

COVER SHEET

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S.E.C. Registration Number

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F	I	X	E	D		I	N	C	O	M	E		F	U	N	D		I	N	C	.							

(Company's Full Name)

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(Business Address: No. Street City / Town Province)

MARICEL L. MADRID

Contact Person

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Company Telephone Number

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1	2				
3	1				
Fiscal Year					

DEFINITIVE 20-IS

Form Type

3rd Wed. of June

<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td></td><td></td></tr> </table> Month			<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td></td><td></td></tr> </table> Day		
Annual Meeting					

INVESTMENT COMPANY

Secondary License type, if applicable

C G F D

Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total amount of Borrowings

<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table> Domestic		<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table> Foreign	

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To be Accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

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Remarks = Pls. use black ink for scanning purposes.

FIRST METRO SAVE AND LEARN FIXED INCOME FUND, INC. (SALFIF)
ANNUAL MEETING OF THE STOCKHOLDERS
Wednesday, June 16, 2021, 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 September 16, 2020
4. Annual Report to the Stockholders
5. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2020, including the following:
 - a. Renewal of the Management Distribution Agreement
6. Election of the Members of the Board of Directors for the year 2021-2022
7. Appointment of External Auditor for the year 2021.
8. Other Matters
9. Adjournment

Stockholders of record as of May 5, 2021 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 June 16, 2021. 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 May 28, 2021, through email at 20is@fami.com.ph and hardcopies at 18th 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 FIXED INCOME 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, June 16, 2021 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 September 2020			
2. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2020, including the following: a. Renewal of the Management Distribution Agreement			
3. Election of the Members of the Board of Directors for the year 2021-2022	# of Votes		
Bro. Manuel V. de Leon, FMS			
Dr. Victor A. Abola			
Mr. Eduardo S. Mendiola			
Fr. Rafael K. Eloriaga, CM (<i>Independent Director</i>)			
Mr. Edgar B. Solilapsi (<i>Independent Director</i>)			
	Yes	No	
4. Appointment of External Auditor for the year 2021.			

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

DATE

¹ Please fill-out and sign the proxy form and return via mail/email/Metrobank Branches on or before 5:00 p.m. on May 28, 2021.

Via Mail: To the Corporate Secretary, 18th Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City

Via Email: 20is@fami.com.ph | Via Fax: (02) 816-0467

Via Metrobank Branches: Use Pouch Code 90020. This service is free of charge.

²This 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.

³If 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 FIXED-INCOME FUND, INC.
3. Province, Country or other jurisdiction of incorporation or organization;
Metro Manila, Philippines
4. SEC Identification number: **CS2005009327**
5. BIR Tax Identification Code: **238-699-638-000**
6. Address of Principal Office:
18th 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 the meeting of security holders:
Date : June 16, 2021
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: **May 19, 2021**
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)
Common Shares	791,776,987 shares
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, June 16, 2021
Time : 02:00 p.m.
Place : Livestream at the link provided in <https://fami.com.ph/>

Mailing Address of the Registrant

18th 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:

May 19, 2021

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	791,776,987	One (1) vote per Share

b) Record Date

Stockholders of record as of May 5, 2021 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 March 31, 2021:

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	Percent to Outstanding Shares
Common Shares	First Metro Investment Corporation (FMIC) ^{/1}	Same	Filipino	175,807,043	22.20%
Common Shares	Metrobank Trust Banking as IM for Girl Scout of the Philippines ^{/2}	Same	Filipino	48,230,464	6.09%
Common Shares	Gawad Kalinga Community Devt. Foundation Inc. 2F Cheng Bldg., 212 Haig St. Daang Bakal	Same	Filipino	40,994,565	5.18%

^{/1} First Metro is the registered owner of the shares in the books of the Company. The Board of Directors of First Metro 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 First Metro is Mr. Francisco C. Sebastian or Mr. Rabboni Francis B. Arjonillo or any officers appointed by the Board.

^{/2} Metrobank Trust Banking as IM for Girl Scout of the Philippines is the registered owner of the shares in the books of the Company. The Board of Directors of Metrobank Trust Banking as IM for Girl Scout of the Philippines 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 First Metro is Mr. Eduardo C. Ramirez or any officers appointed by the Board.

^{/3} Gawad Kalinga Community Devt. Foundation Inc. is the registered owner of the shares in the books of the Company. The Board of Directors of Gawad Kalinga 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 Gawad Kalinga is Mr. Luis Oquinena, Chairperson, or any officers appointed by the Board.

Security Ownership of Directors/Management:

Following are the securities owned by directors and officers of the Fund as of March 31, 2021:

Title of Class	Name of Beneficial Owners	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common Shares	Manuel V. De Leon	1	Filipino	0.000%
Common Shares	Fr. Rafael K. Eloriaga*	1	Filipino	0.000%
Common Shares	Victor A. Abola	1	Filipino	0.000%
Common Shares	Edgar B. Solilapsi*	1	Filipino	0.000%
Common Shares	Eduardo S. Mendiola	1	Filipino	0.000%
Common Shares	Nimfa B. Pastrana	4,000	Filipino	0.001%
Common Shares	Jonathan T. Tabac	94,531	Filipino	0.012%

*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 (5) - 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 SALFIF'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 May 5, 2021 are as follows:

Name	Experience
<p>Bro. Manuel V. de Leon, FMS Chairman</p>	<p>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), and First Metro Asia Focus Equity Fund, Inc. (2010 to present) He is also a director of First Metro Asset Management, Inc. (2005 to present). He is the Founding President and CEO of SAGIP KA 2000 Foundation, Inc. (2000-present). He is a member of the Board of Trustees of Notre Dame of Dadiangas University (2007-present). He was the Provincial Superior of Marist Brothers of the Schools - East Asia Province (from 2007 to 2013). 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.</p>
<p>Dr. Victor A. Abola President</p>	<p>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).</p> <p>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.</p>

	<p>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).</p>
<p>Mr. Eduardo S. Mendiola Director</p>	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Fr. Rafael K. Eloriaga, CM Independent Director</p>	<p>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.</p> <p>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)</p> <p>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.</p>

<p>Mr. Edgar B. Solilapsi Independent Director</p>	<p>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.</p> <p>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.</p>
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The two (2) independent directors, namely, Fr. Rafael K. Eloriga, 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, 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.</p>

<p>Ms. Maricel L. Madrid Treasurer</p>	<p>Ms. Maricel Madrid, 41 years old, Filipino. Term of office is one year. Ms. Madrid joined First Metro Investment Corporation as First Vice President in November 2017. She currently heads the company's Controllershship Group and holds directorship with SBC Properties, Inc., Prima Ventures Development Corporation and FMIC Equities, Inc. Ms. Madrid also serves as the Adviser to the Board and the Audit Committee for First Metro Securities Brokerage Corporation and the Treasurer of First Metro Asset Management, Inc., First Metro Save & Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save & Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Money Market Fund, Inc. and First Metro Save and Learn FOCCUS Dynamic Fund, Inc.</p> <p>She has almost 20 years of solid experience in the banking industry in the areas of audit, risk management, controllershship and finance. She was the Controller during her six years stint with East West Banking Corporation. She served as a director and a member of the audit committee for one of the subsidiaries of East West Bank. She also held key management positions for some entities under East West Bank Group. She started her career as an external auditor with Punongbayan & Araullo.</p> <p>Ms. Madrid is a Certified Public Accountant and graduated cum laude with a degree of Bachelor of Science in Accountancy from the University of Santo Tomas.</p>
<p>Atty. Nimfa B. Pastrana Corporate Secretary</p>	<p>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.</p>
<p>Mr. Jonathan T. Tabac Compliance Officer</p>	<p>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</p>

	<p>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.</p>
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Significant Employees

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

Nominee Directors

The following are the nominees to the Board of Directors for election during Annual Stockholders' Meeting on June 16, 2021:

Bro. Manuel V. De Leon, FMS
 Dr. Victor A. Abola
 Mr. Eduardo S. Mendiola
 Fr. Rafael K. Eloriaga, CM *
 Mr. Edgar B. Solilapsi *
 *Independent Directors

Independent Directors

In accordance with SRC Rule 38(8), First Metro Save & Learn Fixed-Income Fund, Inc. (SALFIF) 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.

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 Fixed Income Fund, has no relation with each other, 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.

The members of the Nominations Committee are, Bro. Manuel V. De Leon, FMS, as Chairman and Mr. Eduardo S. Mendiola and Fr. Rafael K. Eloriaga, CM as members.

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.

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 directors, executive officers, or persons nominated or chosen by the registrant to become director or executive officers.

Relationships and Related Transactions

There have been no material transactions 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.

Item 6. Compensation of Executive Officers and Directors

Per Diem payments to directors and officers for the year ended December 31, 2020, 2019 and 2018 are as follows:

	2021 (Estimated)	2020	2019	2018
Directors	₱250,000	₱233,268	₱225,000	₱205,000
Executive Officers	77,500	76,239	67,000	77,000
Aggregate Annual Per Diem	₱327,500	₱309,507	₱225,000	₱282,000

Per diem of Directors, Corporate Secretary and Officers of the Fund amounting to P10,000, P3,000, P2,500, 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 Fixed-Income Fund Inc.. Representatives of SGV & Co. are expected to be present at the stockholders meeting on June 16, 2021. 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 2021, SALFIF 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 2020, 2019 and 2018. The reports of auditors on the financial statements of the company for the years ended December 31, 2019, 2018 and 2017 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 2020, 2019, 2018 and 2017 are ₱231,067, ₱217,408, ₱203,756 and ₱219,912, 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.

SALFIF's Audit Committee is chaired by Fr. Rafael Eloriaga with Mr. Edgar Solilapsi and Dr. Victor Abola as members.

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- N/A

Item 18. Other Proposed Item

1. Approval of the minutes of the meeting of the stockholders held on September 16, 2020, 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. Renewal of Management and Distribution Agreement
 - d) Election of the Members of the Board of Directors for the year 2020-2021
 - e) Appointment of External Auditor for the year 2020.
 - f) Amendment of the Registration Statement and Prospectus in order to reflect the changes in sales load and benchmark
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. Renewal to the Management Distribution Agreement with FAMI
3. Election of the Members of the Board of Directors for the year 2021-2022 – 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 2021 – 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 2021 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 or electronically by poll during the meeting, and counted manually/electronically by the Corporate Secretary. The duly accomplished proxy forms indicating votes for the particular items, sent by the stockholder prior the meeting, shall be tallied in advance by the Corporate Secretary accordingly.

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.

FIRST METRO SAVE & LEARN FIXED-INCOME FUND, INC. YEAR 2020 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.
18th 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 May 17, 2021.

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

First Metro Save & Learn Fixed-Income Fund, Inc. is an open-end investment company, which was incorporated on June 3, 2005 and subsequently registered under R.A. 2629 on September 6, 2005. It is principally engaged in the sale of its shares of stock and in the investment of the proceeds from these sales in a variety of fixed-income instruments and securities.

Initially, the Fund had paid-up capital of ₱50.00 million out of ₱300.00 million authorized capital stock composed of 300 million common shares with a par value of ₱1.00 per share. Due to the increase in subscriptions being received by the Fund, on December 31, 2014, the authorized capital of the Fund was increased to ₱1.70 billion composed of 1.70 billion common shares with a par value of ₱1.00 per share. The price at which the shares are being offered is based on the net asset value per share computed on a daily basis plus a front-end sales load fee.

The Fund earned some awards and recognitions based on its performance from Philippine Investment Fund Association (PIFA) since 2010 as shown below:

- In 2010, the Fund's performance ranked first for 1-year return, second place for 3-year return and third place in 5-year return categories.
- In 2011, the Fund obtained the first place in 1-year return, 3-year return and 5-year return categories.
- In 2012, the Fund ranked first place in the 1-year return, 3-year return and 5-year return categories.
- In 2013, First Metro Save & Learn Fixed-Income Fund, Inc. ranked first place in the 1-year return, 3-year return and 5-year return categories.
- In 2014, the Fund maintains its first place in the 3-year and 5-year return categories among other Peso Fixed Income Funds.
- In 2015, First Metro Save & Learn Fixed-Income Fund, Inc. was rated as first place in the 3-year return, 5-year return and 10-year return categories.
- In 2016, First Metro Save & Learn Fixed-Income Fund, Inc. was ranked as first place in the 5-year return and 10-year return categories.
- In 2017, First Metro Save & Learn Fixed-Income Fund, Inc. was second place in the 5-year return and first place in 10-year return categories.
- In 2018, the fund was ranked as first place in 10-year return categories.

The Fund is principally engaged in the sale of its shares of stock and in the investment of the proceeds from these sales into a portfolio of quality, high grade fixed income instruments. As an open-end Mutual Fund Company (MFC), it can redeem its outstanding redeemable shares at net asset value (NAV) per share at any time upon redemption of its investors.

The Fund's investment objective is classified as conservative or low-risk. The Fund's main objective is to provide investors with the opportunity to access the capital markets and enable them to reap modest but satisfactory returns on their investments through a selection of fixed income instruments and securities, and the professional management and supervision of the Fund.

The product being sold by the registrant, through First Metro Asset Management, Inc. (FAMI), is its shares of stock, being a mutual fund company. As of December 31, 2018, the registrant's total sales were ₱96.66 million.

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 Fixed Income Fund category of Philippine mutual funds. It considers the funds of Sunlife, Philam and ALFM, as its main competitors. As of December 31, 2020, these three competitor Funds represent around 90.51% 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.

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.

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 and the SEC, among others.

The Fund primarily invests in government securities, SEC-registered commercial papers and other qualified debt instruments taking precautions of the market conditions, the level of interest rates, and of liquidity needs.

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. The maximum investment of an Investment Company 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 investee company.
- b. The Investment Company 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.
- c. Deposits shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license excluding monies for liquidation of a revoked Investment Company.
- d. The investments in the following shall not exceed five percent (5%) of the net assets of the Investment Company:
 - i. Deposits placed with a non-investment grade or unrated deposit taking institution;
 - ii. Debt securities or money market instruments not dealt in an organized market or issued by an unrated or non-investment grade issuing body; and
 - iii. 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 Investment Company;
 - iv. 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 Investment Company;
- f. A maximum of five percent (5%) of the net assets of the Investment Company 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 Investment Company, 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:
 - i. 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 Investment Company, 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%);
 - ii. The Investment Company shall invest five percent (5%) of its net assets to liquid assets to meet all its payment and delivery obligations;
 - iii. The Fund Manager shall not act as a counterparty to an OTC derivative invested into by the Investment Company.
 - h. The MFC shall be prohibited from investing in the securities it is issuing.
 - i. No Investment Company shall 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 Investment Company.
 - j. The Investment Company shall not engage in short selling;
 - k. Unless the Commission shall provide otherwise, the Investment Company shall not invest in any of the following:
 - i. margin purchase of securities (investment in partly paid shares are excluded);
 - ii. commodity futures contracts;
 - iii. precious metals; and
 - iv. unlimited liability investments.

The Fund's policy prescribes that at least 10.00% of its total assets is invested in any of the following:

- 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;
- Tradable Long-Term Negotiable Certificate of Time Deposits (LTNCTD)
- 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;
- 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.
- Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;
- Other collective schemes wholly invested in liquid/semi-liquid assets.

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 and Learn Fixed Income 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.

SALFIF has identified the following major risks involved in its businesses and other operations:

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 fixed 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 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.

CREDIT RISK (also called default risk) is the risk that the issuer of the security will be unable to make the required payments on their debt obligations. The Fund invests in government securities, the risk of default of which is considered minimal. The Fund manages credit risks by transacting with accredited counterparties only. Credit exposures are closely monitored to ensure that payments are made on time.

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.

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 first quarter of 2021, and the years 2020, 2019 and 2018:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2021	High	2.4540	-	-	-
	Low	2.4188	-	-	-
2020	High	2.3845	2.4517	2.4633	2.4540
	Low	2.3404	2.3556	2.4350	2.4421
2019	High	2.2753	2.3154	2.3596	2.3591
	Low	2.2096	2.2526	2.3113	2.3349
2018	High	2.2220	2.2190	2.2194	2.2183
	Low	2.2083	2.2108	2.2144	2.2024

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. Shareholders

As of March 31, 2021, there are 1,982 shareholders of the Fund.

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

C. Dividends

The Fund has not issued any cash dividend since its inception. 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 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.

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 Registrant 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 Statements of Financial Position and Statements of Comprehensive Income as of and for the period ended March 31, 2021, and for the years ended December 31, 2020, 2019 and 2018 are presented below:

Statements of Financial Position

FIRST METRO SAVE & LEARN FIXED-INCOME FUND, INC. (An Open-End Mutual Fund Company)

INTERIM STATEMENTS OF FINANCIAL POSITION

	As of	
	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	₱ 390,908,128	₱316,133,531
Financial assets at fair value through profit or loss	700,966,276	977,192,706
Financial assets at amortized cost	780,244,117	761,190,814
Receivables	32,513,477	15,805,320
Other assets	16,156,773	16,156,773
TOTAL ASSETS	₱ 1,920,788,770	₱2,086,479,144
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	₱ 17,256,638	₱103,732,368
EQUITY		
Capital stock	785,136,568	808,230,712
Additional paid-in capital	1,044,486,089	1,077,325,349
Retained earnings	73,909,475	97,190,715
	₱ 1,903,532,132	₱1,982,746,776
TOTAL LIABILITIES AND EQUITY	₱ 1,920,788,770	₱2,086,479,144

	As of December 31			Increase (Decrease)			
	2020	2019	2018	2020 vs. 2019		2019 vs. 2018	
				Amount	%	Amount	%
ASSETS							
Cash and cash equivalents	₱316,133,531	₱196,276,984	₱409,562,773	₱119,856,547	61.07%	(₱213,285,789)	(52.08%)
Financial assets at fair value through profit or loss (FVPL)	977,192,706	952,093,145	599,836,412	25,099,561	2.64%	352,256,733	58.73%
Financial assets at amortized cost	761,190,814	427,859,485	579,014,409	333,331,329	77.91%	(151,154,924)	(26.11%)
Receivables	15,805,320	16,925,092	9,053,282	(1,119,772)	(6.62%)	7,871,810	86.95%
Other asset	16,156,773	16,156,773	16,156,773	-	-	-	-
	₱2,086,479,144	₱1,609,311,479	₱1,613,623,649	₱477,167,665	29.65%	(₱4,312,170)	(0.27%)
LIABILITIES							
Accounts payable and accrued expenses	₱103,732,368	₱3,250,876	₱5,881,770	₱100,481,492	3,090.91%	(₱2,630,894)	(44.73%)
EQUITY							
Capital stock	808,230,712	680,802,846	729,101,211	127,427,866	18.72%	(48,298,365)	(6.62%)
Additional paid-in capital	1,077,325,349	890,955,597	937,710,312	186,369,752	20.92%	(46,754,715)	(4.99%)
Retained earnings	97,190,715	34,302,160	(59,069,644)	62,888,555	183.34%	93,371,804	158.07%
	1,982,746,776	1,606,060,603	1,607,741,879	376,686,173	19.00%	(1,681,276)	(0.10%)
	₱2,086,479,144	₱1,609,311,479	₱1,613,623,649	₱477,167,665	29.65%	(₱4,312,170)	(0.277%)

Statements of Comprehensive Income

FIRST METRO SAVE & LEARN FIXED-INCOME FUND, INC. (An Open-End Mutual Fund Company)

INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	For the Period Ended March 31	
	2021	2020
INCOME		
Interest income	₱15,293,497	₱19,070,877
Trading and securities gain (loss)	(25,723,418)	(8,413,484)
	(10,429,921)	10,657,393
EXPENSES		
Management and retainer's fees	9,478,138	7,869,323
Taxes and licenses	3,093,118	352,134
Directors' and officers' fees	98,315	76,952
Professional fees	80,646	57,450
Custodian and clearing fees	65,123	56,172
Provision for Impairment Loss	-	(845)
Miscellaneous	27,725	17,940
	12,843,066	8,429,125
INVESTMENT INCOME BEFORE TAX	(23,272,987)	2,228,268
PROVISION FOR FINAL TAX	23,606	3,882,263
NET INVESTMENT INCOME (LOSS)*	(₱23,296,593)	(₱1,653,995)
Earnings (Loss) Per Share	(₱0.0025)	(₱0.0025)

*There are no other comprehensive income items for the period ended March 31, 2021 and 2020.

	Years Ended December 31			Increase (Decrease)			
				2020 vs. 2019		2019 vs. 2018	
	2020	2019	2018	Amount	%	Amount	%
INVESTMENT INCOME							
Interest income	₱72,771,837	₱83,896,304	₱74,604,485	(₱11,124,467)	(13.26%)	₱9,291,819	12.45%
Trading and securities gains (losses)	41,984,209	74,172,722	(33,326,805)	(32,188,513)	(43.40%)	107,499,527	322.56%
Miscellaneous income	-	16,074	481,171	(16,074)	(100.00%)	(465,097)	-96.66%
	114,756,046	158,085,100	41,758,851	(43,329,054)	(27.41%)	116,326,249	278.57%
OPERATING EXPENSES							
Management and retainer's fees	34,505,204	31,830,966	36,403,721	2,674,238	8.40%	(4,572,755)	(12.56%)
Taxes and licenses	2,289,055	601,445	701,829	1,687,610	280.59%	(100,384)	(14.30%)
Directors' and officers' fees	309,507	292,000	282,000	17,507	6.00%	10,000	3.55%
Custodian and clearing fees	240,971	249,870	235,626	(8,899)	(3.56%)	14,244	6.05%
Professional fees	231,067	217,408	203,756	13,659	6.28%	13,652	6.70%
	37,733,040	33,271,224	37,973,367	4,461,816	13.41%	(4,702,143)	(12.38%)
NET INVESTMENT INCOME (LOSS) BEFORE INCOME TAX	77,023,006	124,813,876	3,785,485	(47,790,870)	(13.29%)	121,028,391	3,197.17%
PROVISION FOR FINAL TAX	14,134,451	16,954,734	14,755,905	(2,820,283)	(16.63%)	2,198,829	14.90%
NET INVESTMENT INCOME (LOSS)	62,888,555	107,859,142	(10,970,420)	(44,970,587)	(41.69%)	118,829,562	(1,083.18%)
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that recycle to profit or loss in subsequent periods:							
Changes in fair values of available-for-sale investments	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	₱62,888,555	₱107,859,142	(₱10,970,420)	(₱44,970,587)	(41.69%)	₱118,829,562	(1,083.18%)

Financial Position (March 31, 2021 vs. December 31, 2020)

As of March 31, 2021, the Fund's total assets stood at P1.92 billion, lower by P0.17 billion from P2.09 billion as of December 31, 2020. Total liabilities decreased to P17.25 million from P103.73 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 rate ranging from 0.25% to 6.00% and 0.25% to 7.10% in 2021 and 2020, respectively. The decrease of 23.65% or P74.77 million from P316.13 million to P390.91 million was due to lower time deposits during the period.

2. Financial assets at FVTPL

Financial assets at FVTPL consists of investments in government and private debt securities. The decrease of 28.27% or P276.23 million from P977.19 million to P700.97 million was mainly due to sale of investments during the quarter. As of March 31, 2021 and December 31, 2020, this account includes fair value loss of P9.37 million and P5.61 million gain, respectively.

Financial assets at Amortized Costs consists of investments in government and private bonds. The increase of P19.05 million or 2.50% from P761.19 million to P780.24 million was mainly due to additional purchases during the period.

3. Receivables

This account consists of accrued interest receivable and other receivables. The increase of 105.71% or P16.71 million from P15.81 million to P32.51 million was due to higher accrued interest receivable from investments as of reporting date and sale of Fixed Income securities with in the cut off period.

4. Others asset

This account remained at P16.16 million which pertains to creditable withholding taxes of the Fund.

5. Accounts payable and accrued expenses

This account consists of accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax (DST) payable. The decrease of 83.36% or P86.48 million from P103.73 million to P17.26 million was due to settlement of accounts payable during the period.

6. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of P0.08 billion from P1.98 billion to P1.90 billion was mainly due to the effect of redemptions and net loss recognized during the period.

Capital Stock ended at P785.14 million, a decrease of P23.09 million from P808.23 million, mainly due to redemptions during the period. The Fund's authorized capital stock remained at P1.70 billion with par value of P1.00 per share. As of March 31, 2021 and December 31, 2020, the total issued and outstanding shares were 666,250,296 and 680,802,846, respectively, while the total number of holders of redeemable common shares is 1,981 and 1,955, respectively.

Additional paid-in capital went down by P32.84 million from P1.08 billion to P1.04 billion due to redemptions made during the year.

Retained earnings decreased by 23.95% or P23.28 million from P97.19 million to P73.91 million mainly due to results of operations recognized during the year.

Results of Operations

For the quarter ended March 31, 2021, the Fund realized a net loss of P23.30 million, lower by 1,308.5% or P21.64 million from last year's net loss of P1.65 million. Detailed discussions on the changes in the statement of income accounts are as follows:

1. Interest income

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. Interest income dropped by 19.81% or P3.77 million from P19.07 million to P15.29 million mainly due to lower volume of investments in debt securities during the period.

2. Trading and securities gains (losses)

This account includes realized and unrealized gains earned from trading investments in debt securities. The decrease of 205.74% or P17.31 million from P8.41 million loss to P25.72 million loss was mainly due to lower realized gain from the sale and result of changes in fair value of debt securities held for trading during the quarter.

3. Management and retainer's fees

This account increased by P1.61 million from P7.87 million to P9.48 million mainly due to the increase in management fees relative to the increase in the Fund's net assets.

4. Taxes and licenses

This account pertains to taxes other than income tax, such as DST and local taxes. The increase of 778.39% or P1.61 million from P0.35 million to P3.09 million was due to higher DST incurred for the period.

5. 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 P0.09 million for the quarter ended March 31, 2021 and 2020.

6. Professional fees

This account represents audit fees and other professional fees incurred by the Fund amounting to P0.08 million for the quarter ended March 31, 2021 and 2020.

7. Custodian and clearing fees

This account pertains to fees paid to the custodian of the Fund amounting to P0.06 million for the quarter ended March 31, 2021 and 2020.

8. Miscellaneous fees

This account increased by 79.08% from last year's P0.02 million to P0.03 million mainly due to lower membership fee and dues and bank charges paid by the Fund during the period.

2020

Financial Position (December 31, 2020 vs. December 31, 2019)

As of December 31, 2020 and 2019, the total resources of the Fund increased by 29.65% or P447.17 million. The changes in total assets were primarily due to the movements in the following accounts:

1. Cash and cash equivalents

Cash and cash equivalents include cash in bank, time deposits and short-term placements. This account increased by 61.07% or P119.86 million primarily due to unpaid purchases of stocks and payable to shareholders for the unpaid redemption proceeds.

Cash in banks earn interest at the respective bank deposit rates. Time deposits bear annual interest rates ranging from 0.125% to 2.25%, and from 0.25% to 6.00% in 2020 and 2019, respectively.

2. Financial assets at FVTPL

Financial assets at FVTPL grew by P25.10 million or 2.64% from P952.09 million in 2019 to P977.19 million in 2020, mainly due to the additional investment in government and private debt securities during the year.

This account comprises of investments in private corporate and government bonds that bear annual interest rates ranging from 2.55% to 6.88% and from 4.25% to 8.00% in 2020 and 2019, respectively. The carrying values of financial assets at FVTPL include unrealized gain or loss of P6.93 million and P8.80 million in 2020 and 2019, respectively.

3. Financial assets at amortized cost

This account consists of private and government bonds that are purchased with the intention of holding the investment to maturity and reported at its amortized cost. The investment grew by 77.91% from P427.86 million to P761.19 million in 2019 to 2020, respectively, due to the additional investments in government and private debt securities during the year.

The bonds bear annual interest rates ranging from 2.58% to 8.00% in 2020 and 4.00% to 7.07% in 2019.

4. Receivables

This account decreased by 6.62% or P1.10 million due to lower accrued interest receivable as of reporting date.

Accrued interest receivable represents interests on time deposits, short-term placements, government and private debt securities held by the Fund.

5. Others asset

Other asset consists of creditable withholding tax on interest income earned from unquoted debt securities.

6. Accounts payable and accrued expenses

This account is composed of due to broker, accounts payable, payable to FAMI, accrued expenses, withholding and documentary stamp tax payable. This account increased by P100.48 million from P3.25 million last year to P103.72 million this year mainly due to higher unpaid purchases of stocks due to broker and payable to shareholders for the unpaid redemption proceeds as of reporting date.

7. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital, retained earnings and net unrealized gain on AFS investments.

Capital Stock

The Fund's authorized and issued capital stock follow:

	2020	2019
Authorized	1,700,000,000 shares	1,700,000,000 shares

Issued **808,230,712 shares** 680,802,846 shares

The authorized capital of the Fund is P1.70 billion divided into 1.70 billion redeemable shares of P1.00 par value with each share carrying one vote. As of December 31, 2020 and 2019, issued and fully paid shares totaled 0.81 billion and 0.68 billion, respectively. The Fund's capital is represented by these redeemable shares.

On February 25, 2013 and July 13, 2013, the BOD approved and the stockholders ratified the increase in ACS from P1.70 billion (1.70 billion redeemable common shares) to P4.00 billion (4.00 billion redeemable common shares) with par value of P1.00 per share. The BOD adopted a resolution that the increase in the authorized capital stock to P4.00 billion be made in several tranches. The ACS will be initially increased by P1.00 billion while the succeeding increase will be executed upon determination and approval of the BOD without the need of going back to the stockholders for approval.

As of December 31, 2020, the Fund has yet to file an application for the increase in authorized capital stock with the SEC.

As of December 31, 2020 and 2019, the total number of holders of redeemable common shares is 1,896 and 1,722, respectively.

Additional paid-in capital increased by P186.37 million or 20.92% mainly due to subscriptions made during the year.

Retained earnings rose by P62.89 million or 183.34% due to net effect of the Fund's results of operations and redemption of shares for 2020.

Results of Operations (January 1– December 31, 2019 vs. January 1– December 31, 2018)

For the year ended December 31, 2020, the Fund realized a net income of P62.89 million, 41.69% or P44.97 million lower than the previous year's net income of P107.86 million mainly due to lower trading gain and interest income recognized during the year.

The highlights of the results of operations for the year ended December 31, 2020 are as follows:

1. Interest income

Interest income amounting to P72.77 million consists of earnings from investments in government and private debt securities and cash and cash equivalents. The decrease of P11.12 million or 13.26% on interest income was due to lower volume of government securities placed by the Fund for the year ended December 31, 2020.

2. Trading and securities gains (losses)

This account went down by P32.19 million or 43.40%, from P74.17 million to P41.98 million gain due to market decline during the current year.

3. Miscellaneous income

This account resulted to nil balance during the year and this pertains to various income recognized in the book.

4. Management and retainer's fees

This account includes management fees and retainer's fees. The P2.67 million or 8.40% increase from P31.83 million to P34.51 million is mainly attributed to higher accrual of management fee during the year relative to the increase in net assets of the Fund.

5. Taxes and licenses

Taxes and licenses include documentary stamp taxes and filing fees. Taxes and licenses during the year went rose by P1.69 million or 280.59% due to the higher payment of local taxes in 2020.

6. Directors' and officers' fees

This account increased by 6.00% mainly due to higher directors' and officers' per diem and bonus this year.

7. Custodian and clearing fees

Custodian and clearing fees pertain to payment made to the custodian of the Fund.

8. Professional fees

This account increased by 6.28% mainly due to higher audit fee and other professional services acquired during the year.

9. Transaction charges

Transaction charges includes transaction and mapping fees paid equivalent to 0.0025% of the face amount of fixed income securities traded during the year. This account decreased by 56.78% mainly due to lower transaction charges during the year.

10. Miscellaneous fees

Miscellaneous fees consist of notarial fee, membership fee and dues, postage and mailing fee and bank charges paid by the Fund. This account increased by 9.09% mainly due to higher other operating expenses.

2019

Financial Position (December 31, 2019 vs. December 31, 2018)

As of December 31, 2019 and 2018, the total resources of the Fund declined by 0.27% or ₱4.31 million. The changes in total assets were primarily due to the movements in the following accounts:

1. Cash and cash equivalents

Cash and cash equivalents include cash in bank, time deposits and short term placements. This account decreased by 52.08% or ₱213.28 million primarily due to decrease in the Time Deposit placements.

Cash in banks earn interest at the respective bank deposit rates. Time deposits bear annual interest rates ranging from 0.25% to 3.75% and from 0.25% to 7.10% in 2019 and in 2018, respectively.

2. Financial assets at FVTPL

Financial assets at FVTPL grew by ₱352.26 million or 58.73% from ₱599.84 million in 2018 to ₱952.09 million in 2019, mainly due to the additional investment in government securities during the year.

This account comprises of investments in private corporate and government bonds that bear annual interest rates ranging from 4.25% to 8.00% for the year 2019 and 5.38% to 8.00% for the year 2018. The carrying values of financial assets at FVTPL include unrealized gain or loss of ₱8.80 million and ₱2.54 million in 2019 and 2018, respectively.

3. Financial assets at amortized cost

This account consists of private and government bonds that are purchased with the intention of holding the investment to maturity and reported at its amortized cost. The investment went down by 26.11% from ₱579.01 to ₱427.86 million in 2018 and 2019, respectively, due to the maturity of some investments..

The bonds bear annual interest rates ranging from 4.00% to 7.07% and from 4.00% to 5.63% in 2019 and 2018, respectively.

4. Receivables

Receivables comprised of accrued interest receivables and other receivables.

Accrued interest receivable as of December 31, 2019 and 2018 represents interests on time deposits, short-term placements, government and private debt securities held by the Fund.

5. Others asset

Other asset consists of creditable withholding tax on interest income earned from unquoted debt securities.

6. Accounts payable and accrued expenses

This account is composed of accounts payable, payable to FAMI, accrued expenses, withholding and documentary stamp tax payable. Accounts payable and accrued expenses went down by ₱2.63 million or 44.73% from ₱5.88 million at the beginning of the year to ₱3.25 million at the end of the year mostly due to the decline in unclaimed redemptions and reduction of unidentified deposits by clients.

7. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital, retained earnings and net unrealized gain on AFS investments.

Capital Stock

The Fund's authorized and issued capital stock follow:

	2019	2018
Authorized	1,700,000,000 shares	1,700,000,000 shares
Issued	680,802,846 shares	729,101,211 shares

The authorized capital of the Fund is ₱1.70 billion divided into 1.70 billion redeemable shares of ₱1.00 par value with each share carrying one vote. As of December 31, 2019 and 2018, issued and fully paid shares totaled 0.68 billion and 0.73 billion, respectively. The Fund's capital is represented by these redeemable shares.

On February 25, 2013, the BOD approved the increase in authorized capital stock from ₱1.70 billion divided into 1.70 billion shares with a par value of ₱1.00 per share to ₱4.00 billion divided into 4.00 billion shares with a par value of ₱1.00 per share. This action was ratified by the stockholders on July 13, 2013. The BOD also adopted a resolution that the increase in the authorized capital stock to ₱4.00 billion be made in tranches. The authorized capital stock will be initially increased by ₱1.00 billion while the succeeding increase will be executed upon determination and approval of the BOD without the need of going back to the stockholders for approval.

As of December 31, 2015, the Fund has yet to file an application for the increase in authorized capital stock with the SEC.

As of December 31, 2019, 2018 and 2017, the total number of holders of redeemable common shares is 1,722, 1,822 and 1,951, respectively.

Additional paid-in capital went down by ₱46.75 million for 2019 as compared to previous year.

Retained earnings rose by ₱93.37 million or 158.07% due to net effect of the Fund's results of operations and redemption of shares for 2019.

Results of Operations (January 1– December 31, 2019 vs. January 1– December 31, 2018)

For the year ended December 31, 2019, the Fund posted a net income of ₱107.86 million compared to a net loss of ₱10.97 million in 2018 as the Fund's operating expenses decline during the year.

The highlights of the results of operations for the year ended December 31, 2019 are as follows:

1. Interest income

Interest income amounting to ₱83.90 million consists of earnings from investments in financial assets at FVTPL, financial assets at amortized cost investments, receivables and cash and cash equivalents. The increase of ₱9.29 million on interest income was due to higher volume of government securities placed by the Fund for the year ended December 31, 2019.

2. Trading and securities gains (losses)

This account rose by ₱107.50 million or 322.56%, from ₱33.33 million loss to ₱74.17 million gain due to market improvements during the current year.

3. Miscellaneous income

Miscellaneous income consists of various income recognized during the year.

4. Management and retainer's fees

This account includes management fees and retainer's fees. The ₱4.57 million or 12.56% decline from ₱36.40 million to ₱31.83 million is mainly attributed to lower accrual of management fee during the year relative to the decrease in net assets of the Fund.

5. Taxes and licenses

Taxes and licenses includes documentary stamp taxes and filing fees. Taxes and licenses during the year went down by ₱0.10 million or 14.30% due to the lower payment of local taxes in 2019.

6. Directors' and officers' fees

This account pertains to payment of directors' and officers' per diem and bonus for the year.

7. Custodian and clearing fees

Custodian and clearing fees pertains to payment made to the custodian of the Fund. The 6.05% increase of this account was due to the higher custody fee caused by the growth in outstanding portfolio of the Fund for 2019.

8. Professional fees

This account pertains to audit fee and other professional services acquired during the year.

9. Transaction charges

Transaction charges includes transaction and mapping fees paid equivalent to 0.0025% of the face amount of fixed income securities traded during the year.

10. Miscellaneous fees

Miscellaneous fees consists of notarial fee, membership fee and dues, postage and mailing fee and bank charges paid by the Fund.

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 occurs after the year ended December 31, 2020.

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, which was subsequently extended to May 15, 2020, for NCR and other areas in Luzon which were considered high-risk areas. While the low-risk to moderate-risk areas in Luzon and the rest of the country were placed under general community quarantine (general community quarantine (GCQ) or a less strict quarantine).

Subsequent to May 15, 2020, the NCR, Laguna and Cebu had been subjected to modified enhance community quarantine (MECQ). Beginning June 1, 2020, NCR and certain areas were put under GCQ until July 31, 2020. Thereafter, NCR, Bulacan, Cavite, Laguna, and Rizal were then put under MECQ beginning August 4, 2020 until August 18, 2020. GCQ was imposed again in NCR and certain areas from August 19, 2020 until December 31, 2020.

On September 16, 2020, Proclamation No. 1021 was issued, extending the State of Calamity throughout the Philippines due to COVID-19 for a period of one-year effective September 13, 2020 to September 12, 2021, unless earlier lifted or extended as circumstances may warrant.

On December 28, 2020, the government further extended the GCQ until January 31, 2021 in NCR and nine (9) other areas in Luzon and Visayas. The rest of the country was under modified GCQ until January 31, 2021. On January 29, 2021, NCR and certain areas in the Philippines continued to be under GCQ until February 28, 2021, while the rest of the country as under modified GCQ. On February 27, 2021, the GCQ in NCR and other nine areas in the Philippines is extended until March 31, 2021. On March 21, 2021, the GCQ is extended in NCR surrounding provinces of Bulacan, Cavite, Laguna and Rizal starting March 22, 2021. 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. At this stage, known impact of COVID-19 to the Fund includes the decrease in net asset value due to fair valuation losses on investments in 2020.

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 June 3, 2005. 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 capitalization of P50.00 million which translates to a minimal share in the mutual fund industry (under the bond fund category).

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

- *Net Asset Value per Share.* Net Asset Value per share decreased to P2.4245 as of March 31, 2021 from P2.4532 as of December 31, 2020. The Fund's average daily net asset value increased by 12.7% or P221 million from P1.74 billion as of December 31, 2020 to P1.961 billion as of March 31, 2021.
- *Sales for the period ended.* The Fund's total sales of P188.99 million for the period ended March 31, 2021 was 73.97% or P537.13 million lower than P46.39 million sales for the same period last year.
- *Redemptions for the period ended.* The Fund's total redemptions of P 244.93million for the period ended March 31, 2021, was 42.17% or P178.57 million lower than last year's P423.50 million.
- *Net Income vs. Benchmark.* The Fund incurred P23.30 million net loss for the period ended March 31, 2021, P21.64 million lower than P1.65 million net loss for the same period last year.
- *Market Share vs. Benchmark* – As of March 31, 2021 the Fund garnered 3.05% share in the Fixed Income Funds (Peso) category while 0.51% share among all mutual funds in terms of net assets. On the basis of account holders, the Fund has 1,746 account holders or 3.26% of the total accounts in the Fixed Income category (Peso) category.

The following basic ratios measure the financial performance of the Company for the period ended March 31, 2021 and March 2020:

FINANCIAL SOUNDNESS INDICATORS

	As of		
	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)	December 31, 2020 (Audited)
Current ratio ^{1/}	8189.17%	38559.30%	1262.03%
Acid test ratio ^{2/}	8189.17%	38559.30%	1262.03%
Debt-to-equity ratio ^{3/}	0.91%	0.20%	5.23%
Asset-to-equity ratio ^{4/}	100.91%	100.20%	105.23%
Interest rate coverage ratio ^{5/}	n.a.	n.a.	n.a.
Profitability ratios:			
Return on assets ^{6/}	-4.65%	(0.42)%	3.40%
Return on equity ^{7/}	-4.80%	(0.42)%	3.50%

^{1/} Current Assets divided by Current Liabilities

^{2/} Quick Assets (Cash and cash equivalents, Financial assets at FVTPL securities and Current receivables) divided by Current Liabilities

^{3/} Total Liabilities divided by Total Equity

^{4/} Total Assets divided by Total Equity

^{5/} Earnings Before Interest and Tax divided by Interest Expense

^{6/} Annualized Net Investment Income divided by Average Total Assets

^{7/} Annualized Net Investment Income divided by Average Total Equity

Item 7. Financial Statements

1. Statement of Management's Responsibility for Financial Statements
2. 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 May 19, 2021.

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

By:


MARICEL L. MADRID
TREASURER