the Record (R) &amp; Beneficial (B) Owner</td>
<td>Filipino</td>
<td>24,989,000</td>
<td>99.96%</td>
</tr>
</tbody>
</table>

\(^1\) FAMI, is the registered owner of the shares in the books of the Company. The Board of Directors of FAMI has the right to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of FAMI is Ms. Karen Liza M. Roa or any other officer/s appointed by the Board.
SECURITY OWNERSHIP OF MANAGEMENT AS OF 31 AUGUST 2018

<table>
<thead>
<tr>
<th>Name of Beneficial Owner</th>
<th>Number of Shares</th>
<th>Citizenship</th>
<th>Percent of Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusto M. Cosio, Jr.</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Eduardo R. Carreon</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Helen U. Fargas</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Edgar B. Solilapsi</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Rafael K. Eloriaga</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Jose Allan I. Arellano</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Roderick C. Salazar, Jr.</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Marie Arabella D. Veron</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Rey D.C. Erlano</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Jonef A. Samonte</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
<tr>
<td>Edwin B. Valeroso</td>
<td>1,000</td>
<td>Filipino</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

VOTING TRUST HOLDERS OF 5% OR MORE
No holder of five percent (5%) or more of the Fund’s common shares has a voting trust or similar agreement that vests voting rights or other powers to a voting trustee.

CHANGES IN CONTROL
There has been no change in control of the Fund since the beginning of the last fiscal year. There is no arrangement which may result in a change in control of the registrant.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS
The following are the interlocking directors and officers of FAMI and the Fund:

<table>
<thead>
<tr>
<th>Director/Officer</th>
<th>Fund</th>
<th>FAMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusto M. Cosio</td>
<td>Chairman And Director</td>
<td>Director</td>
</tr>
<tr>
<td>Eduardo Carreon</td>
<td>Director</td>
<td>President</td>
</tr>
<tr>
<td>Nimfa B. Pastrana</td>
<td>Corporate Secretary</td>
<td>Corporate Secretary</td>
</tr>
<tr>
<td>Marie Arabella D. Veron</td>
<td>Treasurer</td>
<td>Treasurer</td>
</tr>
<tr>
<td>Jonathan Tabac</td>
<td>Compliance Officer</td>
<td>Compliance Officer</td>
</tr>
</tbody>
</table>

Other than these interlocking directors and officers, management and members of the Board of Directors of the Fund are not involved in any companies that the Fund deals with.

SUMMARY OF PRINCIPAL AGREEMENTS
The following is a summary of the material terms of the principal agreements related to the business of the Fund and should not be considered to be a full statement of the terms and provisions of such agreements. Accordingly, the following summary is qualified by reference to each agreement and is subject to the full text of each agreement.
MANAGEMENT AND DISTRIBUTION AGREEMENT
The Fund and FAMI entered into a Management and Distribution Agreement notarized on _________, in order for FAMI to provide certain services to the Fund, such as: investment and re-investment of the assets, preparation and submission of such information and data relating to the Fund; coordination of the activities; preparation of reports, circulars and notices and other information as may be required; representation with government offices; accounting, bookkeeping, clerical and other administrative facilities; provision of office space and other administrative facilities to the Fund; and carrying out of due diligence with respect to any broker through whom the Fund deals in the conduct of its investment operations.

The Management and Distribution Agreement is presented annually to the Board of Directors for its approval.

FAMI may, without need of prior approval of or prior notification to the Fund, purchase and sell securities or make other investments for the account of the Fund, within the limits of the Fund’s investment objectives, policies or guidelines and subject to the provisions of R. A. 2629.

The Agreement enables FAMI to act as Principal Distributor and sell shares on a best effort basis of the capital stock of the Fund at a public offering price equal to the NAVPS in effect at the time of the sale and the sales commission payable to FAMI.

The Fund agrees to pay FAMI annual fee of up to 1.50% of AUM, provided that in no case may the total compensation to FAMI exceed any maximum limit under R. A. 2629.

TRANSFER AGENT AGREEMENT
The Fund and Metropolitan Bank and Trust Company have executed a Transfer Agency Agreement notarized on October 4, 2018, for FAMI to perform transfer agency services for the Funds.

This Agreement became effective on October 4, 2018 and shall be deemed automatically renewed every year thereafter, unless FAMI or the Fund shall have notified the party in writing at least sixty (60) days prior to the intended effective date of termination of its intention not to renew the agreement.

The Fund agrees to pay to FAMI, as compensation for the latter’s services and facilities a monthly fee of Php10,000.00. Provided, however, that in no case may the total compensation to FAMI exceed any maximum limit prescribed under the law, rule and/or regulations.

CUSTODY AGREEMENT
All proceeds from the sale of shares/securities, including the original subscription/payments at the time of incorporation constituting the paid-in capital of the Funds shall be held by their designated custodian banks.

INSTRUMENTS OR STATEMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS
There are no instruments defining the rights of security holders, including indentures as well as any documents or statements to security holders. There are likewise no published reports regarding matters submitted to the vote of security holders.

TAXATION
Investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding, and redeeming shares of the Fund. Section 32 (B) (7) (H) of the Philippine Tax Code excludes from gross income gains realized from redemption of shares in mutual funds, making such gains exempt from income tax. Mutual funds are eligible investment products under R. A. 9505 or the “Personal Equity and Retirement Account (PERA) Act of 2008” and qualified mutual fund investments under said law would entitle the investor to certain tax benefits. Tax related laws, rules and regulations are factors that are subject to rapid change and which could detrimentally affect the performance of the Fund.