

**FIRST METRO SAVE AND LEARN MONEY MARKET FUND, INC. (SALMMF)**  
ANNUAL MEETING OF THE STOCKHOLDERS  
Wednesday, September 16, 2020, 02:00PM  
Livestream, link provided in the website  
<https://fami.com.ph/>

**AGENDA**

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on June 19, 2019
4. Annual Report to the Stockholders
5. Amendment of Prospectus (Revision of Investment Objective and Guidelines)
6. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2019, including the following:
  - a. Amendment to the Management Distribution Agreement
7. Election of the Members of the Board of Directors for the year 2020-2021
8. Appointment of External Auditor for the year 2020.
9. Other Matters
10. Adjournment

Stockholders of record as of August 7, 2020 shall be entitled to vote at the meeting.

As a precautionary measure against the spread of COVID-19, the Company will not be conducting a physical annual shareholders' meeting. The conduct of the annual shareholders' meeting will be streamed live, and shareholders may attend the meeting by registering on or before 12:00 noon on September 16, 2020. Due to the limitations of available technology, voting will not be possible during the livestream, but participants may send in questions or remarks via the livestream platform.

If you cannot attend the meeting in person and you wish to be represented, you may designate your authorized representative by submitting a signed proxy document on or before September 4, 2020, through email at [20is@fami.com.ph](mailto:20is@fami.com.ph) and hardcopies at 18<sup>th</sup> Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City.

Attached for your convenience is a sample proxy form.

This Agenda and the attached sample proxy form together with the Definitive Information Statement including the Audited Financial Statements will be distributed through electronic mail to all stockholders as of record date.

  
**NIMFA BALMES-PASTRANA**  
Corporate Secretary

PROXY

The undersigned stockholder of **FIRST METRO SAVE AND LEARN MONEY MARKET FUND, INC.** hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, as attorney-in-fact and proxy, with power of substitution, to present and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on Wednesday, September 16, 2020 and at any of the adjournments thereof. The proxy shall be revoked only in writing and by informing the Corporate Secretary prior to the annual stockholders meeting.

The proxy may vote by checking (✓) the area that corresponds to his vote. In the election of the Members of the Board of Directors, the proxy shall indicate number of votes on the blank place provided beside the names of the nominees or check abstain should they wish to do so.

ITEMS	ACTIONS		
	Yes	No	Abstain
1. Approval of the Minutes of the Annual Stockholders' Meeting held on Approval of the Minutes of the Annual Stockholders' Meeting held on June 30, 2019			
2. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2019, including the following:  a. Amendment to the Management Distribution Agreement			
3. Revision of Portfolio Constituents and Investment Guideline and Objective			
4. Election of the Members of the Board of Directors for the year 2020-2021	# of Votes		
Ms. Helen U. Fargas			
Mr. Eduardo R. Carreon			
Mr. Edgar B. Solilapsi			
Fr. Rafael K. Eloriaga, CM			
Mr. Jose Allan I. Arellano			
Fr. Roderick C. Salazar, Jr., SVD			
	Yes	No	
5. Appointment of External Auditor for the year 2020.			

\_\_\_\_\_  
PRINTED NAME OF STOCKHOLDER

\_\_\_\_\_  
SIGNATURE OF STOCKHOLDER/  
AUTHORIZED SIGNATORY

\_\_\_\_\_  
DATE

<sup>1</sup> Please fill-out and sign the proxy form and return via mail/email/Metrobank Branches on or before 5:00 p.m. on September 4, 2020.  
Via Mail: To the Corporate Secretary, 18<sup>th</sup> Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City  
Via Email: 20is\_fami@fami.com.ph | Via Fax: (02) 816-0467  
Via Metrobank Branches: Use Pouch Code 90020. This service is free of charge.

<sup>2</sup>This proxy shall be valid for a period of five (5) years from the date of its execution. This proxy shall continue to be in effect until and unless withdrawn by written notice delivered to the Corporate Secretary, but shall not apply in instances wherein the undersigned personally attends the meeting.

<sup>3</sup>If no name is provided; the Chairman of the Meeting will act as the proxy.

THIS PROXY NEED NOT BE NOTARIZED. IF THE STOCKHOLDER ATTENDS IN PERSON AND EXPRESSES HIS INTENTION TO VOTE IN PERSON, THE PROXY WILL BE REVOKED.

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box  
( ) Preliminary Information Statement  
(/ ) Definitive Information Statement
2. Name of registrant as specified in its charter:  
**FIRST METRO SAVE & LEARN MONEY MARKET FUND, INC.**
3. Province, Country or other jurisdiction of incorporation or organization;  
**Metro Manila, Philippines**
4. SEC Identification number: **CS201801646**
5. BIR Tax Identification Code: **009-911-041-000**
6. Address of Principal Office:  
**18<sup>th</sup> Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City**
7. Telephone Number:  
**(632) 8912860, (632)8405710, Fax No. (632) 8160467**
8. Date, time, place, of Date meeting of Security holders, 2020  
**Time : 2:00 p.m.**  
**Place : Livestream at the link provided in  
<https://fami.com.ph/>**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **August 24, 2020**
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of each class	Number of Shares of Common Stock Outstanding (Par value of P1.00)
<b>Common Shares</b>	<b>542,577,364 shares</b>
11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?  
**No.**

## PART I - INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### Item 1. Date, Time, and Place of Meeting of Security Holders:

Date : Wednesday, September 16, 2020  
Time : 02:00 p.m.  
Place : Livestream at the link provided in <https://fami.com.ph/>

#### Mailing Address of the Registrant

18<sup>th</sup> Floor, PS Bank Center, 777 Paseo de Roxas, corner Sedeño St., Makati City

#### Approximate date on which the Information Statement is first to be sent or given to security holders:

August 24, 2020

#### Item 2. Right of Appraisal:

There are no matters or proposed corporate actions which may give rise to a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines.

#### Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon:

- a) Other than election to office, there is no matter to be acted upon in which any director or executive officer is involved or had a direct, indirect or substantial interest.
- b) No director has informed the registrant, in writing or otherwise, that he intends to oppose any action to be taken by the registrant at the Meeting.

### B. CONTROL & COMPENSATION INFORMATION

#### Item 4. Voting Securities and Principal Holders Thereof:

##### a) Class of Voting Shares:

Class of Voting Securities	Total Outstanding Shares	Votes Entitlement
Common Shares	<b>542,577,364</b>	One (1) vote per Share

##### b) Record Date

Stockholders of record as of August 7, 2020 are entitled to notice and to vote in the Annual Stockholders Meeting.

##### c) Security Ownership of Certain Record and Beneficial Owners and Management:

The following stockholders own more than 5% of the common voting securities as June 30, 2020.

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	Percent to Outstanding Shares
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Common Shares	First Metro Asset Management, Inc. <sup>1</sup> /Stockholder /18F PSBank Center 777 Paseo de Roxas cor. Sedeno St. Salcedo Village, Makati City	Same	Filipino	119,944,869	22.11%
Common Shares	Philippines First Insurance Co., Inc. <sup>2</sup> STI Holdings Center, Makati City	Same	Filipino	97,506,904	17.97%
Common Shares	Novaliches Development Cooperative <sup>3</sup> Buenamar cor. Sarmiento St., Novaliches, Quezon City	Same	Filipino	57,178,911	10.54%
Common Shares	First Metro Securities Brokerage Corporation FAO Various Clients, Inc. <sup>3</sup> /18F PSBank Center 777 Paseo de Roxas cor. Sedeno St. Salcedo Village, Makati City	Same	Filipino	50,799,630	9.36%

<sup>1</sup> 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.

<sup>2</sup> Philippines First Insurance Co., Inc. is the registered owner of the shares in the books of the Company. The Board of Directors of Philippines First Insurance Co., Inc. 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 Philippines First Insurance Co., Inc. is Cres Bendijo or any officers appointed by the Board.

<sup>3</sup> Novaliches Development Cooperative is the registered owner of the shares in the books of the Company. The Board of Directors of Novaliches Development Cooperative 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 Novaliches Development Cooperative is Evelyn C. Dimacale or any officers appointed by the Board.

The respective registered owner(s) of the shares of First Metro Securities Brokerage Corporation FAO Various Clients has/have 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.

### Security Ownership of Directors/Management:

Following are the securities owned by directors and officers of the Fund as of June 30, 2020:

Title of Class	Name of Beneficial Owners	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common Shares	Helen U. Fargas	1,000	Filipino	0.000%
Common Shares	Fr. Rafael K. Eloriaga*	1,000	Filipino	0.000%
Common Shares	Eduardo R. Carreon	1,000	Filipino	0.000%
Common Shares	Edgar B. Solilapsi*	1,000	Filipino	0.000%
Common Shares	Fr. Roderick C. Salazar, Jr.	1,000	Filipino	0.000%
Common Shares	Jose Allan I. Arellano	1,000	Filipino	0.000%
Common Shares	Marie Arabella Veron	1,000	Filipino	0.000%
Common Shares	Edwin B. Valeroso	1,000	Filipino	0.000%

\*Independent Directors

The Corporation knows of no other person holding more than 5% of common shares under a voting trust or similar agreement.

There is no arrangement that may result in a change in control of the registrant.

No change of control in the Corporation has occurred since the beginning of its last fiscal year.

#### **Item 5. Directors and Executive Officers**

Incumbent Directors (6) - All directors are elected for a term of one year and until their successor shall have been elected or qualified. Below is a list of SALMMF's incumbent directors with their corresponding business affiliations and other qualifications.

All other officers shall be elected/appointed by the Board of Directors. Vacancies occurring among such officers however arising shall be filled by the Board.

The Board of Directors of the Fund as of August 7, 2020 are as follows:

<b>Name</b>	<b>Experience</b>
Helen U. Fargas Chairman	Ms. Fargas, 67 years old, Filipino, 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.
Eduardo S. Carreon President	Mr. Carreon, 71 years old, Filipino, term of office is one year. Mr. Carreon is the President and CEO of CVLF 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.

<p>Jose Allan I. Arellano Director</p>	<p>Mr. Arellano, 49 years old, Filipino, 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.</p>
<p>Fr. Rafael K. Eloriaga, CM Independent Director</p>	<p>Fr. Rafael K. Eloriaga, 56 years old, Filipino, term of office is one year. Fr. Eloriaga is also the Independent Director for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Consumer Fund on MSCI Philippine IMI, Inc., and First Metro Philippine Equity Exchange Traded Fund, Inc. He is currently the Vice-President for Finance of Adamson University (2016-present), a member of the Finance Committee, General Curia under the Congregation of the Mission (2013 to present) and joined as member of the Board of Trustees of the Universidad De Sta. Isabel-Naga City (2016 to present). He was also former Cebu Business Center Head for Central and Eastern Visayas Senior Manager of BPI Family from 2005-2006 and the Provincial Econome, Philippine Province-Congregation of the Mission (2012-2016). He took up his AB Philosophy and Letter at Dela Salle University in 1983 and his BS Accountancy at Fr. Saturnino Urios University in 1994. He finished the Curriculum of Ordained Ministry and Masters in Pastoral Theology at St. Vincent School of Theology.</p>
<p>Fr. Roderick C. Salazar Independent Director</p>	<p>Fr. Salazar, 72 years old, Filipino, term of office is one year. He is an independent director of Cebu Holdings Inc. (CHI) since 2005. For more than 15 years, until June 2014, he was Chair 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 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 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</p>

	<p>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 Tacloban 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 Boards of Trustees 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 is 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 Pontifice for his years of service to Catholic Education. 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).</p>
<p>Mr. Edgar B. Solilapsi Independent Director</p>	<p>Mr. Edgar B. Solilapsi, 68 years old, Filipino, term of office is one year. Mr. Solilapsi is also an Independent Director for First Metro Save and Learn Equity Fund, Inc. and First Metro Save and Learn Fixed Income Fund, Inc. He 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. He 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.</p>

The two (2) independent directors, namely, Fr. Rafael K. Eloriaga, CM and Mr. Edgar B. Solilapsi, have always possessed the qualifications and none of the disqualifications of an independent director.

### Executive Officers

Name	Experience
<p>Dr. Edwin B. Valeroso Vice President</p>	<p>Dr. Edwin B. Valeroso, 56 years old, Filipino. He is First Vice President of First Metro Asset Management, Inc. He was the President of First Metro Save &amp; Learn Balanced Fund (Jan 2007 to June 2011), First Metro Save &amp; Learn Fixed Income Fund and First Metro Save &amp; Learn Equity Fund (from May 2005 to June 2011), and President of First</p>



	<p>Metro Save and Learn Dollar Bond Fund, Inc. (2008 to 2011). He is a Director of First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. He is presently Vice President of First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save and Learn Philippine Index Fund, Inc., First Metro Consumer Fund on MSCI Phils. IMI Inc., First Metro Save and Learn Money Market Fund, Inc. and First Metro Asia Focus Equity Fund, Inc. He is also the Chief Information Officer of First Metro Philippine Equity Exchange Traded Fund, Inc. He is Vice President and Trustee of Philippine Investment Funds Association, Inc. (2006-present) and an Associate Professorial Guest Lecturer at De La Salle University-Graduate School of Business (2000-present). He was a Mutual Fund Strategist/Consultant at First Metro Investment Corp. (2004-2005). Mr. Valeroso has a BS Actuarial Mathematics degree from University of Santo Tomas, a Master's degree in Applied Mathematics (major in Actuarial Science) from University of the Philippines, and a Doctor of Business Administration degree from De La Salle University-Manila. He is also an alumnus of the Trust Institute Foundation of the Philippines.</p>
<p>Ms. Marie Arabella D. Veron Treasurer</p>	<p>Ms. Marie Arabella D. Veron, 59 years old, Filipino. Term of office is one year and has served as such since June 2018. She is currently the First Vice President and Head of Corporate Services and Finance Group of First Metro Asset Management, Inc., Treasurer of First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save &amp; Learn Fixed-Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Fund on MSCI Phils. IMI Inc., First Metro Save and Learn Philippine Index Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. and First Metro Securities Brokerage Corporation. She also served as the First Vice President and Controller of First Metro Investment Corporation, Treasurer/Director of SBC Properties, Inc. and Treasurer of PBC Capital Investment Corporation (2003-2016). She was a Manager of MBTC Domestic Subsidiaries, a Senior Auditor of Joaquin Cunanan &amp; 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, Cum Laude from University of the East. She is a Certified Public Accountant and a Certified Management Accountant.</p>
<p>Atty. Nimfa B. Pastrana Corporate Secretary</p>	<p>Atty. Nimfa B. Pastrana, 58 years old, Filipino. Term of office is one year and has served as such since June 2018. She is First Vice President and Asst. Corporate Secretary of First Metro Investment Corporation. She is also the Corporate Secretary of First Metro Save &amp; Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc. and First Metro Save and Learn Fixed Income Fund, Inc., (from May 2005 to present), First Metro Save &amp; Learn Dollar Bond Fund, Inc. (from 2008 to present), First Metro Consumer Fund on MSCI Phils., IMI Inc. and First Metro Asia Focus Equity Fund, Inc. (from 2010 to present), First Metro Save and Learn Money Market Fund, Inc. (2018-Present), First Metro Save and Learn FOCCUS Dynamic Fund,</p>

	Inc., First Metro Securities Brokerage Corporation), PBC Capital Investment Corporation, Prima Ventures Development Corporation and First Metro Asset Management Inc. She graduated from the University of the Philippines with a degree in A.B. Philosophy and from San Beda College of Law with a Bachelor of Laws degree.
Mr. Jonathan T. Tabac Compliance Officer	Mr. Jonathan T. Tabac, 65 years old, Filipino. Term of office is one year and has served as such from June 2018. He is also the Compliance Officer of First Metro Securities Brokerage Corporation, First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., and First Metro Asset Management, Inc. (from May 2005 to present) and First Metro Save and Learn Philippine Index Fund, Inc., First Metro Save and Learn Money Market Fund, Inc. and First Metro Save and Learn FOCCUS Dynamic Fund, Inc.. He served as 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, Unc, (1997-2001). Mr. Tabac finished BSC-Accounting from University of Baguio. He is a Certified Public Accountant.

### Significant Employees

No person who is not an executive officer is expected by the Corporation to make significant contribution to its business.

### Nominee Directors

The following are the nominees to the Board of Directors for election during Annual Stockholders' Meeting on September 16, 2020:

Ms. Helen U. Fargas

Mr. Eduardo R. Carreon

Mr. Edgar B. Solilapsi\*

Fr. Rafael K. Eloriaga, CM\*

Mr. Jose Allan I. Arellano\*

Fr. Roderick C. Salazar, Jr., SVD\*

\*Independent Directors

### Independent Directors

In accordance with SRC Rule 38(8), First Metro Save & Learn Money Market, Inc. (SALMMF) has formulated its rules relative to the election of independent directors, as follows:

The Nomination Committee shall have at least three (3) members, one of whom is an independent director, and it shall promulgate the guidelines and criteria to govern the conduct of the nomination. The nomination of independent director/s shall be conducted by the Committee prior to a stockholder's meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Nomination Committee of the Board of Directors is composed of Mr. Eduardo Carreon as Chairman, with Fr. Roderick Salazar and Ms. Helen Fargas as member.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under SRC Rule 38. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared and no further nomination shall be entertained or allowed on the floor during the stockholders'/membership meeting.

Mr. Edgar B. Solilapsi and Fr. Rafael K. Eloriaga, CM are nominees for independent directors of First Metro Save and Learn Money Market Fund, and they were recommended to the Nominations Committee for election of independent directors by Ms. Wilma Crisostomo, stockholder, in accordance with the foregoing rules. Ms. Crisostomo has no relations with the nominees.

- **Fr. Rafael K. Eloriaga,CM, 56, Filipino.** Independent Director since 2016. Fr. Eloriaga is also the Independent Director for First Metro Save and Learn Equity Fund, Inc. since 2016 First Metro Consumer Fund on MSCI Philippines IMI, Inc. since 2018, and First Metro Save and Learn Money Market Fund, Inc. since 2018. Member, Board of Trustees, Universidad De Sta. Isabel- Naga City since 2016. Fr. Eloriaga is currently the Vice President for Finance of Adamson University. He was also former Cebu Business Center Head for Central and Eastern Visayas Senior Manager of BPI Family from 2005-2006.
- **Mr. Edgar B. Solilapsi, 68, Filipino,** Independent Director since 2016. Mr. Solilapsi is also an Independent Director of First Metro Save and Learn Equity Fund, Inc. since 2016 and First Metro Save and Learn Money Market Fund, Inc. since 2018. He 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.

### **Legal Proceedings**

To the knowledge and/or information of the Company, there are no materials legal proceedings filed by or against the directors and executive officers of the company nor any petition for bankruptcy, conviction by final judgment or violation of Securities Law has been filed, issued or committed during the past 4 years since its operations.

### **Family Relationships**

There are no family relationships among the directors and officers listed above up to the fourth civil degree either by consanguinity or affinity among the Directors, Officers or persons nominated.

### **Relationships and Related Transactions**

There had been no material transaction nor is there any material transaction currently proposed to which the Company was, or is a party, or in which any director or executive officer of the Company, had or is to have a direct or indirect material interest.

### **Item 6. Compensation of Executive Officers and Directors**

Per Diem payments to directors and officers for the year ended December 31, 2018, 2017 and 2016 are as follows:

	<b>2020</b> <b>(estimated)</b>	<b>2019</b>	<b>2018</b>
Directors	₱250,000	₱250,000	₱60,000
Executive Officers	77,500	67,000	10,500
Aggregate Annual Per Diem	₱327,500	₱317,000	₱70,500

Per diem of Directors, Corporate Secretary and Officers of the Fund amounting to ₱10,000, ₱3,000, ₱2,500, respectively, are given during their Annual Stockholders' and regular board meetings.

### **Employment Contracts, Termination of Employment and Change-in Control Arrangements**

There are no compensatory plans or arrangement with respect to any of its executive officers that can result to the resignation, retirement or any other termination of such executive officer's employment with the Fund; neither from a change in control of the registrant or a change in the named executive officer's responsibilities.

### **Item 7. Independent Public Accountants**

SGV & Co. is the external auditor of First Metro Save & Learn Money Market Fund Inc.. Representatives of SGV & Co. are expected to be present at the stockholders meeting on September 16, 2020. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

For the year 2020, First Metro Save & Learn Money Market Fund Inc. will still be engaging the services of SGV.

In compliance with SRC Rule 68, par. 3 (b)(iv), the signing partner of the auditing firm is rotated every after five (5) years of engagement. Janet A. Paraiso, signed the independent auditors' for the years 2019 and 2018. The reports of auditors on the financial statements of the company for the years ended December 31, 2019 and 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 Financial Statements for the years 2019 and 2018 are ₱141,680 and ₱110,880, respectively. 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.

There are no tax fees paid for the last 2 years for professional services rendered by SGV & Co. for tax accounting compliance, advice, planning and any other form of tax service.

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

### **Item 11. Authorization or Issuance of Securities Otherwise than for Exchange –N/A**

## **D. OTHER MATTERS**

## **Item 17. Amendment of Charters, By-Laws or Other Documents**

First Metro Save & Learn Money Market Fund's investment objective is stricter than what the law prescribed. Under Section 3.3 paragraph (g) of the Implementing Rules and Regulations of the Investment Company Act No. 8799 as money market fund is defined as "shall refer to an investment company that invests in short-term fixed income securities with a portfolio duration of one (1) year or less".

## **Item 18. Other Proposed Item**

1. Approval of the minutes of the meeting of the stockholders held on June 19, 2019, with the following points:
  - a) Approval of the Minutes of the Annual Stockholders' Meeting held on June 19, 2019
  - b) Annual Report to the Stockholders
  - c) Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2019, including the following:
    - i. Amendment of the Registration Statement and Prospectus in order to reflect the revision on investment objective
    - ii. Renewal of Management and Distribution Agreement
  - d) Election of the Members of the Board of Directors for the year 2019-2020
  - e) Appointment of External Auditor for the year 2019.
2. Ratification of Corporate Acts
  - a) Ratification of the minutes of the board meeting and all acts and resolutions of the Board, including among others the following:
    - i. Amendment to the Management Distribution Agreement with FAMI
3. Election of the Members of the Board of Directors for the year 2020-2021 – Please refer to the list of nominees under Item 5 – "Directors and Executive Officers – Nominee Directors" for the details.
4. Appointment of Sycip Gorres Velayo & Co. (SGV) as External Auditors for the year 2020 – Please refer to the write-up under Item 7 "Independent Public Accountants" for the details.

## **Voting Procedure**

The matters included in the agenda require the approval of the stockholders, as follows:

1. For the approval of the minutes of the 2018 meetings and the ratification/approval of the acts and resolutions of the Board, and the appointment of the external auditor, a majority vote of the stockholders present in the meeting is sufficient.
2. For the election of Directors - The votes of all the shares present or represented by proxy at the meeting will be on a per share basis.

Article III of Section 7 of the By-Laws states that "unless otherwise provided by law, each stockholder shall at every meeting of the stockholders be entitled to one vote, in person or by proxy, for each share with voting right held by such stockholder. At all meetings of the stockholders, all elections and all questions, except in cases where other provision is made by statute or by these By-Laws, shall be decided by the plurality vote of stockholders present in person or by proxy and entitlement to vote thereat, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting and entitlement to vote thereat, the vote on any question need not be by ballot. On a vote ballot,

each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

3. Methods by which votes will be counted

Voting shall be made *viva voce*, through the raising of the hands, and counted manually by the Corporate Secretary, unless there is a motion duly made and seconded for voting to be made via balloting.

The Board of Directors in its special meeting held on May 22, 2020, approved the adoption of guidelines to allow participation through remote/electronic means of communication in board/shareholders' meeting. The guidelines detail mainly: a) the mechanism to verify the identity of the shareholders; (b) the measures to ensure that all shareholders have the opportunity to participate in the meeting; and (c) the mechanism to enable shareholders to vote during the meeting.

The authority to allow shareholders to participate through remote communication will only be limited to the 2020 ASM, and not to any regular or special shareholder's meeting that may be called after.

**FIRST METRO SAVE & LEARN MONEY MARKET FUND, INC. YEAR 2019 ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH STOCKHOLDER UPON WRITTEN REQUEST ADDRESSED TO:**

**Atty. Nimfa Balmes-Pastrana**  
Corporate Secretary  
First Metro Save & Learn Fixed-Income Fund, Inc.  
18<sup>th</sup> Floor, PS Bank Center  
777 Paseo de Roxas, corner Sedeño St., Makati City

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on September 1, 2020.

**FIRST METRO SAVE & LEARN FIXED INCOME FUND, INC.**

By:

  
**NIMFA BALMES- PASTRANA**  
Corporate Secretary

## **PART II -COMPANY PROFILE**

### **Brief Description of the General Nature and Scope of Business of the Company**

The registrant is a stock corporation incorporated on March 1, 2018. It appointed First Metro Asset Management, Inc. (FAMI) as principal distributor of its shares of stock and will not sell or agree to sell any shares of its capital stock except through FAMI.

As of December 31, 2019, the registrant's total sales were ₱458.94 million. This is the main source of the company's revenues for the year.

FAMI'S marketing strategy will be based on the strategic partnership of CEAP, Marist and First Metro Investment Corp. FAMI will capitalize on the endorsement of the CEAP in order to educate the teachers on the concept of savings and mutual fund investing. The CEAP membership composed of over 20,000 teachers will be a primary source of retail investors. This competitive advantage will be further strengthened by FMIC's good track record, market experience and credibility, and position as the largest investment bank and backed-up by the largest universal bank in the country.

FAMI has set up a marketing network and accredits sub-distributors or agents to sell the shares. Accredited sub-distributors or agents are directly liable to FAMI.

FAMI will likewise capitalize on its relationships with the companies under the Metrobank Group. The group, with its total employee force of over 14,000 will be an excellent source of retail investors and referrals to high net-worth individuals. The corporations under the group are potential sources of institutional funds that will enable the FAMI mutual funds to attain critical mass at a faster pace.

### **Competition**

The competitive environment for the company's products includes not only the products and services offered by the other Mutual Fund players, but all other investment instruments that the Company's target market has access to.

The registrant's main competitors are the other mutual funds in the Money Market Fund category of Philippine mutual funds. It considers the money market funds of BPI, Sunlife, and Philam, as its main competitors. As of December 31, 2019, these four competitor Funds represent around 99.28% of the total money market funds sector. The company will be competing initially in terms of return on investment (ROI) and later on in terms of Fund size.

### **Effect of existing governmental regulation**

The Fund is governed by the provisions in its prospectus that incorporated relevant investment rules and regulations by regulators such as the Investment Company Act (ICA) and the SEC, among others.

The Fund primarily invests in fixed income instruments and securities such as but not limited to, government treasury notes and bills, private debt securities, short-term placements and other fixed income instruments or securities.

The Fund's investment activities are also by the following limits/conditions as set out in the revised Implementing Rules and Regulations (IRR) of ICA.

- a. Maximum investment in any single enterprise is allowed but only up to fifteen percent (15.00%) of the Fund's NAV, except for investments in securities issued by the Philippine Government



- or its instrumentalities and, in no case, shall the total investment of the Fund exceed ten percent (10.00%) of the outstanding securities of any one investee company.
- b. The Fund must not invest, in aggregate, more than twenty percent (20%) of its net assets in transferrable securities, money market securities, deposits and financial derivatives issued by a single entity or issuer. Deposit should not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license.
  - c. The investments of the Fund in deposits, debt securities or money market placements, over-the-counter financial derivatives placed in non-investment grade or unrated deposit taking institution, including unlisted shares issued by a related party, should not exceed five percent (5%) of its net assets and shall not exceed ten percent (10%) in aggregate amount.
  - d. Investments in foreign government debt securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating of investment grade may be increased to thirty five percent (35%) of the NAV, but only five percent (5%) is allowed for non-investment grade.
  - e. The Fund manager is required to use a risk-management process that captures the risk associated with in the financial derivative instruments:
    - Total exposure should not exceed ten percent (10%) of the net assets or five percent (5%) if the derivatives are not investment grade, unless used for efficient portfolio management which the aggregate shall not be more than twenty percent (20%);
    - Five percent (5%) of the NAV shall be invested to liquid assets to meet all payment and delivery obligations;
    - The Fund Manager shall not act as a counterpart to an OTC derivative investment into by the Investment Company.
  - f. Investment in its own securities are prohibited.
  - g. Investments in margin purchases of securities, commodity futures contracts, precious metals, unlimited liability instruments, short selling of currencies and securities are not allowed.
  - h. Purchasing or selling of securities other than capital stocks of the Fund from or to any of its officers or directors or the officers and directors of its investment adviser/s, manager or distributor/s or firm/s of which any of them are members is prohibited.
  - i. The Investment Company shall not engage in short selling.

In addition, the Fund should:

- a. Have a cash reserve, or assets with high liquidity, low market risk and can be cashed within T+1 day, of at least ten percent (10%) of its NAV;
- b. Invest in any of the following:
  - High quality debt securities;
  - Deposits; and
  - Money market instruments
- c. Shall not engage in direct lending of monies.

The Fund may borrow, on a temporary basis, for the purpose of meeting redemptions and bridging requirements provided that:

- the borrowing period should not exceed one month; and
- the aggregate borrowings shall not exceed ten percent (10%) of the net assets of the Investment Company

The Fund shall not incur any further debt or borrowing, unless at the time it is incurred or immediately thereafter, there is asset coverage of at least 300.00% for all its borrowings. In the event that such asset coverage shall at any time fall below 300.00%, the Fund shall, within three days thereafter, reduce the amount of borrowings to an extent that the asset coverage of such borrowings shall be at least 300.00%.

The Fund believes that government regulations are intended to grow the mutual fund industry while protecting the interests of the investing public, thus, it will comply with the regulations imposed or

to be imposed by government regulators. Also, the passage of the Personal Equity Retirement Account (PERA) and Collective Investment Scheme bills into law will benefit the mutual fund industry.

## **EXECUTIVE OFFICERS**

The list of officers is found in Item 5 of Part I above.

Principal Officers are appointed annually by the Board of Directors at its organizational meeting following the Annual Meeting of Stockholders.

## **Number of Employees**

The Fund has no employees because all aspects of its operations and administration are subcontracted with third parties; hence it has no risks as far as labor problems are concerned.

## **Compliance with the Manual on Corporate Governance**

First Metro Save & Learn Money Market Fund, Inc. has adopted a good governance scorecard to measure and determine the level of compliance by the Board of Directors and top-level management with its Manual of Corporate Governance. Every end of the current year, the scorecard patterned after the SEC-prescribed Corporate Governance Self-Rating Form (CG-SRF) shall be accomplished by the Compliance Officer. The result of this evaluation is submitted to the Board together with the CO's recommendation for any sanctions of non-compliance. On the basis of this scorecard, the Compliance Officer has issued to SEC a certification on the Company's compliance with its Manual of Corporate Governance.

A Compliance Officer has been appointed to manage the Compliance System of the Company and to monitor and evaluate compliance with the Manual of Corporate Governance. In general, the Company is in compliance with the leading practices in good corporate governance. This was reported in a Certification by the Compliance Officer filed with the Commission on January 25, 2019. No director or officer of the Company was found in violation of the Manual.

As there shall be new SEC issuances, the Company is committed to comply with new requirements to enhance its corporate governance

## **Major Risks Involved**

The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of such unpredictability on the Fund's financial performance. The Fund's major risks are as follows:

**Credit Risk.** Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This includes the risk that the Fund's investment in government and private debt securities will decline as the bond issuer may not be able to pay its debt upon interest payments and maturity.

The Fund manages its credit risks by setting limits for issuers/borrowers. As credit ratings can change and affect the Fund's returns, a credit analysis is adopted to standardize operational procedure that will support in assessing the credit quality and the credit worthiness of the counterparty. Credit exposures are closely monitored to ensure payments are made on time.

**Liquidity Risk.** Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; the counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

The Fund is exposed to daily cash redemptions of its redeemable shares. It therefore invests majority of its assets in investments that are traded in an active market and can be readily disposed of.

**Manager Risk.** The performance of the Fund is dependent upon the investment manager's skill in making appropriate investments. As a result, the Fund may under-perform the market or its peers. Also, the Fund may fail to meet its investment objectives.

**Market Risk.** Market risk is the risk of change in fair value of financial instruments from fluctuation in equity exchange rates (currency risk), interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. To manage this risk, the investment manager will resort to an investment committee approach wherein different members of the committee come from varied backgrounds and expertise and each of them would contribute towards optimizing the Fund's performance. The Fund's exposure to market risk relates only to interest rate risk.

**Fair value interest rate risk.** Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in interest rates. The Fund's fixed income securities are exposed to such risk.

Risks to the financial instruments are managed by (a) closely monitoring investment objectives and constraints on investment by its Fund Manager; (b) detailed market observation and analysis; (c) setting limits on investment diversification i.e. issuer, industry or sector, index; and (d) establishment of profit and/or loss tolerance.

## PART III - SECURITIES OF THE REGISTRANT

### Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

#### A. Market Price

Below is the history of Net Asset Value per Share (NAVPS) of the Fund for the second quarter of 2020, and the years 2019 and 2018:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2020	High	1.0337	1.0415	-	-
	Low	1.0249	1.0338	-	-
2019	High	1.0064	1.0149	1.0230	1.0316
	Low	0.9971	1.0063	1.0150	1.0227
2018	High	-	-	0.9978	0.9988
	Low	-	-	0.9957	0.9945

There is no principal market where the Fund's shares are traded, not even in the Philippine Stock Exchange due to its nature as an open-end investment company. The Fund's shares are sold through its appointed Principal Distributor and sub-distributors.

#### B. Dividends

The Fund has not issued any cash dividend since its inception. The BOD of the Fund may decide to declare dividends from the unrestricted retained earnings of the Fund at a time and percentage as the Board may deem proper and in accordance with law. The Fund may declare or pay dividends but limits those dividends to come from the Fund's accumulated undistributed net income. The ability of the Fund to declare dividends therefore will be restricted by the amount of yearly net income generated. This would be dependent on the performance of the market and on the performance of the investment manager.

#### C. Shareholders

As of June 30, 2020, there are 270 shareholders of the Fund. Shown below are the top twenty\* (20) shareholders, including the number of shares and percentages of ownership held by each.

No.	Client No.	No. of Shares	Percentage of Ownership
1	00078	119,944,869	22.11%
2	56742	97,506,904	17.97%
3	56115	57,178,911	10.54%
4	47734	50,799,630	9.36%
5	57950	21,823,623	4.02%
6	07988	16,868,578	3.11%
7	57480	16,648,834	3.07%
8	06832	11,086,598	2.04%
9	57030	9,723,843	1.79%
10	49026	9,713,454	1.79%
11	57296	9,709,681	1.79%
12	55893	9,048,468	1.67%
13	58431	7,172,387	1.32%

<b>14</b>	55578	6,902,761	1.27%
<b>15</b>	00007	6,268,929	1.16%
<b>16</b>	07987	5,999,661	1.11%
<b>17</b>	55979	5,959,476	1.10%
<b>18</b>	56886	4,877,573	0.90%
<b>19</b>	57435	4,853,898	0.89%
<b>20</b>	57625	4,839,334	0.89%

\*In lieu of names, the account numbers were reflected in this report to protect the privacy of the said shareholders. The public disclosure of their names may unnecessarily expose them to security risks and similar perils.

### **Recent Sale of Unregistered Securities**

There are no securities of the registrant sold by it during the year which were not registered under the Code.

### **Legal Proceedings**

The Fund has no material pending legal proceedings to which it is a party. None of the Board of Directors is:

- involved in any legal proceeding the past five (5) years that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or control person of the Registrant;
- involved in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- involved in or convicted by final judgment in any criminal proceeding, domestic or foreign, or subject to a pending criminal proceeding, foreign or domestic, excluding traffic violations and other minor offenses;
- subject to any order, judgment, or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the said judgment has not been reversed, suspended or vacated.

## PART IV - MANAGEMENT DISCUSSION AND ANALYSIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Fund's Statement of Financial Position and Statement of Comprehensive Income as of and for the years ended December 31, 2019 and 2018 and the Interim Financial Position and Statements of Comprehensive Income as of and for the years ended June 30, 2020 are presented below.

#### INTERIM STATEMENTS OF FINANCIAL POSITION

	As of	
	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and cash equivalents	₱ 163,656,429	₱ 74,042,220
Short-term investment	-	13,000,000
Financial assets at fair value through profit or loss	66,318,784	216,291,042
Financial assets at amortized cost	332,764,384	115,814,966
Receivables	3,595,421	2,722,767
<b>TOTAL ASSETS</b>	<b>₱ 566,335,018</b>	<b>₱ 421,870,995</b>
 <b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	₱ 1,221,042	₱ 2,201,763
 <b>EQUITY</b>		
Capital stock	₱ 613,732	₱ 988,877
Additional paid-in capital	59,543,819	97,584,216
Retained earnings	12,280,398	5,601,458
Deposits for future stock subscriptions	492,676,027	315,494,681
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱ 566,335,018</b>	<b>₱ 421,870,995</b>

#### INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	For the Period Ended June 30	
	2020	2019
<b>INCOME</b>		
Trading and securities gains (losses)	₱ 78,284	-
Interest income	9,615,642	₱ 3,850,633
	₱ 9,693,926	₱ 3,850,633
<b>EXPENSES</b>		
Management and retainer's fee	₱ 1,496,904	₱ 683,561
Directors' and officers' fees	182,497	181,992
Custodian and clearing fees	76,625	53,359
Taxes and licenses	69,723	35,334
Professional fee	27,569	27,492
Miscellaneous expenses	16,400	77,748
	₱ 1,869,718	₱ 1,059,486

<b>NET INVESTMENT INCOME (LOSS) BEFORE FINAL TAX</b>	₱ 7,824,208	₱ 2,791,147
<b>PROVISION FOR FINAL TAX</b>	2,043,134	1,234,320
<b>TOTAL COMPREHENSIVE INCOME (LOSS)*</b>	₱ 5,781,074	₱ 1,556,827
<b>Basic Earnings (Loss) per Share</b>	₱ 0.0121	₱ 0.0078

\*There are no other comprehensive income items for the period ended June 30, 2020 and 2019.

## **INTERIM FINANCIAL POSITION (June 20, 2020 vs. December 31, 2019)**

As of June 30, 2020, the Fund's total assets ended at ₱566.34 million, higher by 34.24% or ₱144.46 from ₱421.87 million as of December 31, 2019. Total liabilities decreased by ₱0.98 million from ₱ 2.20 million to ₱1.22 million during the three-month period. The changes in total assets and liabilities are primarily due to the movements in the following accounts:

### **1. Cash and cash equivalents**

This account consists of the Fund's savings and checking accounts and time deposits in local banks. Cash in banks earn interest at the respective bank deposit rates. Time deposits bear annual interest rates ranging from 2.75% to 2.80% and 0.50% to 7.10% in 2020 and 2019, respectively. The increase of 121.03% or ₱89.61 million from ₱74.04 million to ₱163.66 million was due to higher receipt of funds for subscriptions during the period.

### **2. Financial assets**

*Financial assets at FVTPL* consists of investments in government securities and private debt securities. The decrease of 69.34% or ₱149.97 million from ₱216.29 million to ₱66.32 million was mainly due to sales during the period. As of June 30, 2020 and December 31, 2019, this account include fair value loss of ₱0.78 million and ₱1.21 million, respectively.

*Financial assets at Amortized Cost* consists of investments in government securities and private debt securities. The increase of 187.32% or ₱216.95 million from ₱115.81 million to ₱332.76 million was due to additional purchases during the period.

### **3. Receivables**

Receivables consist of accrued interest and accounts receivables. This account increased by ₱0.87 million from ₱2.72 million to ₱3.60 million as of June 30, 2020.

### **4. Accounts payable and accrued expenses**

Accounts payable and accrued expenses consisting of accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax (DST) payable. The decrease of ₱0.98 million from ₱2.20 million to ₱1.22 million was mainly due to lower accounts payable due to unclaimed redemption this year.

### **1. Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital, deposit for future subscription and retained earnings. The increase of ₱145.44 million or 34.66% from ₱419.67 million to ₱565.11 million was mainly due to the net subscriptions and net income recognized during the year.

*Capital Stock* ended at ₱0.61 million, a decrease of ₱0.38 million or 37.94% from last year's ₱0.99 million, mainly due to redemptions during the period. The Fund's authorized capital stock remained at ₱1.00 million divided into 100.00 million redeemable common shares with par value of ₱0.01 per share. As of June 30, 2020 and December 31, 2019, the total issued and outstanding shares were 6,137,321 and 98,887,655, respectively, while the total number of holders of redeemable common shares is 204 and 157, respectively.

*Additional paid-in capital* decreased by ₱38.04 million or 38.98% from ₱97.58 million to ₱59.54 million mainly due to redemptions during the period.

*Deposit for future subscription* increased by 56.16% or ₱177.18 million from ₱315.49 million to ₱492.68 million mainly due to receipt of subscriptions during the period.

*Retained earnings* rose by ₱6.68 million or 56.16% from ₱5.60 million to ₱12.28 million due to the results of operations recognized during the year.

## **INTERIM RESULTS OF OPERATIONS (June 30, 2020 vs. 2019)**

For the quarter ended June 30, 2020, the Fund realized a net income of ₱5.78 million, higher by 50.48% or ₱1.94 million from last year's net income of ₱3.84 million. Detailed discussions on the changes in the statement of income accounts are as follows:

### **1. Fair value (loss) on financial assets at fair value through profit or loss**

This account totaled ₱0.08 million loss and this pertains to unrealized loss from changes in fair value of investment in debt securities during the period.

### **2. Interest income**

This account consists of interest earned from investments in financial assets and cash and cash equivalents. The increase of 55.72% or ₱3.44 million from last year's ₱6.17 million to ₱9.62 million was mainly due to higher interest income recognized from financials assets at FVTPL during this period.

### **3. Management and retainer's fees**

This account includes management fees and retainer's fees. The increase of 142.44% or ₱0.87 million from ₱0.62 million to ₱1.50 million was mainly due to higher management fees relative to the increase in Fund's net assets during the year.

### **4. Directors' and officers' fees**

This account pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting amounting to ₱0.18 million for the quarter ended June 30, 2020.

### **5. Taxes and licenses**

This account pertains to taxes other than income tax, such as DST and local taxes. The increase of ₱0.03 million or 97.33% from last year's ₱0.04 million to ₱0.07 million was mainly due to higher taxes paid during the period.

### **6. Custodian and clearing fees**

This account decreased by ₱0.02 million or 17.22% from ₱0.09 million to ₱0.08 million mainly due to lower fees paid to the custodian of the Fund during the period.

### **7. Professional fees**

This account represents audit fees and other professional fees incurred by the Fund amounting to ₱0.03 million for the quarter ended June 30, 2020.

### **8. Miscellaneous expense**

This account decreased by ₱0.06 million or 78.92% from ₱0.08 million to ₱0.01 million mainly due to lower membership fee and dues and bank charges paid by the Fund during the period.

## **Statements of Financial Position**



	As of December 31		Increase (Decrease)	
	2019	2018	Amount	%
<b>ASSETS</b>				
Cash and cash equivalents	₱ 74,042,220	₱ 73,175,579	₱ 866,641	1.18%
Financial assets				
FVTPL	216,291,042	–	216,291,042	100.00%
Amortized cost	115,814,966	48,866,691	66,948,275	137.00%
Short-term investment	13,000,000	–	13,000,000	100.00%
Receivables	2,722,767	104,799	2,617,968	2498.08%
	<b>₱421,870,995</b>	<b>₱122,147,069</b>	<b>₱299,723,926</b>	<b>245.38%</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	₱2,201,763	₱ 115,852	₱ 2,085,911	1800.50%
Deposit for future stock subscription	–	40,000,000	(40,000,000)	(100.00%)
	<b>2,201,763</b>	<b>40,115,852</b>	<b>(37,914,089)</b>	<b>(94.51%)</b>
<b>EQUITY</b>				
Capital stock	988,877	822,662	166,215	20.20%
Additional paid-in capital	97,584,216	81,242,418	16,341,798	20.11%
Deposit for future subscription	315,494,681	–	315,494,681	100.00%
Retained earnings (Deficit)	5,601,458	(33,863)	5,635,321	-16641.53%
	<b>419,669,232</b>	<b>82,031,217</b>	<b>337,638,015</b>	<b>411.60%</b>
	<b>₱421,870,995</b>	<b>₱122,147,069</b>	<b>₱299,723,926</b>	<b>245.38%</b>

## Statements of Comprehensive Income

	Years ended December 31		Increase (Decrease)	
	2019	2018	Amount	%
<b>INVESTMENT INCOME</b>				
Interest income	₱ 14,467,309	₱ 483,452	₱ 13,983,857	2892.50%
Trading and securities gain (loss)	(1,208,613)	–	(1,208,613)	(100.00%)
	<b>13,258,696</b>	<b>483,452</b>	<b>12,775,244</b>	<b>2642.51%</b>
<b>OPERATING EXPENSES</b>				
Management and retainer's fees	1,805,122	16,746	1,788,376	10679.42%
Directors' and officers' fees	317,000	70,500	246,500	349.65%
Custodian and clearing fees	170,772	–	170,772	100.00%
Professional fees	141,680	110,880	30,800	27.78%
Taxes and Licenses	104,387	168,037	(63,650)	(37.88%)
Miscellaneous	187,756	54,462	133,294	244.75%
	<b>2,726,717</b>	<b>420,625</b>	<b>2,306,092</b>	<b>548.25%</b>
<b>Years ended December 31</b>				
	<b>2019</b>	<b>2018</b>	<b>Amount</b>	<b>%</b>
<b>INVESTMENT INCOME BEFORE TAX</b>	<b>10,531,979</b>	<b>62,827</b>	<b>10,469,152</b>	<b>16663.46%</b>
<b>PROVISION FOR FINAL TAX</b>	<b>2,859,588</b>	<b>96,690</b>	<b>2,762,898</b>	<b>2857.48%</b>
<b>NET INVESTMENT INCOME (LOSS)/TOTAL COMPREHENSIVE INCOME (LOSS)*</b>	<b>₱7,672,391</b>	<b>(₱33,863)</b>	<b>7,706,254</b>	<b>22757.15%</b>

\*There are no other comprehensive income items for the years ended December 31, 2019 and 2018.

## 2019

### Financial Position

The Fund ended the year 2019 with total assets at ₱421.87 million, higher by ₱299.72 million or 245.38% from ₱122.15 million last year. Total liabilities decreased by ₱37.91 million or 94.51% from ₱40.12 million to ₱2.20 million during the year.

The changes in total assets and liabilities are primarily due to the movements in the following accounts:

a) **Cash and cash equivalents**

This account represents the Fund's cash in bank, time deposits and short-term placements. Cash in banks earn interest at the respective bank deposit rates. Time deposits earn an annual interest ranging from 0.50% to 7.10% and from 0.50% to 5.25% in 2019 and 2018, respectively. The increase of ₱0.87 million or 1.18% from ₱73.18 million to ₱74.04 million was due to higher cash in bank balances this year.

b) **Financial assets**

*Financial assets at FVTPL* consists of investments in government securities and private debt securities. Private bond bears nominal annual interest rates ranging from 4.19% to 4.91% while government securities bears annual interest rate ranging from 4.76% to 4.92%. The increase of ₱216.29 million in 2019 was mainly due to acquisition during the year. This account include fair value loss of ₱1.21 million and nil in 2019 and 2018, respectively.

*Financial assets at amortized cost* consists of investments in government securities and private debt securities. Private debt securities bear annual interest rates of 5.13% while government debt securities bears annual interest rates ranging from 3.49% to 6.03% and 5.22% in 2019 and 2018, respectively. The increase of ₱66.95 million or 137.00% from ₱48.87 million to ₱115.81 million was due to additional purchases during the year.

c) **Short term investment**

This pertains to short-term time deposit amounting to ₱13.00 million with 5.25% interest rate.

d) **Receivables**

Receivables comprised of accrued interest receivables and other receivables. The increase of ₱2.62 million from ₱0.10 million to ₱2.72 million was mainly due to higher balances of accrued interest receivable from outstanding investments and other receivables as of reporting date.

e) **Accounts payable and accrued expenses**

Accounts payable and accrued expenses consisting of accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax (DST) payable. The increase of ₱2.09 million from ₱0.12 million to ₱2.20 million was mainly due to higher accounts payable due to unclaimed redemption and payable to FAMI this year.

f) **Deposit for future subscription**

This account represents subscription of shares that will be credited to capital stock upon approval by the SEC. The ₱40.00 million balance in 2018 was reclassified from liability to equity in 2019.

g) **Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital, deposit for future subscription and retained earnings. The increase of ₱337.64 million or 411.60% from ₱82.03 million to ₱419.67 million was mainly due to the net subscriptions and net income recognized during the year.

*Capital Stock* ended at ₱0.99 million, an increase of ₱0.17 million or 20.20% from last year's ₱0.82 million, mainly due to net subscriptions during the year. The Fund's authorized capital stock remained at ₱1.00 million divided into 100.00 million redeemable common shares with par value of ₱0.01 per share. As of December 31, 2019 and 2018, the total issued and outstanding shares were 98,887,655 and 82,266,232, respectively, while the total number of holders of redeemable common shares is 157 and 14, respectively.

*Additional paid-in capital* increased by ₱16.34 million or 20.11% from ₱81.24 million to ₱97.58 million mainly due to net subscriptions during the year.

*Deposit for future subscription* totaled ₱315.49 million this year, which represents subscriptions of the Fund that was reclassified from liability to equity in 2019 following the requirements of the SEC. This amount also includes the ₱40.00 million DFSS balance last year. As of December 31, 2019, the related shares for the DFSS have not been issued in 2019 and the Fund has yet to file an application for the increase in authorized capital stock with the SEC.

*Retained earnings* rose by ₱5.64 million due to the results of operations recognized during the year.

## **Results of Operations**

For the year ended December 31, 2019, the Fund realized a net income of ₱7.67 million, an increase of ₱7.71 million from last year's net loss of ₱0.03 million.

The highlights of the results of operations for the year are as follows:

**a) Interest income**

This account consists of interest earned from investments in financial assets and cash and cash equivalents. The increase of ₱13.98 million from last year's ₱0.48 million to ₱14.47 million was mainly due to higher level of Fund's investments in financial assets during the year.

**b) Trading and securities gain (loss)**

This account totaled ₱1.21 million loss this year and this pertains to unrealized loss from changes in fair value of investment in debt securities during the year.

**c) Management and retainer's fees**

This account includes management fees and retainer's fees. The ₱1.79 million increase from ₱0.02 million to ₱1.81 million was mainly due to higher management fees relative to the increase in Fund's net assets during the year.

**d) Directors' and officers' fees**

This account pertains to per diem of the BOD and officers during annual stockholders' meeting and board meetings. The increase of ₱0.25 million from last year's ₱0.07 million to ₱0.32 million was mainly due to higher per diem paid during the year.

**e) Custodian and clearing fees**

This account totaled ₱0.17 million this year and this pertains to payment made to the custodian of the Fund.

**f) Professional fees**

This account represents audit fees and other professional fees incurred by the Fund. The increase of ₱0.03 million or 27.78% from last year's ₱0.11 million to ₱0.14 million was mainly due to higher professional fees incurred during the year.

**g) Taxes and licenses**

This account pertains to taxes other than income tax, such as DST and local taxes. The decrease of ₱0.06 million or 37.88% from last year's ₱0.17 million to ₱0.10 million was mainly due to lower taxes paid during the year.

**h) Miscellaneous fees**

This account consists of membership fee and dues, postage and mailing fees and bank charges paid by the Fund. The increase of ₱0.13 million from last year's ₱0.05 million to ₱0.19 million was due to membership fee and other miscellaneous expenses incurred during the year.

### **Plan of Action**

FAMI is licensed by SEC to act as Investment Company Adviser/Manager, Administrator and Principal Distributor of mutual funds.

Being the principal distributor of the Fund's shares of stock, it intends to increase its marketing network and accredit sub-dealers or agents to sell the Fund's share.

### **Subsequent Events**

There were no material subsequent events that occurred after the year ended December 31, 2019.

### **Other Matters**

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020, unless earlier lifted or extended. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

FAMI, the Fund's Fund Manager, implements a work-from-home set-up that will be effective until the enhanced community quarantine is lifted for all its employees to resolve the impact of the pandemic.

The Fund considers the events surrounding the outbreak as non-adjusting subsequent events, which do not impact its financial position and performance as of and for the year ended December 31, 2019. However, the outbreak could have a material impact on its 2020 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Fund cannot determine at this time the impact to its financial position, performance and cash flows. The Fund will continue to monitor the situation.

Aside from the issued disclosed above, 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
- there are no material commitments for capital expenditures during the past year and in the subsequent year.

## DISCUSSION OF KEY PERFORMANCE INDICATORS

The Fund has identified the following as its key performance indicators - performance vs. benchmark, net income and market share. The Fund was incorporated on March 1, 2018. It seeks to provide a high level of current income that is consistent with the preservation of capital and liquidity.

FAMI serves as its Investment Company Adviser, Administrator and Principal Distributor. With the SEC's approval of FAMI's license to act as such on September 6, 2005, active management of the Fund's assets was initiated during the latter part of the same month with the objective to consistently outperform its benchmark and achieve a sizable net income.

The Fund has an initial paid-up capitalization of ₱1.00 million which translates to a minimal share in the mutual fund industry (under the money market fund category).

The Fund has identified the following as its key performance indicators:

- *Net Asset Value Per Share* - Net Asset Value per share increased from ₱1.0263 as of December 31, 2019 to ₱1.0415 as of June 30, 2020. The Fund's average daily net asset value decreased by 25.39% or ₱74.96 million from ₱295.24 million in December 2019 to ₱220.28 million as of June 30, 2020.
- *Sales for the period ended* - The Fund's total sales of ₱202.12 million for the period ended June 30, 2020 was 7.16% or ₱13.50 million higher than ₱188.62 million sales same period last year.
- *Redemptions for the period ended* - The Fund's total redemptions of ₱64.03 million this quarter was ₱49.27 million higher than ₱14.76 million redemptions for the same period last year.
- *Net Income vs. Benchmark* - The Fund earned a net income of ₱ 5.78 million for the period ended June 30, 2020 as compared to ₱3.84 million net income for the same period last year.
- *Market Share vs. Benchmark* – As of June 30, 2020 the Fund garnered 0.64% share in the Money Market Funds category while 0.19% share among all mutual funds in terms of net assets. On the basis of account holders, the Fund has 204 account holders or 0.32% of the total accounts in the Equity Funds category.

The following basic ratios measure the financial performance of the Fund for the years ended 2019 and 2018:

PERFORMANCE INDICATORS	2019	2018
Return on assets <sup>1/</sup>	2.82%	(0.06%)
Return on equity <sup>2/</sup>	3.06%	(0.08%)
Cost to income ratio <sup>3/</sup>	20.57%	87.00%
Net asset value per share <sup>4/</sup>	₱1.0534	₱0.9971
Earnings(Loss) per share <sup>5/</sup>	₱0.1211	(₱0.0016)

<sup>1/</sup> Net income over average assets. Average assets for year ended December 31 were computed based on the average of the beginning and ending balances.

<sup>2/</sup> Net income over average equity. Average equity for year ended December 31 was computed based on the average of the beginning and ending balances.

<sup>3/</sup> Operating expenses for the cost-to-income ratios do not include provision for probable losses and provision for income taxes.

<sup>4/</sup> 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.

<sup>5/</sup> Net income divided by weighted average number of common shares.

**Item 7. Financial Statements**

**Statement of Management's Responsibility for Financial Statements**

**Audited Financial Statements**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on September 1, 2020.

**FIRST METRO SAVE & LEARN MONEY MARKET FUND,  
INC.**

By:

  
**MARIE ARZABELLA D. VERON**  
TREASURER