



DISCLAIMER: THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

AMENDED PROSPECTUS

FIRST METRO SAVE & LEARN EQUITY FUND, INC.

(Open-end Investment Company)

ISSUER

The number of securities to be offered inclusive of what has already been subscribed to upon incorporation is Two Billion Two Hundred Fifty Million (2,250,000,000) shares. The price at which the shares are to be offered is based on the Net Asset Value (NAV) per share computed on a daily basis. The shares are traded over-the-counter.

FIRST METRO ASSET MANAGEMENT, INC.

Investment Company Adviser, Fund Administrator,
and Principal Distributor

18th Floor, PSBank Center

777 Paseo de Roxas corner Sedeño St., Salcedo Village, Makati City

Tel. No. (632) 891-2860 to 65

THIS PROSPECTUS IS DATED
October 20, 2020

**THIS PROSPECTUS SHOULD BE READ CAREFULLY BEFORE INVESTING
AND RETAINED FOR FUTURE REFERENCE.**



This prospectus relates to the offer Two Billion Two Hundred Fifty Million (2,250,000,000) common shares with a par value of P1.00 per share of First Metro Save and Learn Equity Fund, Inc. The price at which these shares are to be offered is based on the current Net Asset Value Per Share (“NAVPS”) computed on a daily basis plus a sales load fee. Using the Net Asset value per share computed of ₱ 4.3557 as of June 30, 2020, the total estimated gross proceeds to be raised by the offering is ₱ 9,800,325,000.

The Issuer is a domestic corporation, incorporated May 27, 2005 as First Metro Save and Learn Equity Fund, Inc. (the “Fund”), with which the annual stockholders meeting is conducted every 3rd Wednesday of June or as stated in its By-Laws.

The proceeds from the sale of the shares were invested primarily in listed equities in the Philippines. The investment objective of the Fund is classified as high risk. The assets of the Fund were structured based on market conditions, the level of interest rates, and liquidity needs of the Fund, are to be of above-average credit quality and minimal risk, and the average maturity is to take into account any expectation of any change in interest rates.

The offer shares will be primarily sold through the Fund’s investment manager, First Metro Asset Management, Inc. (FAMI). FAMI shall be paid a monthly fee up to a maximum of one-and-eighth-seven-five percent (1.875%) per annum of the average net asset value of the Fund’s assets, computed on a daily basis.

All of the offered shares are common shares, voting with identical rights and privileges, and may be owned by any person or entity, regardless of nationality. The shares are eligible for payment of dividends, which depends, among other factors, upon the Fund’s unrestricted retained earnings, cash flow and financial condition.

As provided for in the Issuer’s By-laws, 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 of the Fund at the time said dividends are paid.

An investment in the Fund is not insured or guaranteed by the Philippines Deposit Insurance Corporation or any other government agency. The Fund’s return will change as a result of movements in the stock market and other macroeconomic factors.

The information contained in this Prospectus has been supplied by the Fund, unless otherwise stated. To the best of its knowledge and belief, the Fund confirms that there are no omissions of fact which would make any statement in this Prospectus misleading and hereby accepts full and sole responsibility for the accuracy of the information. The Principal Distributor (First Metro Asset Management, Inc.) has exerted reasonable efforts to verify the information herein and does not make any representations or warranties as to the accuracy, truthfulness or completeness of the materials contained herein. The Principal Distributor assumes no liability for any information supplied by the Fund in relation to this Prospectus. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Fund since such date.

“A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN ADTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.”

VICTOR A. ABOLA
President

SUBSCRIBED AND SWORN to before this ____ day of _____, affiant exhibiting to me his _____ issued on _____ at Makati City and valid until _____.

Doc. No _____ ;
Page No _____ ;
Book No _____ ;
Series of 2020.



TABLE OF CONTENTS

GLOSSARY	5
PROSPECTUS SUMMARY	6
RISK FACTORS AND OTHER INFORMATION	9
FUND FEATURES	10
Investment Objective and Restrictions	10
Features and Procedures	12
USE OF PROCEEDS	16
DETERMINATION OF OFFER PRICE	16
PLAN OF DISTRIBUTION	16
DESCRIPTION OF SECURITIES	17
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION.....	19
DIRECTORS AND OFFICERS OF THE FUND	23
SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT ...	28
RULES AND REGULATIONS GOVERNING INVESTMENT COMPANIES	29
PARTIES INVOLVED IN THE FUND	30

GLOSSARY

1. **Assets Under Management (AUM)** – shall refer to the total market value of all the financial assets of an Investment Company managed by a Fund Manager.
2. **BSP**– shall refer to the Bangko Sentral ng Pilipinas
3. **Commission** – shall refer to the Securities and Exchange Commission.
4. **Fund Manager** – shall refer to a registered entity with an Investment Company Adviser license that is First Metro Asset Management, Inc. (FAMI).
5. **Independent Director** – shall refer to a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company. An independent director shall possess the degree of independence and all the qualifications and none of the disqualifications for independent directors as defined in the SRC and its implementing rules and regulations or such other rules or guidelines issued by the Commission.
6. **Investment Company** – shall refer to a stock corporation primarily engaged or holds itself out as being engaged primarily, or proposes to engage, in the business of investing, reinvesting and trading in securities.
7. **Investors of the Fund** – shall refer to the shareholders or unitholders of the Investment Company who subscribe to the shares or units of the Investment Company.
8. **Net Asset Value (NAV)** – shall refer to the aggregate value of each fund, either shares or units, as determined by the market value of its underlying securities holdings, including any cash in the portfolio less liabilities, computed at the close of the trading of securities for the day.
9. **Net Asset Value per Share or NAVps** – shall refer to the computed NAV on a per share basis at the close of the day. It is the computed difference between the total assets of the Fund and its liabilities divided by the number of outstanding shares.
10. **Open-end company** – shall refer to an investment company which is offering for sale, or has outstanding, any redeemable security, of which it is the issuer.
11. **Sales load** – shall refer to the charge or commission on the cost of acquiring the shares or units of an Investment Company.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus.

Issuer	First Metro Save and Learn Equity Fund, Inc.
Investment Objective	The Fund is designed to seek long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities.
Shares Offered/Par Value	The Fund is offering 2,250,000,000 shares of common stock with a par value of one peso P1.00 per share.
Offering Price	It is the NAVPs at the end of banking day, if payment is made within the daily cut-off time, plus a sales load fee.
Sales Load Fee	The sales load fee is a maximum of 3%.
Daily Cut-off Time	If received after 12:00 NN, subscription will be processed at the NAVPs calculated for the next business day. For redemption requests, the daily cut-off time shall be 12:00 NN.
Minimum Investment	The minimum initial and additional investment shall be P5,000.00 and P1,000.00 respectively or as otherwise prescribed by the Fund Manager and approved by the Commission.
Redemption Price	The redemption price is the NAVPS at the close of business day provided that redemption form is received on or before the specified cut-off time. Should the redemption request be received after the specified cut-off time, the request shall be deemed to have been received on the following business day and the NAVPS applied shall be the NAVPS of the said following business day.
Redemption Charge	Redemptions made within six (6) months are subject to an exit fee of no more than 1% (exclusive of Value Added Tax/VAT). No redemption fee shall be deducted if redeemed beyond six (6) months from the time of investment.
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.

SUMMARY OF FINANCIAL INFORMATION

FIRST METRO SAVE AND LEARN EQUITY FUND, INC. (An Open-End Mutual Fund Company)

AUDITED STATEMENTS OF FINANCIAL POSITION

	As of December 31	
	2019	2018
ASSETS		
Cash and cash equivalents	P174,096,648	P216,947,148
Financial assets at fair value through profit or loss	3,961,347,817	4,220,043,951
Receivables	5,261,076	1,646,644
Other assets	1,597,979	1,477,983
TOTAL ASSETS	P4,142,303,520	P4,440,115,726
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	P18,262,134	P14,842,250
EQUITY		
Capital stock	773,983,778	839,188,115
Additional paid-in capital	2,998,899,169	3,243,899,782
Retained earnings	351,158,439	342,185,579
TOTAL LIABILITIES AND EQUITY	P4,142,303,520	P4,440,115,726

FIRST METRO SAVE AND LEARN EQUITY FUND, INC.
(An Open-End Mutual Fund Company)
AUDITED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31	
	2019	2018
INVESTMENT INCOME		
Trading and securities gains (losses)	₱140,821,886	(₱541,670,412)
Dividend income	67,409,924	52,412,198
Interest income	5,888,352	9,568,940
Miscellaneous income	304,682	1,509,614
	214,424,844	(478,179,660)
OPERATING EXPENSES		
Management and retainer's fees	92,664,174	99,404,631
Brokers' commission	26,229,089	25,448,648
Transaction charges	1,281,495	907,395
Custodian and clearing fees	951,305	1,325,316
Taxes and licenses	466,544	2,495,069
Miscellaneous	1,249,694	3,195,013
	122,842,301	132,776,072
INVESTMENT INCOME (LOSS) BEFORE FINAL TAX PROVISION FOR FINAL TAX	91,582,543	(610,955,732)
	30,094,562	29,633,616
NET INVESTMENT INCOME (LOSS)	61,487,981	(640,589,348)
OTHER COMPREHENSIVE INCOME (LOSS)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)*	₱61,487,981	(₱640,589,348)
EARNINGS (LOSS) PER SHARE	(₱0.0775)	(₱0.7461)

RISK FACTORS AND OTHER INFORMATION

I. GENERAL RISK WARNING

The price of securities as a result of market conditions fluctuates, and any individual security may experience upward or downward movement, and may even become valueless. There is a risk that losses may be incurred rather than profit made as a result of buying and selling of securities.

Past performance is not a guide to future performance.

An investor deals in a range of investments of which may carry a different level of risk. There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying price and the selling price of these securities.

II. PRUDENCE REQUIRED

This risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He/she 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 or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities especially the high-risk securities.

RISK FACTORS

Potential investors should read thoroughly all information contained in this Prospectus and/or other Fund related documents available before making any investment decisions. He or she should carefully consider all investment risks, fees, and/or other factors detailed in these documents to make certain whether the Fund's nature is appropriate for his or her investment profile and objective.

Various risk factors can affect the market value of the assets of the Fund and cause the Fund's net asset value to vary. Consequently, the returns of the Fund are not guaranteed and there is a risk that a Fund might not achieve its investment objectives.

The major risk factors facing the Fund are listed by order of importance below:

MARKET RISK is the risk of change in the value/price of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk). The Fund's investments in equity securities may decline in value due to factors affecting securities markets generally, or particular countries, segments, economic sectors, industries, or companies within those markets. Historically, the markets have moved in cycles and the value of the Fund's securities and other financial instruments may move drastically up or down from day to day. The risk can be minimized by following the exposure limits set in this prospectus or by the Commission.

LIQUIDITY RISK (also called funding risk) is the risk that the Fund will encounter difficulty in raising funds within a reasonable time to meet short term financial demands. The Fund may not be able to generate enough cash to pay for the redemptions within the normal 7-day period. The

risk can be minimized by placing a liquidity contingency plan that will provide a framework for addressing liquidity crisis situations.

The following are additional risks present in managing the Fund:

- Investment companies/mutual funds are neither insured with the Philippine Deposit Insurance Corporation (PDIC) nor any other agency of the government, nor guaranteed by the Fund Manager. Investors are advised to read the prospectus of the Fund before deciding to invest.
- Investors are exposed to the risk of dilution since other investors may subscribe to any amount of shares of the Fund. The influence that the investors can exert over the control and management of the Fund decreases proportionately.

The above risk factors are by no means all-inclusive. New and/or unidentified risks may arise any time given the dynamic financial markets and economic environment.

FUND FEATURES

THE FUND

First Metro Save & Learn Equity Fund is an open-end investment company, which was incorporated on May 27, 2005 and subsequently registered under R.A. 2629 on September 6, 2005. The Fund's main objective is to provide investors with the opportunity to access the capital markets and enable them to reach satisfactory returns on their investments through prudent selection of equity securities, and the professional management and supervision of the Fund.

CLASSIFICATION OF THE FUND

The Fund is exposed to equity securities included in the PSEi which are high-risk investments. It can be considered aggressive.

INVESTMENT OBJECTIVE AND RESTRICTIONS

The Fund seeks long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities.

The Fund shall be subject to the following limitations and restrictions:

- a. The maximum investment in any single enterprise or issuer shall not exceed an amount equivalent to fifteen percent (15%) of its net assets, nor shall the total investment of the fund exceed ten percent (10%) of the outstanding securities of the Fund.
- b. There shall be no investment of more than twenty percent (20%), in aggregate, of its net assets in transferable securities, money market securities, deposits and financial derivatives issued by a single entity or issuer.
- c. Deposits shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with a quasi-bank license excluding monies for liquidation of a revoked Investment Company.
- d. The investment in the following shall not exceed five percent (5%) of the net assets of the Fund:
 - a. Deposits placed with a non-investment grade or unrated deposit taking institution;

- b. Debt securities or money market instruments not dealt in an organized market or issued by an unrated or non-investment grade issuing body;
- c. Over-the-counter financial derivatives with non-investment grade or unrated counterparty, unless the derivatives are used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%) of the assets of the Fund.
- d. Unlisted shares issued by a related party.

The aggregate investments shall not exceed ten percent (10%)

- e. Investment 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 a maximum of thirty five percent (35%) of the net assets of the Fund.
- f. A maximum of five percent (5%) of the net assets of the Fund may be invested in government debt securities issued or guaranteed by a government, sovereign or central bank with an international long-term issuer rating that is non-investment grade;
- g. In investing in financial derivative instruments for the Fund, the Fund Manager shall see to it that it employs a risk-management process which captures the risks associated with the use of financial derivatives and satisfies all the following requirements:
 - a. The total exposure to financial derivatives or embedded financial derivatives, including counterparty transactions, shall not exceed ten percent (10%) of the net assets of the Fund, or five percent (5%) of the net assets if the derivatives are not investment grade, unless the derivatives counterparty is used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%).
 - b. The Fund shall invest five percent (5%) of its net assets to liquid assets to meet all its payment and delivery obligations.
- h. The Fund shall not invest in the securities it is issuing.
- i. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its investment advisor/s, manager or distributor/s or firm/s of which any of them are members, any securities other than the capital stock of the Fund.
- j. The Fund shall not engage in short selling securities or invest in any of the following:
 - a. Margin purchase of securities (investment in partly paid shares are excluded)
 - b. Commodity futures contracts
 - c. Precious metals
 - d. Unlimited liability instruments
- k. For liquidity purposes, unless otherwise prescribed by the Commission, the Fund may implement a decreased investment of less than ten percent (10%) but not less than five percent (5%) of its assets in liquid/semi-liquid assets provided that a notarized liquidity contingency plan has been submitted, signed by the President of the Fund and its Fund Manager.
 - a. Treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines;
 - b. Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCTD)

- c. Government debt securities where the issuer or the guarantor is a foreign government, sovereign or central bank with an international long-term issuer rating of investment grade;
 - d. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposit accounts be accepted or allowed under a “bearer”, “numbered” account or other similar arrangement.
 - e. Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;
 - f. Other collective schemes wholly invested in liquid/semi-liquid assets.
- l. The total operating 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.
- m. The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all borrowings of the Fund. Provided, however, that in the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).
- n. The Fund Manager shall inform the Commission within three (3) business days after it becomes aware of any breach of investment restrictions and shall rectify such breach as soon as practicable, but shall not be more than five (5) business days from the date of discovery. If any of the investment limits is breached by reason other than investment decision, the Fund Manager shall report this matter to the Commission within five (5) business days, and rectify the breach no later than three (3) months from the date of the breach.
- o. The Fund may implement a decreased investment of less than ten percent (10%) but not less than five percent (5%) of its assets in liquid/semi-liquid assets, provided, however, that it shall submit a notarized liquidity contingency plan, signed by the President of the Fund and its Fund Manager.

FEATURES AND PROCEDURES

ELIGIBLE INVESTORS

The shares of the Fund may be purchased and held by any person of legal age or duly organized and existing corporations, partnerships or corporate entities regardless of nationality. The Investor shall declare and warrant that there are no legal restrictions prohibiting the purchase of the shares applied for and that the Investor is otherwise eligible throughout the duration of the period that the Investor remains a stockholder of the Company.

Foreign investors interested in subscribing to the shares should get information on the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile and as to any relevant tax or foreign exchange control laws and regulations affecting them personally.

INVESTOR PROFILE AND INVESTMENT SUITABILITY

Prior to account opening, the Fund shall perform an investor profiling process for all investors 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.

REQUIREMENTS FOR ACCOUNT OPENING

Any qualified investors may submit the following documents through the principal distributor, FAMI, or through any authorized investment solicitor:

The Know-Your-Customer (KYC) documents (*may be updated from time to time*)

- a. Account Opening Form (AOF), Customer Data Sheet (CDS), Signature Card (per investor)
- b. Photocopy of at least one (1) valid government-issued ID
- c. Subscription/initial payment to First Metro Save and Learn Philippine Index Fund, Inc.

For investors other than individuals, the following documents, in addition to the AOF, CDS, Signature Card and valid government-issued ID, must be submitted and shall be considered integral parts thereof:

- a. Investor's SEC Certificate of Registration, Articles of Incorporation and By-Laws;
- b. Latest Audited Financial Statement (AFS);
- c. Latest General Information Sheet (GIS);
- d. Notarized corporate secretary's certificate setting forth the resolutions of the Investor's Board of Directors or equivalent body:
 - i. Authorizing the purchase of the shares of the Fund;
 - ii. Designating the signatories for the purpose; and
 - iii. Certifying the percentage of capital stock held by non-Filipinos.

Applications for the number of shares and the applicable NAV are subject to acceptance and approval by the Principal Distributor. The Issuer or its Principal Distributor reserves the right to accept, reject, or reduce the number of shares subscribed for in any application at its discretion in such a manner that it may deem appropriate.

An application, once accepted, shall constitute an agreement between the Investor and the Fund Manager and Principal Distributor at the time, in the manner and subject to the conditions set forth in this Prospectus and the Application.

OFFERING PRICE AND SALES LOAD FEES

The net asset value computation shall be made in accordance with the valuation method indicated in the prospectus and shall be applied consistently. Any change in the NAVPS computation or valuation method shall be subject to approval by the Commission.

The price at which the securities are to be sold is at the NAVPS computed at the end of each banking day. A sales load may also be charged on the day of the purchase.

The daily cut-off time for the receipt of the subscription proceeds shall be 12:00 NN (*may be updated from time to time*). The shares shall be valued based on the NAVPS for the same banking day if the proceeds are received on or before the said cut-off time. For subscriptions received after the cut-off time, it shall be deemed to have been received the following banking day. In both instances, a sales load fee may be charged based on the total price of the subscription.

The sales load fee is a maximum of 3%.

MINIMUM INVESTMENT

The minimum initial and additional investment shall be P5,000.00 and P1,000.00 respectively or as otherwise prescribed by the Fund Manager and approved by the Commission.

PAYMENT TERMS AND METHODS

Subscriptions shall be made in the form of cash, check or electronic transfer with a BSP authorized agent bank. All such authorized cash, checks and electronic transfer must be made payable to “First Metro Save and Learn Equity Fund, Inc.,” dated as of the date of subscription, and remitted directly to the Principal Distributor at its principal office.

Investors can make payments through FAMI cashier, local bank partners, mobile payment channels and other channels prescribed by the Fund Manager and approved by the Commission. The updated payment methods and procedures are available on the FAMI website, www.fami.com.ph. A confirmation notice will be sent to the Investors once the subscription has been processed.

REDEMPTION OF SHARES

Investors may redeem/withdraw their existing number of shares by submitting a duly signed Redemption Form accompanied by a photocopy of one (1) valid government-issued ID to the Principal Distributor or to the network of redemption centers acceptable to the Commission.

For redemption requests submitted before the daily cut-off time of 12:00NN (*may be updated from time to time*), the redemption price shall be computed based on the NAVPS on the same banking day when such request is received. Should the request for redemption be received after the said daily cut - off time, it shall be valued at the NAVPS on the following banking day.

Payments for shares redeemed, less any redemption charges and taxes applicable, shall be made within seven (7) banking days from receipt of the request for redemption, in accordance to Sec 22(b) of the Investment Company Act. Redemption proceeds can be made available to the Investor through bank remittance or to other payment channels acceptable to the Commission.

The Fund may suspend redemption or postpone the date of payment for redemptions in cases when (1) trading is suspended on the Philippine Stock Exchange, or (2) cash clearing is suspended by the Philippine Clearing House Corporation or BSP, or (3) with the consent of the Commission. The Commission may suspend the redemption of securities of an investment company whenever necessary or appropriate in the public interest or for the protection of investors.

MINIMUM HOLDING PERIOD AND REDEMPTION CHARGES

There shall be a minimum holding period of at least six (6) months and redemption fees shall be deducted out of the redemption proceeds depending on the retention period of the Investor:

Retention Period	Fee
Less than 6 months	Maximum of 1% (excluding VAT)
6 months and beyond	None

PROCEDURE FOR HANDLING CUSTOMER'S COMPLAINTS

Investors may coordinate with FAMI through several platforms such as phone call (8891-2860 up to 65), email (fami@firstmetro.com.ph), social media [Facebook, Instagram, Twitter, Viber (@FirstMetroAsset)], and website (www.fami.com.ph).



Guidelines for each complaint category are implemented to ensure speed and efficiency in achieving the goal of solving concerns via shortest handling and waiting time possible.

DELIVERY OF STOCK CERTIFICATES

In the interest of economy and convenience, a stock certificate representing ownership of shares in the Fund will not be issued unless requested by the shareholder in writing. Shares are recorded on a stock register; shareholders who do not elect to receive stock certificates have the same rights of ownership as if certificates had been issued to them. Issued stock certificate/s must be surrendered when redeeming the related shares or when transferring such assets from one fund to another. If the certificate is lost, the Investor cannot carry out such transaction in his/her/their Account until the certificate has been replaced, a process which, for legal reasons, can take more than one year. Applicable fees will be charged to replace a lost certificate.

The Investor shall not assign, transfer, or convey this stock certificate, and any of the Investor's rights and obligations, without the prior written consent of FAMI and/or the Fund.

DEPOSIT FOR FUTURE SUBSCRIPTION

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 Commission, the Fund would release the shares equivalent to the DFFS accepted, according to the "first in, first out" rule.

BENEFITS TO THE INVESTOR

Mutual funds make saving and investing simple, accessible, and affordable. They offer professional management, diversification, liquidity, affordability, convenience, and ease of record keeping, as well as strict government regulation and full disclosure.

Professional Management

Even under the best of market conditions, it takes an experienced investor to invest prudently, and a further commitment of time to monitor those investments. With mutual funds, experienced professionals manage a portfolio full-time, and decide where to invest based on extensive research.

Diversification at Low Cost

Successful investors know that diversification will reduce the adverse impact of a single investment. Mutual funds provide diversification to your investment portfolio automatically by holding a wide variety of securities at a fraction of the cost of making such investments independently.

Liquidity

Liquidity is the ability to readily access your investment. Mutual fund shares are liquid investments that can be bought or sold on any business day as required by the law.

Convenience

Purchase of fund shares shall be through a broker, bank, accredited agent or any authorized distributor.

Protecting Investors

Not only are mutual funds subject to internal standards, they are also highly-regulated by the Commission which has a direct and indirect impact on the environment where mutual funds operate.

USE OF PROCEEDS

The proceeds from the sale of securities will be used to invest in listed and non-listed equity securities in accordance with the policies and limitations set forth in this prospectus and other applicable laws. 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 bank. Using a Net Asset value per share computed of Php4.3557 as of June 30, 2020, the total estimated gross proceeds to be raised by the offering is P9,800,325,000.

No material amount of the proceeds is to be used to acquire assets or finance the acquisition of other business. The proceeds will not be used to discharge debt or reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned or advanced or otherwise or any expenses. Total expenses paid out or projected to be paid out of the gross proceeds are the following: up to 1.875% of the total asset under management for management and distribution fees, Php441,829.70 as of December 31, 2019 for audit fee, Php 10,000 per month for transfer agency fee and 1.50bps for custodianship fee.

DETERMINATION OF OFFER PRICE

The offer price is the NAVPS at the end of the day. NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding, plus the total number of shares outstanding due to DFFS and for conversion to shares, if any, as of the end of the reporting day. A sales load fee may be charged based on the total amount of the subscription.

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.

PLAN OF DISTRIBUTION

The Fund has 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. No shares are designated to be sold to specified persons. FAMI may set up a marketing network and qualified sub-dealers or agents to sell the shares. Accredited sub-dealers or agents are directly liable to FAMI.

FAMI's marketing strategy will leverage on its on the strategic partnership of CEAP, Marist and First Metro Investment Corp. It likewise capitalizes on its affiliation with the Metrobank Group.

FAMI is licensed by the Commission to act as an Investment Company Adviser. The license was renewed last November 28, 2019 and is being renewed annually.

DESCRIPTION OF SECURITIES TO BE REGISTERED

The Fund's authorized capital is Two Billion Two Hundred Fifty Million Pesos (Php2,250,00,000) common shares with a par value of One Peso (Php1.00) per share.

Each shares of stock of the Fund shall have voting rights equal to every other outstanding share of stock of the same Fund in accordance with the Corporation Code of the Philippines, and subject to the following:

Right of Redemption

The holder of any share of the Fund, upon presentation of the duly accomplished redemption form, shall receive by way of redemption approximately his proportionate share in the Fund's current net assets or the cash equivalent thereof, i.e., the net current asset value per share, subject to existing laws and the By-Laws of the Fund.

Waiver of Pre-emptive Rights

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 or carrying options or warrants to purchase stock of the Fund.

Restrictions on Transfer

No transfer of shares of the Fund, which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the books of the Fund.

Distribution of Dividends

Each shareholder has a right to any dividends that may be declared by the Fund in accordance to the Dividend Policy indicated in this prospectus.

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 redemption request.

INTEREST OF NAMED EXPERTS AND INDEPENDENT COUNSEL

There are no experts or independent counsels hired on a contingent basis and who received a direct or indirect interest in the Fund.

INFORMATION WITH RESPECT TO THE REGISTRANT**DESCRIPTION OF BUSINESS****THE FUND**

The Fund is an open-end investment company, which was incorporated on May 27, 2005 and subsequently registered under R.A. 2629 on September 6, 2005. The Fund's main objective is to provide small investors with the opportunity to access the capital markets and enable them to reach satisfactory returns on their investments through prudent selection of equity securities, and the professional management and supervision of the Fund.

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 institutional funds of this market (especially the bigger ones) evidently have access to almost all types of instruments locally available such as unit investment trust funds, pre-need plans, universal life products, and other bank products. The retail funds and smaller institutional funds, however, are more likely limited to simple bank products. There is a big opportunity to tap into both the institutional and retail investors.



The registrant's main competitors are the other mutual funds in the Equity Fund category of Philippine mutual funds. It considers the funds of Sunlife, PAMI Equity, Philam, and Philippine Stock Index Fund Corp., as its main competitors. As of December 31, 2019, these four competitor Funds represent around 60.68% of the total funds in this category. The company will be competing initially in terms of return on investment (ROI) and later on in terms of Fund size.

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 in this prospectus.

Operations will be conducted within the premises of the Fund Manager. All facilities are either owned or provided by the Fund Manager. The Fund has neither property under its fixed asset account nor hires employees for its operations.

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

MARKET INFORMATION

The shares of First Metro Save and Learn Equity Fund are available for purchase through its appointed Principal Distributor and sub-distributors.

Below is the history of Net Asset Value per Share (NAVPS) of the Fund the second quarter of 2020, and for the years 2019, 2018 and 2017:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2020	High	5.6355	4.5896	–	–
	Low	3.4255	3.8590	–	–
2019	High	6.2594	5.6147	5.5306	5.4133
	Low	5.5249	4.9406	5.0346	4.8142
2018	High	5.2015	5.5659	5.7843	6.0128
	Low	4.9053	5.1066	5.5311	5.7303
2017	High	5.2777	5.4280	5.6160	5.4133
	Low	4.6414	5.2002	5.3302	4.7190

SHAREHOLDERS

As of June 30, 2020, there are 19,525 shareholders of the Fund.

**On December 17, 2019, SEC approved the confidential treatment of the Top 20 shareholders of the Fund.*

DIVIDENDS

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 probable contingencies.

The Board of Directors of the Fund has adopted a policy, consistent with the Fund's objective, to retain the surplus profits of the Fund in the retained earnings account. Such accumulation is reflected in the computation of the NAVPS. Shareholders realize their gains when shares are redeemed. To date, there has been no distribution 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.

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.

AFFILIATED COMPANIES

First Metro Investment Corporation (FMIC) is affiliated with the Fund, being its majority founding shareholder. FMIC is the parent company of FAMI, principal distributor and fund manager, and it is also a stockholder of the other investment companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION (June 30, 2020 vs. December 31, 2019) AND RESULTS OF OPERATIONS (January 1 to June 30, 2020 vs. January 1 to June 30, 2019)

FINANCIAL POSITION

As of June 30, 2020, the Fund's total assets reached ₱3.46 billion, lower by 16.53% or ₱0.68 billion from ₱4.14 billion as of December 31, 2019. Total liabilities decreased by 47.87% or ₱8.74 million from ₱18.26 million to ₱9.52 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 represents 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 0.25% to 2.80% and 0.25% to 3.75% in 2020 and 2019, respectively. The increase of 95.12% or ₱165.59 million from ₱174.10 million to ₱339.69 million was due to subscriptions during the period.

2. *Financial assets at fair value through profit or loss*

This account consists of investments in government securities and equity securities. The decrease of 23.38% or ₱0.93 billion from ₱3.96 billion to ₱3.04 billion was due to lower realized gain on sale and result of changes in the fair value of investments during the quarter. As of June 30, 2020 and December 31, 2019, this account include fair value loss of ₱0.73 billion and ₱106.67 million gain, respectively.

3. **Receivables**

This account consists of due from brokers, accrued interest receivables, dividend receivable and accounts receivables. The increase of ₱75.73 million from ₱5.26 million to ₱80.99 million was due to higher amount collectible from sales of securities and dividend receivable during the quarter.

4. **Other asset**

This account remained at ₱1.60 million which pertains to creditable withholding tax from interest income and miscellaneous asset of the Fund.

5. **Accounts payable and accrued expenses**

Accounts payable and accrued expenses consists of due to brokers, accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax payable. The 47.87% or ₱8.74 million decline from ₱18.26 million to ₱9.52 million was mainly due to payment of payables during the quarter.

6. **Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱0.68 billion or 16.39% from ₱4.12 billion to ₱3.45 billion was mainly due to the net effect of redemptions and net loss recognized during the period.

Capital Stock ended at ₱791.62 million, a decrease of ₱17.64 million from ₱773.98 million, mainly due to redemptions during the period. The Fund's authorized capital stock remained at ₱2.25 billion with par value of ₱1.00 per share. As of June 30, 2020 and December 31, 2019, the total issued and outstanding shares were 791,623,386 and 773,983,778, respectively, while the total number of holders of redeemable common shares is 16,504 and 16,392, respectively.

Additional paid in capital went down by ₱39.36 million from ₱3.00 billion to ₱3.04 billion due to redemptions made during the year.

Retained earnings decreased by ₱0.73 billion from ₱351.16 million to ₱381.85 million deficit mainly due to results of operations recognized during the year.

RESULTS OF OPERATION

For the quarter ended June 30, 2020, the Fund realized a net loss of ₱1.13 billion, lower by ₱1.3 billion from last year's net income of ₱0.19 billion. Detailed discussions on the changes in the statement of income accounts are as follows:

1. **Trading and securities gain (loss)**

This account includes realized and unrealized gains earned from trading investments in debt and equity securities. The decrease of ₱0.96 billion from ₱0.23 billion gain to ₱0.73 billion loss was mainly due to lower realized gain from the sale and result of changes in fair value of debt and equity securities held for trading during the quarter.

2. **Dividend income**

This account decreased by 31.21% or ₱15.58 million from ₱49.94 million to ₱34.35 million mainly due to lower cash dividends earned from equity securities during the period.

3. **Interest income**

This account totaled ₱4.70 million, 63.71% or ₱1.83 million higher than last year's ₱1.83 million mainly due to higher interest income earned from time deposits during the period.

4. Management and retainer's fees

This account dropped by 22.97% or ₱10.87 million from ₱47.30 million to ₱36.44 million mainly due to the decline in management fees relative to the decrease in the Fund's net assets.

5. Brokers' commission

This account pertains to fees paid to brokers to execute a trade based on the volume of equity and debt securities being traded. The decrease of 74.08% or ₱15.56 million from ₱21.00 million to ₱5.44 million was mainly due to lower brokers' commission incurred during the period.

6. Custodian and clearing fees

This account decreased by ₱0.25 million or 37.10% from ₱0.67 million to ₱0.43 million mainly due to lower fees paid to the custodian of the Fund during the period.

7. Taxes and licenses

This account pertains to taxes other than income tax, such as DST and local taxes. The increase of ₱0.51 million from ₱0.19 million to ₱0.70 million was due to higher payment of taxes paid during the period.

8. Professional fees

This account represents audit fees and other professional fees incurred by the Fund amounting to ₱0.28 million for the quarter ended June 30, 2020.

9. Transaction charges

This account pertains to the payment of stock trading charges. The decrease of 74.51% or ₱0.57 million from ₱0.76 million to ₱0.19 million was due to lower volume of trades during the quarter.

10. 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 ₱0.15 million for the quarter ended June 30, 2020.

11. Miscellaneous expense

This account decreased by ₱0.06 million or 42.15% from last year's ₱0.16 million to ₱0.09 million mainly due to lower bank charges and other miscellaneous expenses paid by the Fund during the period.

DISCUSSION OF KEY PERFORMANCE INDICATORS

The Fund was incorporated on May 27, 2005 with the objective of seeking long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities.

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 and its procedures firmed-up at the end of the same month, active management of SALEF's assets was initiated in October 2005 with the objective of consistently outperforming its benchmark, which is the PSEi, and achieves a sizable net income.

The Fund has an initial paid-up capitalization of ₱25.00 million which translates to a minimal share in the mutual fund industry (under the equity fund category).

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

- *Net Asset Value Per Share* - Net Asset Value per share amounted to ₱4.3557 as of June 30, 2020, lower by 18.25% from ₱5.3283 as of December 31, 2019. The Fund's average daily net asset value

slid by 21.02% or ₱0.70 billion from ₱4.35 billion as of December 31, 2019 to ₱3.43 billion as of June 30, 2020.

- *Sales for the period ended* - The Fund's total sales of ₱214.45 million for the period ended June 30, 2020 was 463.78% or ₱124.41 million higher than ₱90.04 million sales for the same period last year.
- *Redemptions for the period ended* – Fund's total redemptions amounted to ₱152.23 million for the period ended June 30, 2020 was 18.64% or ₱168.60 million lower than ₱320.82 million redemptions last year.
- *Net Income vs. Benchmark** - The Fund incurred a net loss of ₱0.74 billion for the period ended June 30, 2020 as compared to ₱0.19 billion net income for the same period last year.
- *Market Share vs. Benchmark** – As of June 30, 2020 the Fund garnered 3.58% share in the Equity Funds category while 1.18% share in terms of net assets. On the basis of account holders, the Fund has 16,504 account holders or 6.08% of the total accounts in the Equity Funds category.

*The benchmark of the Fund is the Philippine Stock Exchange Index (PSEi).

FINANCIAL SOUNDNESS INDICATORS

The following basic ratios measure the financial performance of the Company for the years ended 2019, 2018 and 2017:

Performance Indicators	2019	2018	2017
Return on assets ^{1/}	1.43%	(13.08%)	21.08%
Return on equity ^{2/}	1.44%	(13.17%)	21.31%
Cost to income ratio ^{3/}	57.29%	(20.73%)	13.94%
Net asset value per unit ^{4/}	₱5.3283	₱5.2733	₱6.0130
Earnings(Loss) per share ^{5/}	₱0.0775	(₱0.7461)	₱1.1423

^{1/} Net Income over average assets. Average assets for year ended December 31 were computed based on the average of the beginning and ending balances.

^{2/} Net Income over average equity. Average equity for year ended December 31 was computed based on the average of the beginning and ending balances.

^{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.

COMMITMENTS, MATERIAL EVENTS AND UNCERTAINTIES

The Fund has no plans of entering into any material commitment for capital expenditures in the future. To the knowledge and information of the Fund, there are no events or uncertainties that will have a material impact on the Fund's liquidity or that will trigger direct or contingent financial obligation to the Fund, including any default or acceleration of an obligation. Also, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events or uncertainties that have had or that are reasonably expected to cause a material favorable or unfavorable impact on income from continuing operations. Similarly, there are no significant elements of income or loss that did not arise from the Fund's continuing operations.

Lastly, there are no seasonal aspects that had any material effect on the financial condition or results of operations of the Fund.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

EXTERNAL AUDITOR

The present auditor of the Fund is Sycip, Gorres, Velayo and Company. The reports of said auditors on the financial statements of the company for the year ended December 31, 2019 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.

DIRECTORS AND OFFICERS OF THE FUND

The Board of Directors is responsible for conducting all the businesses of the Fund. It shall exercise general supervision over the duties performed by the Fund Manager, Principal Distributor, Transfer Agent and Custodian of the Fund.

As of the date of this prospectus, the Board of Directors and the officers of the Fund are as follows:

NAME	CITIZENSHIP	AGE	POSITION
Manuel V. De Leon	Filipino	62	Chairman
Victor A. Abola	Filipino	76	President
Edwin B. Valeroso	Filipino	56	Vice-President
Marie Arabella D. Veron	Filipino	59	Treasurer
Jonathan T. Tabac	Filipino	65	Compliance Officer
Nimfa B. Pastrana	Filipino	58	Corporate Secretary
Eduardo S. Mendiola	Filipino	64	Director
Fr. Rafael K. Eloriaga	Filipino	56	Independent Director
Edgar B. Solilapsi	Filipino	68	Independent Director

Below is a description of the business experiences of each director/officer during the last five (5) years:

BRO. MANUEL V. DE LEON, FMS

Chairman

Bro. Manuel V. de Leon, FMS, 62, Filipino, term of office is one year. Bro. De Leon has been serving as a member of the Board of Director of the following companies since 2005 and elected as Chairman of the Board on March 22, 2011, namely: First Metro Save & Learn Fixed-Income Fund, Inc. (2005 to present), First Metro Save and Learn Equity Fund, Inc. (2005 to present), First Metro Save and Learn Balanced Fund, Inc. (2005 to present), First Metro Save and Learn Dollar Bond Fund, Inc. (2008 to present), First Metro Asia Focus Equity Fund, Inc. (2010 to present) and Paradigm Global Growth Fund, Inc. (2015 to present). He is also a director of First Metro Asset Management, Inc. (2005 to present). He is the Provincial Superior of Marist Brothers of the Schools - East Asia Province (from 2003 to present). He is the Founding President of SAGIP KA 2000 Foundation, Inc. (2000-present). He is Chairman of the Board of Notre Dame of Dadiangas University (2007-present), Notre Dame of

Kidapawan College (2003-present), and Notre Dame of Marbel University (1990-present). He was an awardee of the Ten Outstanding Young Men (TOYM) in 1992. He has masters and doctorate degrees in Education from University of the Philippines.

VICTOR A. ABOLA

President

Dr. Victor A. Abola, 76, Filipino, term of office is one year. Dr. Abola is the current Program Director of the Strategic Business Economics Program (SBEP) of the University of Asia and the Pacific (UA&P). He is the Executive Director of the UA&P-FMIC Capital Market Research Center and the Corporate Secretary of Research, Education and Institutional Development Foundation, Inc. (REID). He is an director of First Metro Save and Learn Balanced Fund, Inc. (since 2010), First Metro Save and Learn Equity Fund, Inc. (since 2010), First Metro Save & Learn Fixed Income Fund, Inc. (since 2010), First Metro Save and Learn Dollar Bond Fund, Inc. (since 2010), First Metro Asia Focus Equity Fund, Inc. (since 2010) and First Metro Securities Brokerage Corp. (since 2010).

He gives lectures on Macroeconomic Policy at the graduate school level of the School of Economics. He was a lecturer in Macroeconomics and Introduction to Money, Banking and Finance in the Management Associates Program of the Development Bank of the Philippines (2006-2010). He was the Chief of Party of the Fiscal Policy Analysis Activity of the Department of Finance, a project funded by the USAID in order to enhance policy analysis and revenue forecasting capabilities of DOF's Domestic Finance Group. This work involved completing one of Asia's first Microsimulation Models for major taxes. He finished his doctorate degree in Development Management from the University of Asia and the Pacific, where he also received his M.S. in Industrial Economics. After obtaining his Bachelor of Arts and Bachelor of Science in Commerce (major in Accounting) from the De La Salle University, he obtained his CPA certificate. Prior to this, he spent 15 years in Hong Kong as a Consultant to PCI Capital Asia, Ltd. and later became the Executive Director of the Philippine Research Center (HK), Limited. He has authored numerous articles that have appeared in local and foreign newspapers and periodicals, and UA&P's research publications. He co-authored with Dr. Bernardo M. Villegas the textbooks, Economics An Introduction (now in its 6th edition) and Basic Economics (2nd ed. 2010). He is the author of the text/reference book Money, Banking and Finance (2006).

EDUARDO S. MENDIOLA

Director

Mr. Eduardo S. Mendiola, 64, Filipino, term of office is one year. Mr. Mendiola has been serving as a member of the Board of Director of the following companies since June 2015, namely: 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 Paradigm Global Growth Fund, Inc. He is a career Executive Service officer II and held the position of Deputy Treasurer of the Philippines from 1994 to 2013. Prior to his appointment as Deputy Treasurer, he held various positions in the Bureau of the Treasury from 1982-1993. He attended various trainings and conferences abroad on capital markets, development of financial system in the ASEAN, financial market analysis, and fiscal discipline among others.

Mr. Mendiola received the Most Outstanding "Dangal ng Trinity Award for Financial Administration" by Trinity University of Asia in 2009, and Distinguished Alumnus of Pamantasan ng Lungsod ng Maynila in 2005.

He finished his BS Statistics at the University of the East. He also completed a Master's in Business Administration from Pamantasan ng Lungsod ng Maynila.

FR. RAFAEL K. ELORIAGA, CM

Independent Director

Fr. Rafael K. Eloriaga, 56, Filipino. Independent Director for First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc. and First Metro Asia Focus Equity Fund, Inc.

Fr. Eloriaga 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 formerly the 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)

Fr. Eloriaga took up his AB Philosophy and Letters 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.

EDGAR B. SOLILAPSI

Independent Director

Mr. Edgar B. Solilapsi, 68, Filipino. 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.

EDWIN B. VALEROSO

Vice-President

Dr. Edwin B. Valeroso, 56, Filipino. He is First Vice President of First Metro Asset Management, Inc. 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 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.

MARIE ARABELLA D. VERON

Treasurer

Ms. Marie Arabella D. Veron, 59, 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 & 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 & 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.

ATTY. NIMFA B. PASTRANA

Corporate Secretary

Atty. Nimfa B. Pastrana, 58, 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 & 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 & 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, 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.

JONATHAN T. TABAC

Compliance Officer

Mr. Jonathan T. Tabac, 65, 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 EMPLOYEE

The Fund has no significant employees or persons other than the above-mentioned directors and officers who are expected to make a significant contribution to the business of the Fund.

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the Registrant to become directors or executive officers.

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.

EXECUTIVE COMPENSATION

The Fund pays its directors, corporate secretary and officers as per diem of P10,000.00, P3,000.00, P2,500.00, respectively, The payment is given during the Annual Stockholders' and regular board meetings.

	2020 (Estimated)	2019	2018	2017
Directors	P250,000	P225,000	P205,000	P215,000
Executive Officers	77,500	67,000	77,000	74,500
Aggregate Annual Per Diem	P327,500	P292,000	P282,000	P289,500

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.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

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

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	% of Holdings
Common Shares	First Metro Investment Corporation (FMIC) 45th Flr. GT	Same	Filipino	184,275,894	23.28%

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	% of Holdings
	Tower Int'l., Ayala Ave. corner HV Dela Costa				

FMIC, is the registered owner of the shares in the books of the Company. The Board of Directors of FMIC 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 FMIC is Mr. Jose Patricio A. Dumlaog or any officer appointed by the Board.

SECURITY OWNERSHIP OF 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	Bro. Manuel V. De Leon, FMS		Filipino	0.00%
Common shares	Eduardo S. Mendiola		Filipino	0.00%
Common shares	Victor A. Abola		Filipino	0.00%
Common shares	Raphael K. Eloriaga*		Filipino	0.00%
Common shares	Edgar B. Solilapsi*		Filipino	0.00%
Common shares	Nimfa B. Pastrana	86,054	Filipino	0.01%
Common shares	Marie Arabella D. Veron	22,492	Filipino	0.00%
Common shares	Jonathan Tabac	19,006	Filipino	0.00%

*Independent Director

VOTING TRUST

The Fund knows no persons holding more than 5% of its shares under a voting trust or similar agreement which may result in a change in control of the Fund.

CHANGE OF 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 Fund.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There has been no material transaction during the year nor is there any material transaction currently proposed to which the Fund was, or is a party, or in which any director or executive officer of the Fund, any nominee for election, any owner of more than five (5%) percent of the Fund's voting shares, or any member of the immediate family of any such director or officer, had or is to have a direct or indirect material interest.

RULES AND REGULATIONS GOVERNING INVESTMENT COMPANIES

INVESTMENT COMPANY ACT OF 1960

In compliance with the requirements of the R. A. No. 2629, otherwise known as the Investment Company Act of 1960 or ICA, the Fund is organized as a stock corporation. All the members of the Board of Directors of the Fund are Filipino citizens and all shares of its capital stock are common and voting shares. The Articles of Incorporation of the Fund provide for the waiver of pre-emptive rights of stockholders.

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 (AMLC), 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.

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.

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. 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 affect the performance of the Fund.

PARTIES INVOLVED IN THE FUND

INVESTMENT MANAGER, FUND ADMINISTRATOR AND PRINCIPAL DISTRIBUTOR

First Metro Asset Management Inc., (FAMI), the Investment Manager/Fund Manager, Fund Administrator and Principal Distributor of the shares of the Fund, was incorporated on April 21, 2005. The guidelines for the investment management, fund administration and shares distribution of the Company are set in the Management and Distribution Agreement between the parties.

Under the Agreement, FAMI shall formulate and implement the investment strategy, provide and render management, technical, and administrative services, authorized to purchase and sell investment securities for the account of the Fund FAMI shall provide services to the Funds such as: coordination of the activities; preparation of reports, circulars, notices and other information as may be required from time to time; representation with government offices; and other administrative services;; and other roles stated in the Management and Distribution Agreement or as approved by the Commission.

In addition, as Investment Manager, FAMI shall be paid an incentive fee equivalent to 10% of the realized appreciation in the value of the fund's net assets in excess of the benchmark, earlier defined in this prospectus.

CUSTODIAN BANK

The Custodian Bank of the Company is Citibank Philippines. In consideration of the services to be rendered by the custodians, the Fund shall pay the custodians 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. The custodianship fees are usually quoted as a percentage per annum (% p.a.) of the securities’ notional or market value, billed at every month-end. The designated custodians also charge transaction fees for the purchase and sale of portfolio securities, usually at a flat fee per transaction.

Under this agreement, the Custodian Bank shall receive, safe keep, record, and account for the proceeds of the sale of the shares of stock of the Fund. The Custodian Bank shall, likewise, hold all the certificates when applicable, representing the investments made by the Fund Manager in behalf of the Fund in accordance with the regulations, and other roles stated in the Custodian Bank Agreement or as approved by the Commission.

TRANSFER AGENT

The transfer agent of the Fund is Metropolitan Bank and Trust Company-Trust Banking Group. The primary responsibility of the transfer agent is the accurate record keeping of individual shareholdings and the issuance and cancellation of stock certificates.



Under this agreement, the Stock and Transfer Agent shall provide certain services such as: filing of reports as may be required by the Commission; preparing of list of stockholders for all regular or special meetings; preparing and mailing out all notices, reports, and circulars to all stockholders; preparing and mailing dividend checks; preparing and issuing stock certificates; and registering all liens constituted on the shares of stock of the Fund.

EXTERNAL AUDITOR

The external auditor of the Fund is the accounting firm of Sycip, Gorres, Velayo and Company (SGV & Co.).