

**FIRST METRO SAVE AND LEARN F.O.C.C.U.S. DYNAMIC FUND, INC.
(SALFOCCUS)**

ANNUAL MEETING OF THE STOCKHOLDERS

Wednesday, June 29, 2022, 02:00PM

Zoom webinar, link provided in the website: <https://fami.com.ph/>

AGENDA

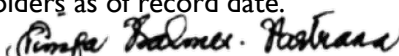
1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on July 7, 2021
4. Annual Report to the Stockholders
5. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2021, including the following:
 - a. Renewal of the Management Distribution Agreement
6. Amendment to the Articles of Incorporation and By-Laws to Amend the following:
 - i. Amendment of the Primary Purpose in the Articles of Incorporation to include the provisions allowed under the ICA IRR and its amendments.
 - ii. Amendment of the Secondary Purpose in the Articles of Incorporation to delete the provisions not compliant with the ICA IRR.
 - iii. Amendment of Article VII to delete the provision not consistent with Rule 10.4 of the ICA IRR.
7. Approval for the Change of Corporate Name, Revision of Sales Load and Increase of Authorized Capital Stocks
8. Election of the Members of the Board of Directors for the year 2022-2023
9. Appointment of External Auditor for the year 2022
10. Other Matters
11. Adjournment

Stockholders of record as of May 18, 2022 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 29, 2022. Due to the limitations of available technology, voting will not be possible during the Zoom webinar, but participants may send in questions or remarks via the Zoom webinar 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 June 20, 2022, through email at asm@fami.com.ph and hard copies 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 FOCCUS DYNAMIC 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 29, 2022 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 July 2021			
2. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2021, including the following: a. Renewal of the Management Distribution Agreement			
1. Amendment of Articles of Incorporation and By-Laws a. Amendment of the Primary Purpose in the Articles of Incorporation to include the provisions allowed under the ICA IRR and its amendments. b. Amendment of the Secondary Purpose in the Articles of Incorporation to delete the provisions not compliant with the ICA IRR. c. Amendment of Article VII to delete the provision not consistent with Rule 10.4 of the ICA IRR. d. Amendment of the By-Laws to align with the provisions of the Revised Corporation Code.			
3. Approval for the Change of Corporate Name, Revision of Sales Load and Increase of Authorized Capital Stock			
4. Election of the Members of the Board of Directors for the year 2022-2023	# of Votes		
Mr. Eduardo R. Carreon			
Mr. Robert T. Yu			
Dr. Bernardo M. Villegas (<i>Independent Director</i>)			
Atty. Abelardo V. Cortez (<i>Independent Director</i>)			
Fr. Roderick C. Salazar, Jr., SVD (<i>Independent Director</i>)			
	Yes	No	
5. Appointment of External Auditor for the year 2022			

PRINTED NAME OF STOCKHOLDER

DATE

SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

¹ Please fill-out and sign the proxy form and return via mail/email/Metrobank Branches on or before 5:00 p.m. on June 20, 2022.

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

Via Email: asm@fami.com.ph | Via Fax: 02816-0467 | Via MBTC 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 AND LEARN F.O.C.C.U.S. DYNAMIC FUND, INC.
3. Province, Country or other jurisdiction of incorporation or organization;
Metro Manila, Philippines
4. SEC Identification number: **CS201821017**
5. BIR Tax Identification Code: **010-145-586**
6. Address of Principal Office:
4th Floor, Agdao MPC Green Building, Nicasio Torres Street, Obrero, Davao City
7. Telephone Number:
(632) 8912860, (632) 8405710, Fax No. (632) 8160467
8. Date, time, place, of the meeting of security holders:
Date : June 29, 2022
Time : 2:00 p.m.
Place : Zoom webinar 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: **June 8, 2022**
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	1,174,041,710 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 29, 2022
Time : 02:00 p.m.
Place : Zoom webinar 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:

June 8, 2022

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 AND 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	1,174,041,710	One (1) vote per Share

b) Record Date

Stockholders of record as of May 18, 2022 are entitled to notice and to vote in the Annual Stockholders' Meeting.

c) Manner of Voting

A shareholder may vote in person or by proxy. Article III, Section 7 of the Amended By-Laws of the Corporation provides that any shareholder entitled to vote at shareholders' meetings may be represented and vote thereat by proxy appointed in an instrument in writing, subscribed by such shareholder or by his duly authorized attorney-in-fact, and delivered to the Secretary at least five (5) business days or such other period as may be determined by the Board of Directors. Proxies shall be properly signed, but they shall require no other attestation.

In the election of Directors, shareholders shall be entitled to vote, in person or by proxy, the number of shares owned by him for as many persons as there are Directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.

d) Security ownership of Certain Record and Beneficial Owners and Management:

The following stockholder owns more than 5% of the common voting securities as of March 31, 2022:

Title Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	Percent to Outstanding Shares
Common Shares	Customer Account No. 59395/ ¹ Stockholder/ Davao City	Same	Filipino	401,376,315.00	34.18%
Common Shares	Customer Account No. 59900/ ² Stockholder/ Cebu City	Same	Filipino	75,686,291.00	6.44%
Common Shares	First Metro Asset Management, Inc. 18F PS Bank Center, Makati City	Same	Filipino	71,676,637.00	6.10%

^{1-2/} Account Numbers 59395 and 59900 are the respective owners and will vote over his/her shares. The registered owner(s) of the shares above has/have the right to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares.

First Metro Asset Management, Inc. (FAMI), is the registered owner of the shares in the books of the Company. The Board of Directors of FAMI has the right to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of FAMI is Ms. Karen Roa 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, 2022:

Title of Class	Name of Beneficial Owners	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common shares	Rhoda Ruth M. Pillerin	I	Filipino	0.00%
Common shares	Edwin B. Valeroso	I	Filipino	0.00%
Common shares	Perlita P. Dela Vega*	I	Filipino	0.00%
Common shares	Miguel D. Soledad*	I	Filipino	0.00%
Common shares	Federico L. Banez	I	Filipino	0.00%
Common shares	Gil C. Gilot	I	Filipino	0.00%
Common shares	Atty. Nimfa Pastrana	I	Filipino	0.00%
Common shares	Maricel Madrid	I	Filipino	0.00%
Common shares	Jonathan Tabac	I	Filipino	0.00%

*Independent Director

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 SALBF'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 18, 2022 are as follows:

The Board of Directors

Name	Experience
Eduardo R. Carreon Chairman	Mr. Carreon, 71, Filipino, is a new nominee chairman with one year term. He has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013. He is President and CEO of CVLF Consultancy and Outsourcing Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise Financial Services (2003-2008). He served as Consultant for Capital Advisors for Private Enterprise Expansion Inc. from 1998-1999. He was also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank – 1974-1979; and Pro Manager, Citibank from 1970-1973. Mr. Carreon graduated from the Ateneo de Manila University in 1969 with a Bachelor of Arts degree. He is also an MBA candidate from the Ateneo Graduate School of Business.
Mr. Robert T. Yu President	Mr. Robert T. Yu, 73 years old, Filipino, is a new nominee president with one year term. Mr. Yu has been serving as a member of the Board of Director of First Metro Consumer Fund, Inc. since June 2017. He was formerly the Vice Chairman of First Metro Securities Brokerage Corporation. He was also appointed as Director in 2011 after his stint as the company's President in 2010. He concurrently serves as Adviser to the Board of Charter Ping An Insurance Corporation and Executive Director of PG Progress Marketing Corporation. He previously served at the Senior Management level in various industrial corporations. Robert Yu has a Bachelor's degree in Commerce from the University of the East.
Dr. Bernardo M. Villegas Independent Director	Dr. Bernardo M. Villegas, Ph.D., 81, Filipino, is a new nominee independent director with one year term. He has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since April 2013. He serves as the Senior Vice President of the University of Asia and the Pacific. Dr. Villegas serves as an Educational Consultant for the Parents for Education Foundation Inc. ("PAREF"), and a columnist in the Manila Bulletin. Dr.

	<p>Villegas also serves as the Dean of the School of Economics of the University of Asia & the Pacific and as Consultant of Bank of Philippine Islands, and Transnational Diversified Inc. He serves as Director of Transnational Diversified Inc. from 2000 to present. He has been the Chairman of Filipino Fund Inc. since June 2012. He serves as a Member of Board of Trustees of The Insular Life Assurance Company, Ltd. and South East Asia Advisory Board of Rolls Royce Group plc from 1995 to 2002. He serves as a Member of the Board of Directors of leading firms in the food and beverage, sugar milling, pharmaceutical, electric power, banking, information technology, construction, agribusiness, trading, transportation and engineering industries. He began to serve in the Board of AMC in 1999. He serves as Director of Filipino Fund Inc. He was President of Philippine Economic Society. He served as Project Director, Philippine Economic History under the National Historical Commission; Member, Preparatory Commission for Constitutional Reforms and Constitutional Commission; Consultant, Productivity Development Center-National Economic Council and Program Implementation Agency. He serves as the Chairman of Center for Research and Communication. He is a Member of the boards of several foundations such as Dualtech Foundation, Pilipinas Shell Foundation and PHINMA Foundation. He is a Member of the board of Trustees of the Makati Business Club. He is Professor of the University of Asia and the Pacific, Manila, Philippines, and a Visiting Professor in Economics, IESE Business School, Barcelona, Spain. His special fields of study are developments economics, social economics, business economics and strategic management. He is a Certified Public Accountant, having been one of the CPA board topnotchers in 1958. He is the Consultant on Strategic Planning and Management.</p> <p>He also served as Chairman of Filipino Fund Inc. until February 2007, Co-Chairman until November 30, 2007 and served as its President. He served as Chairman, Department of Economics-De La Salle University Manila and Director, Economic Research Bureau and Graduate School of Business-De La Salle University Manila. He has been an Independent Director of Benguet Corp. since June 25, 1998. He has been a Director of Alaska Milk Corp. since August 2008. He served as Director of Bank of Philippine Islands from 1980 to 2000. He served as a Director of the Filipino Fund Inc., from June 1995 to November 30, 2007. He served as a Non-Executive Independent Director of Uniwide Holdings Inc., since September 11, 1994. He served as an Independent Director of Alaska Milk Corp. from 1999 to 2006.</p> <p>Dr. Villegas holds a Ph.D. in Economics and M.A. in Economics from the Harvard University. He obtained his Bachelor's degrees in Commerce and the Humanities (both Summa Cum Laude) from De La Salle University.</p> <p>Dr. Villegas is one of the three Independent Directors of the Company.</p>
<p>Atty. Abelardo V. Cortez Independent Director</p>	<p>Atty. Cortez, 74, Filipino, is a new nominee independent director with one year term. He has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since May 2014. He has over 25 years of banking experience in the local and international banking industry, concentrating on treasury, trust and private banking side of the business. Over this period, he held the following posts: Money Market Head- Rizal Banking Corporation (1978 to 1980); Vice President-Treasury Operations, Bank of the</p>

	<p>Philippine Island (1980 to 1986); Managing Director and CEO, BPI International Finance Ltd. (Hongkong) from 1987 to 1995; Vice President, Head/Private Banking Group- Bank of the Philippine Island (1995 to 1996); Director for Trust and Investments, ATR KimEng Capital Partners, Inc. (1996 to 2011). He was FINEX President in 2007 and Co-Chairman of the country's Capital Market Development Council in 2008. He was a former director/trustee of FINEX Foundation. He was a former director of First Metro Asset Management Inc.</p> <p>Presently, he sits as Independent Director of PBC Capital Investment Corporation (since 2012) and First Metro Philippine Equity Exchange Traded Fund, Inc. (since May 2014).</p> <p>In 2008, San Beda College Alumni Association voted him most Distinguished Bedan Award in the field of banking and finance.</p> <p>Atty. Cortez earned his Bachelor of Laws degree from San Beda College of Law. He completed his collegiate studies at San Beda College, earning a Bachelor of Arts degree, Cum Laude.</p> <p>Atty. Cortez writes a monthly business column in the prestigious leading business daily, the Businessworld.</p>
Fr. Roderick C. Salazar Independent Director	<p>Fr. Roderick C. Salazar, 75, Filipino, is a new nominee independent director with one year term. He is an Independent Director of First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Asia Focus Equity Fund, Inc., and First Metro Save and Learn Philippine Index Fund, Inc.</p> <p>For more than 15 years, until June 2014, he was Chair of the Board of Trustees of St. Jude Catholic School in Manila. In 2017, he was elected back to the same SJCS Board and served till 2020. He was the Chair of the Board of Trustees of St. Scholastica's College, Westgrove. He continues to be the Chair of the Board of Trustees of St. Agnes Academy in Legazpi City. He is a past member of the Board of Trustees of St. Paul University in Dumaguete City. He is the Chair of the Board of Trustees of Center for Educational Measurement (CEM). He was the Regional Secretary for Asia and the Vice-president for Asia of the Office Internationale de l'Enseignement Catholique (OIEC) [International Office of Catholic Education] after serving as its President in 2011-2015. He also served as the Executive Secretary of the Office of Education and Faith Formation of the Federation of Asian Bishops Conferences (FABC-OEFF). Most of his priestly ministry he spent at the University of San Carlos in Cebu City. From 1975 until 2009, at USC he served in various administrative positions including Vice President for Administration, Vice President for Academic Affairs, Presidential Assistant for External and Alumni Affairs, and President for four 3-year terms: 1987-1990; 1990-1993) (2004-2007) (2007-2010).</p> <p>On August 14, 2010, in the Archdiocese of Cebu, he received the Papal Award Croce Pro Ecclesia et Pontifice for his years of service to Catholic Education. His congregation appointed him Director of SVD Mission Philippines, Inc, in 2014-2017. Catholic Educational Association of the Philippines (CEAP), the unified group of all Catholic schools in the country, he served as its President for 16 years. In September 2020, for his service to Catholic Education, CEAP awarded him the Pro \Deo et Patria Award.</p>

The three (3) independent directors, namely, Dr. Bernardo M. Villegas, Atty. Aberlardo V. Cortez and Fr. Roderick C. Salazar, Jr., have always possessed the qualifications and none of the disqualifications of an independent director.

Executive Officers

Name	Experience
<p>Ms. Maricel L. Madrid Treasurer</p>	<p>Ms. Maricel L. Madrid, 43 years old, Filipino. She is a Senior Vice President of First Metro Investment Corporation and currently heads the company's Controllershship Group. She also holds presidency and directorship with SBC Properties, Inc., Prima Ventures Development Corporation and FMIC Equities, Inc. Ms. Madrid also serves as the Treasurer of- First Metro Securities Brokerage Corporation, 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., First Metro Save and Learn FOCCUS Dynamic Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Funds on MSCI Philippines IMI, Inc. and First Metro Save & Learn Philippine Index Fund, Inc.</p> <p>She has more than 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 a local bank and served as a director and a member of the audit committee for one of the subsidiaries of the said banking group. She started her career as an external auditor with one of the top auditing firms in the country.</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, 60 years old, Filipino. She is First Vice President and Asst. Corporate Secretary of First Metro Investment Corporation. She is also the Corporate Secretary of First Metro Save and Learn Balanced Fund, Inc., First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc. (from May 2005 to present), First Metro Save and Learn Dollar Bond Fund, Inc. (from 2008 to present), First Metro Asia Focus Equity Fund, Inc. (from 2010 to present), First Metro Consumer Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn SALFOCCUS Dynamic Fund, Inc., First Metro Securities Brokerage Corporation, First Metro Asset Management, Inc., PBC Capital Investment Corporation, Prima Ventures Development Corporation, Resiliency (SPC), Inc., SBC Properties, Inc., FMIC Equities, Inc., and First Metro Insurance Brokers, Corp.</p> <p>She graduated from the University of the Philippines with a degree A.B. Philosophy and from San Beda College with a Bachelor of Laws degree.</p> <p>She joined First Metro Investment Corporation in February 2002.</p>

Mr. 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.
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Significant Employees

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

Nominee Directors

The following are expected to be nominated as members of the Board of Directors during annual Stockholders Meeting on July 7, 2022:

Mr. Eduardo R. Carreon
Mr. Robert T. Yu
Dr. Bernardo M. Villegas*
Atty. Abelardo V. Cortez*
Fr. Roderick C. Salazar, Jr.*
*Independent Directors

Independent Directors

In accordance with Rule 38(8)(F)(v) of the Securities Regulations Code (SRC) Implementing Rules and Regulations, First Metro Save and Learn Balanced Fund, Inc. 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.

Dr. Bernardo M. Villegas, Atty. Aberlardo V. Cortez and Fr. Roderick C. Salazar, Jr. are nominees for independent directors of First Metro Save and Learn FOCCUS Dynamic Fund, Inc. and they were recommended to the Nominations Committee for election of independent directors by *Rey Alba*, stockholder, in accordance with the foregoing rules. *Rey Alba* has no relations with any nominees.

Dr. Villegas, serves as the Senior Vice President of the University of Asia and the Pacific. Dr. Villegas serves as an Educational Consultant for the Parents for Education Foundation Inc. ("PAREF"), and a columnist in the Manila Bulletin. Dr. Villegas also serves as the Dean of the School of Economics of the University of Asia & the Pacific and as Consultant of Bank of Philippine Islands, and Transnational Diversified Inc. He serves as Director of Transnational Diversified Inc. from 2000 to present. He has been the Chairman of Filipino Fund Inc. since June 2012; Independent Director for Alaska Milk Corp. He also serves as a Member of Board of Trustees of The Insular Life Assurance Company, Ltd. and South East Asia Advisory Board of Rolls Royce Group plc from 1995 to 2002. He serves as a Member of the Board of Directors of leading firms in the food and beverage, sugar milling, pharmaceutical, electric power, banking, information technology, construction, agribusiness, trading, transportation and engineering industries. He began to serve in the Board of AMC in 1999. He serves as Director of Filipino Fund Inc. He was President of Philippine Economic Society. He served as Project Director, Philippine Economic History under the National Historical Commission; Member, Preparatory Commission for Constitutional Reforms and Constitutional Commission; Consultant, Productivity Development Center-National Economic Council and Program Implementation Agency. He serves as the Chairman of Center for Research and Communication. He is a Member of the boards of several foundations such as Dualtech Foundation, Pilipinas Shell Foundation and PHINMA Foundation. He is a Member of the board of Trustees of the Makati Business Club. He is Professor of the University of Asia and the Pacific, Manila, Philippines, and a Visiting Professor in Economics, IESE Business School, Barcelona, Spain. His special fields of study are developments economics, social economics, business economics and strategic management. He is a Certified Public Accountant, having been one of the CPA board topnotchers in 1958. He is the Consultant on Strategic Planning and Management.

Dr. Villegas served as Chairman of Filipino Fund Inc. until February 2007, Co-Chairman until November 30, 2007 and served as its President. He served as Chairman, Department of Economics-De La Salle University Manila and Director, Economic Research Bureau and Graduate School of Business-De La Salle University Manila. He has been an Independent Director of Benguet Corp. since June 25, 1998. He served as Director of Bank of Philippine Islands from 1980 to 2000. He served as a Director of the Filipino Fund Inc., from June 1995 to November 30, 2007.

Atty. Cortez held the following posts: Money Market Head- Rizal Banking Corporation (1978 to 1980); Vice President-Treasury Operations, Bank of the Philippine Island (1980 to 1986); Managing Director and CEO, BPI International Finance Ltd. (Hongkong) from 1987 to 1995; Vice President, Head/Private Banking Group- Bank of the Philippine Island (1995 to 1996); Director for Trust and Investments, ATR KimEng Capital Partners, Inc. (1996 to 2011). He was FINEX President in 2007 and Co-Chairman of the country's Capital Market Development Council in 2008. He is at present director/trustee of FINEX Foundation.

Atty. Cortez served as Independent Director for First Metro Asset Management Inc. (2013 to 2015)

Presently, he sits as Independent Director for First Metro Investment Corporation and PBC Capital Investment Corporation (since 2012).

Atty. Cortez writes a monthly business column in the prestigious leading business daily, the Businessworld.

Fr. Salazar, Jr., is an independent director of Cebu Holdings Inc. (CHI) since 2005. For more than 15 years, until June 2014, he was Chair of the Board of Trustees of St. Jude Catholic School in Manila. He is currently the Chair of the Board of Trustees of St. Scholastica's College, Westgrove; and St. Agnes Academy in Legazpi City. He is a member of the Board of Trustees of St. Paul University in Dumaguete City and Center for Educational Measurement (CEM). He is the Regional Secretary for Asia, and the President of the Office Internationale de l'Enseignement Catholique (OIEC), while concurrently serving as the Executive Secretary of the Office of Education and Faith Formation of the Federation of Asian Bishops Conferences (FABC-OEFF). He worked in various and administrative positions at the University of San Carlos for 34 years (1975-2009) since his ordination to the

priesthood on June 21, 1974. He was USC president for twelve years (four 3-year terms: 1987-1990; 1990-1993; 2002-2005; 2005-2008).

The current members of the Nomination Committee are, Bro. Manuel V. De Leon, FMS, Ms. Rhodora Angela F. Ferrer and Mr. Eduardo S. Mendiola. Bro. De Leon is the Chairman of the Committee.

Legal Proceedings

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

1. 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;
2. 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;
3. 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;
4. 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
5. 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 up to the fourth civil degree either by consanguinity or affinity among the directors and officers listed above.

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.

Item 6. Compensation of Executive Officers and Directors

	Per Diem			
	2022 (Estimated)	2021	2020	2019
Directors	₱250,000	₱180,000	₱233,268	₱205,000
Executive Officers	77,500	28,800	76,239	76,000
Aggregate Annual Per Diem	₱327,500	₱208,800	₱309,507	₱272,000

Per diem of Directors, Corporate Secretary and Officers of the Fund amounting to ₱10,000.00, ₱3,000.00, ₱2,500.00, respectively, are given during their Annual Stockholders' and regular board meetings.

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 and Learn FOCCUS Dynamic Fund Inc.. Representatives of SGV & Co. are expected to be present at the stockholders meeting on June 29, 2022. 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 2022, SALFOCCUS will still be engaging the services of SGV.

In compliance with SRC Rule 68, par. 3 (b)(ix), the signing partner of the auditing firm is rotated every after five (5) years of engagement. Redgienald G. Radam, signed the independent auditors' starting the year 2021 while Janet A. Paraiso, signed the independent auditors' for the years 2020 and 2019. The reports of auditors on the financial statements of the company for the years ended December 31, 2021, 2020 and 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.

The aggregate fees paid for the professional services rendered by SGV & Company for the audit of our Financial Statements are ₱63,510 and ₱55,440 for the years 2021, 2020 and 2019 (same with 2020). 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 5 years for professional services rendered by SGV & Co. for tax accounting compliance, advice, planning and any other form of tax service.

There are no other fees paid for the last 5 years for products and services provided by SGV & Co. other than the services mentioned above.

SALFOCCUS's Audit Committee is chaired by Ms. Bernadette Nepomuceno with Ms. Rhodora Ferrer and Dr. Victor Abola as members.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 11. Authorization or Issuance of Securities Otherwise than for Exchange

The Board of Directors during its meeting on March 31, 2022 approved the increase of authorized capital stock from Four Million (Php4,000,000.00) consisting of 400,000,000 shares to Pesos: Five Billion Pesos (₱5,000,000,000.00) consisting of 500,000,000 shares, the registration and increase of which will be made in tranches.

The application of increase with SEC shall be made in several tranches and the amount of which shall be determined by the Board, without going back to the stockholders for ratification, should the proposal be approved.

This matter will be submitted to the stockholders for approval.

D. OTHER MATTERS

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

The Board of Directors during its special meeting on December 16, 2021 approved the amendment of the Articles of Incorporation to comply with the provisions of the Revised Corporation Code (RCC), Securities Regulation Code (SRC), and Investment Company Act (ICA) and their implementing rules and regulations, as advised by the Securities and Exchange Commission.

- i. Amendment of Corporate Name
- ii. Amendment of the Primary Purpose in the Articles of Incorporation to include the provisions allowed under the ICA IRR and its amendments.
- iii. Amendment of the Secondary Purpose in the Articles of Incorporation to delete the provisions not compliant with the ICA IRR.
- iv. Amendment of Article VII to delete the provision not consistent with Rule 10.4 of the ICA IRR.
- v. Amendment of the By-Laws to align with the provisions of the Revised Corporation Code.

The proposed amendment is pursuant to the provisions of the Investment Company Act (ICA) and their implementing Rules and Regulations.

This matter will be submitted to the stockholders for approval.

The Board of Directors in the same meeting, approved the amendment of SALFOCCUS By-Laws to comply with the provisions of the Revised Corporation Code (RCC), Securities Regulation Code (SRC), and Investment Company Act (ICA) and their implementing rules and regulations, as advised by the Securities and Exchange Commission.

This matter will be submitted to the stockholders for information.

Item 18. Other Proposed Item

1. Approval of the minutes of the meeting of the stockholders held on June 16, 2021, with the following points:
 - a) Approval of the Minutes of the Annual Stockholders' Meeting held on September 16, 2020
 - 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 2020, including the following:
 - i. Renewal of the Management Distribution Agreement
 - d) Amendment of the Articles of Incorporation to delete phrase in Article VII (b)
 - e) Election of the Members of the Board of Directors for the year 2021-2022
 - f) Appointment of External Auditor for the year 2021
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 of 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.

Item 19. 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 Amendment in the Articles of Incorporation the vote of at least 2/3 of the outstanding capital stock is required for its approval. For the amendment of the By-laws, a majority vote of the stockholders present in the meeting is sufficient.
3. 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.

4. 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 AND LEARN FOCCUS DYNAMIC FUND, INC. YEAR 2021 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.
45th Floor GT Tower International
Ayala Avenue corner H.V. de la Costa 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 June 6, 2022.

FIRST METRO SAVE AND LEARN FOCCUS DYNAMIC 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 and Learn FOCCUS Dynamic Fund, Inc. (the Fund) is an open-end investment company, which was incorporated on September 25, 2018. As an open-end mutual fund, the company is engaged in selling its capital to the public and investing the proceeds in selected high-grade stocks and fixed-income securities.

The Fund's authorized capital stock is Four Million (Php4,000,000.00) Philippine currency divided into Four Hundred (400,000,000) common shares with a par value of Php0.01 per share.

Plan of Distribution/Distribution method

The Fund has 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. FAMI may set up a marketing network and accredit sub-distributors or agents to sell the shares. Accredited sub-distributors or agents are directly liable to FAMI. Heavy use of print advertisements will be part of the sales and marketing strategy.

The product being sold by the registrant, through FAMI, is its shares of stock, being a mutual fund company. This product was offered to the public starting May 2007.

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

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

Competition

The registrant's main competitors are the other mutual funds in the Balance Fund category of Philippine mutual funds. It considers the funds of Sunlife and Philam, as its main competitors. As of December 31, 2021, these two competitor Funds represent around 80.68% of the total funds in this category. The Fund will be competing initially in terms of return on investment (ROI) and later on in terms of Fund size. Philam and Sunlife have big sales force and they have life insurance companies as affiliates which they also tap to market their mutual funds. They have big multinational financial institutions as their parent companies. They have longer track record and experience not only in the mutual fund industry but also in other financial products and services. The top two competitors substantially capture the local industry's market share.

The Fund will compete with other Balanced Funds which at present are also few. It will target potential clients all over the country with concentration in the major cities. The Fund believes that the competition is in the area of investment performance and client services. It will be competing more in the terms of investment performance. It will adopt active investment strategies and tactics. It will fully utilize its present network, database, and available technology to its advantage.

The institutional funds of the target market (especially the bigger ones) evidently have access to almost all types of instruments locally available such as common trust funds (now unit investment trusts), pre-need plans, universal life products and other bank products. The retail funds and smaller

institutional funds, however, are limited to simple bank products. Appropriately formulated marketing strategies, sales tactics and promotional activities will be employed to present the Fund and ultimately close the sale and maintain the account.

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 equity securities, however, as a tactical move, a portion of the Fund may also be invested in government securities and in SEC-registered commercial papers but taking precautions of the market conditions, the level of interest rates, and of liquidity needs.

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

- a. Maximum investment in any single enterprise is allowed but only up to fifteen percent (15.00%) of the Fund's NAV, except for investments in securities issued by the Philippine government or its instrumentalities and, in no case, shall the total investment of the Fund exceed ten percent (10.00%) of the outstanding securities of any one investee company.
- b. The Fund must not invest, in aggregate, more than twenty percent (20%) of its net assets in transferrable securities, money market securities, deposits and financial derivatives issued by a single entity or issuer. Deposit should not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi bank license.
- c. The investments of the Fund in deposits, debt securities or money market placements, over-the-counter financial derivatives placed in non-investment grade or unrated deposit taking institution, including unlisted shares issued by a related party, should not exceed five percent (5%) of its net assets and shall not exceed ten percent (10%) in aggregate amount.
- d. Investments in foreign government securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating of investment grade may be increased to thirty five percent (35%) of the NAV, but only five percent (5%) is allowed for non-investment grade.
- e. The Fund manager is required to use a risk-management process that captures the risk associated with in the financial derivative instruments:
 - Total exposure should not exceed ten percent (10%) of the net assets or five percent (5%) if the derivatives are not investment grade, unless used for efficient portfolio management which the aggregate shall not be more than twenty percent (20%);
 - Five percent (5%) of the NAV shall be invested to liquid assets to meet all payment and delivery obligations;
 - The Fund Manager shall not act as a counterparty to an OTC derivative investment into by the Investment Company.
- f. Investment in its own securities are prohibited.
- g. Investments in margin purchases of securities, commodity futures contracts, precious metals, unlimited liability instruments, short selling of currencies and securities are not allowed.
- h. Purchasing or selling of securities other than capital stocks of the Fund from or to any of its officers or directors or the officers and directors of its investment adviser/s, manager or distributor/s or firm/s of which any of them are members is prohibited.
- i. The Fund shall not participate in underwriting or selling activities in connection with public distribution of securities except for its own capital stock.
- j. Lending operations to corporations or other entities, public or private, shall not be engaged without prior review and approval of its BOD. Approvals, however, are only to those determined to be financially sound.
- k. Investment in any company for the purpose of exercising control or management or to invest in the securities of other investment companies and real estate companies is prohibited.

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 the 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 Balanced 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. The Compliance Officer has submitted to SEC a Certification of Compliance covering the year 2021. No director or officer of the Company was found in violation of the Manual.

The Fund 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 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.

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 list of the highest and lowest Net Asset Value per Share (NAVPS) of the Fund for the first quarter of 2022, and for the year 2021, 2020 and 2019:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2022	High	0.2142	–	–	–
	Low	0.2016	–	–	–
2021	High	0.2014	0.1961	0.1976	0.2090
	Low	0.1853	0.1836	0.1831	0.1969
2020	High	0.2305	0.1935	0.1895	0.2016
	Low	0.1612	0.1754	0.1701	0.1717
2019	High	–	–	0.2500	0.2408
	Low	–	–	0.2323	0.2244

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, 2022 there are 149 shareholders of the Fund. Shown below are the top twenty* (20) shareholders, including the number of shares and percentages of ownership held by each.

No.	Client No.	No. of Shares	Percentage of Ownership
1	59395	401,376,315.00	34.18%
2	59900	75,686,291.00	6.44%
3	78	71,676,637.00	6.10%
4	62682	57,580,323.00	4.90%
5	52700	49,287,640.00	4.19%
6	63430	47,790,586.00	4.07%
7	52673	47,455,754.00	4.04%
8	6832	47,214,354.00	4.02%
9	64271	33,621,518.00	2.86%
10	59231	33,594,754.00	2.86%
11	64325	23,840,822.00	2.03%
12	64280	23,781,071.00	2.02%
13	57557	23,356,808.00	1.98%
14	56807	19,251,865.00	1.64%
15	64184	15,865,385.00	1.35%
16	60007	14,285,718.00	1.21%
17	59250	14,117,647.00	1.20%
18	15224	10,526,316.00	0.89%
19	63845	9,523,810.00	0.81%
20	63864	9,433,962.00	0.80%

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

C. Dividends

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 the market value of the Fund's assets is reduced significantly enough to erode retained earnings then the board will be restricted to declare dividends.

If dividends are to be declared, the computation and distribution shall be proportionate to the holdings or ownership of each of the stockholders. 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 stockholders 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.

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 Statement of Financial Position and Statement of Comprehensive Income as of and for the period ended March 31, 2022, and for the years ended December 31, 2021, 2020 and 2019 are presented below:

Statements of Financial Position

FIRST METRO SAVE AND LEARN F.O.C.C.U.S DYNAMIC FUND, INC.
(An Open-End Mutual Fund Company)

INTERIM STATEMENTS OF FINANCIAL POSITION

	As of	
	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Cash and cash equivalents	P44,355,598	P4,617,124
Financial assets at fair value through profit or loss	198,448,8248	23,159,266
Receivables	10,070,189	314,986
TOTAL ASSETS	P252,874,611	P28,091,376
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	P7,299,630	P91,228
Deposit for future stock subscription	163,792,553	-
	171,092,184	91,228
EQUITY		
Capital stock	P3,979,791	1,358,507
Additional paid-in capital	82,226,744	30,385,942
Retained earnings (Deficit)	(4,424,107)	(3,744,301)
TOTAL LIABILITIES AND EQUITY	P252,874,611	P28,091,376

Statements of Comprehensive Income

FIRST METRO SAVE AND LEARN F.O.C.C.U.S DYNAMIC FUND, INC.
(An Open-End Mutual Fund Company)

INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	For the Quarter Ended March 31 (Unaudited)	
	2022	2021
INVESTMENT INCOME		
Interest income	P321,664	P107,613
Trading and securities gain (loss)	(726,946)	(1,771,220)
Dividend income	1,944,443	84,258
	1,539,161	(1,579,349)
OPERATING EXPENSES		
Management Fees	828,588	167,026
Broker's Commission	976,440	40,195
Professional fee	120,562	13,670
Director's and Officer's Fees	58,000	-
Transaction Charges	33,694	1,430
Custodian and Clearing Fees	22,161	45,528
Taxes and licenses	16,825	14,281
Miscellaneous expense	52,354	36,250
	2,108,624	318,380
INVESTMENT INCOME (LOSS) BEFORE TAX	(569,463)	(1,897,729)
PROVISION FOR FINAL TAX	578,827	72,677
NET INVESTMENT INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)*	(P1,148,289)	(P1,970,405)
EARNINGS (LOSS) PER SHARE	(P0.0013)	(P0.0121)

*There are no other comprehensive income items for the period ended March 31, 2022 and 2021.

Financial Position (March 31, 2022 vs. December 31, 2021)

As of March 31, 2022, the Fund's total assets ended at P252.87 million, increased by 800.19% or P224.78 million from P28.09 million as of December 31, 2021. Total liabilities increased by P171.09 million from P0.09 million to P171.09 million as of reporting date. 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 of 0.47% in 2022 and 0.125% to 3.75% in 2021. The increase of 860.68% or P39.74 million from P4.62 million to P44.36 million was due to higher savings account balances this year.

2. Financial assets

Financial assets at FVTPL consists of investments in government securities and private debt and equity securities. The increase of 756.89% or P175.29 million from P23.16 million to P198.45 million was due to increase in the volume of subscriptions and result of changes in fair value during the period. As of March 31, 2022 and December 31, 2021, this account includes fair value loss of P0.41 million and P1.87 million gain, respectively.

3. Receivables

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The increase of P9.76 million from P0.31 million to P10.07 million was due to higher uncollected proceeds from the sale of equity securities and dividend receivable as of reporting date.

4. Accounts payable and accrued expenses

This account consists of due to brokers, accounts payable, payable to FAMI, accrued expenses, withholding tax payable and documentary stamp tax (DST) payable. The increase of P7.21 million from P0.09 million to P7.30 million was due to higher accounts payable during the period.

5. Deposit for future subscription

This account totaled P163.79 million and this pertains to receipt of subscriptions during the period.

6. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The increase of P53.78 million or 192.08% from P28.00 million to P81.78 million was mainly due to the net effect of subscriptions during the period.

Capital Stock ended at P3.98 million, an increase of P2.62 million from P1.36 million, mainly due to subscriptions during the period. The Fund's authorized capital stock remained at P4.00 million with par value of P0.01 per share. As of March 31, 2022 and December 31, 2021, the total issued and outstanding shares were 397,979,061 and 135,850,650, respectively, while the total number of holders of redeemable common shares is 149 and 22, respectively.

Additional paid in capital increased by P51.84 million from P30.39 million to P82.23 million due to subscriptions made during the year.

Retained earnings (deficit) decreased by P0.68 million from P3.74 million deficit to P4.42 million deficit mainly due to results of operations recognized during the year.

RESULTS OF OPERATION

For the quarter ended March 31, 2022, the Fund realized a net loss of P1.15 million, increased by P0.82 million from last year's net loss of P1.97 million. 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 increase of 58.96% or P1.04 million from P1.77 million loss to P0.73 million 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 period.

2. Interest income

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. Interest income increased by 198.91% or P0.21 million from P0.11 million to P0.32 million this year due to lower investments in debt securities during the period.

3. Dividend income

This is recognized when the Fund's right to receive cash dividend is established. Dividend income rose by P1.86 million from P0.08 million to P1.94 million mainly due to the higher cash dividends earned from equity securities during the period.

4. Management and retainer's fee

This account increased by 396.08% or P0.66 million from P0.17 million to P0.83 million mainly due to higher management fees relative to the increase 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 increase of P0.94 million from P0.04 million to P0.98 million was mainly due to higher brokers' commission incurred during the period.

6. Professional fees

This account represents audit fees and other professional fees incurred by the Fund. The increase of P0.11 million was due to lower professional fees paid during the period.

7. Directors' and officers' fees

This account totaled P0.06 million and this pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting during the year.

8. Transaction charges

This account pertains to the payment of over-the-counter and stock trading charges. The increase of 2,255.64% or P0.03 million from P0.001 million to P0.03 million was due to higher volume of trades during the quarter.

9. Custodian and clearing fees

This account decreased by 51.32% or P0.02 million mainly due to lower fees paid to the Custodian of the Fund during the period.

10. Taxes and licenses

This account pertains to taxes other than income tax, such as DST and local taxes. The increase of 17.81% was mainly due to the increase in taxes paid by the Fund during the period.

11. Miscellaneous expenses

This account increased by P0.02 million or 44.43% from last year's P0.04 million to P0.05 million mainly due to lower membership fee paid by the Fund during the period.

2021 Performance

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

The Fund closed the year 2021 with audited total assets at P28 million, lower from P32 million as of December 31, 2020. Total liabilities ended at P0.09 million from P0.28 million during the year.

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. This account increased to P4.6 million from P0.61 million during the year.

2. Financial assets

Financial assets at FVTPL consists of investments in government securities and private debt and equity securities. The decrease to P23.16 million from P27.32 million during the year. *Financial assets at Amortized Cost* consists of investments in quoted private debt securities.

3. Loans and receivables

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The increase of P15.77 million or 162.07% from P9.73 million to P25.49 million was mainly due to higher outstanding balances of amount collectible for the sale of equity securities, accrued interest receivable and dividend receivable as of reporting date.

4. Accounts payable and accrued expenses

This account consists of due to brokers, accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax (DST) payable. Payable to FAMI includes management fees, redemption fees and sales load fees while accrued expenses consists of unpaid professional fees, custodianship fees and retainer's fees. Accounts payable represents amounts payable to shareholders for the unpaid redemption proceeds and subscriptions without confirmation from clients. There is a decrease to P0.91 million from P0.28 million accounts payable this year.

5. Equity

As of December 31, 2021, 2020 and 2019, the Fund has 23, 22 and 17 common shareholders, respectively.

The initial authorized capital of the Fund amounting to P4.00 million is divided into 400 million common redeemable shares of P0.01 par value with each share carrying one vote, as approved by the SEC on September 25, 2018.

Capital Management

As a result of the ability to issue, repurchase and resell shares, the capital of the Fund can vary depending on the demand for subscriptions and redemptions of the capital stock.

The primary objective of the Fund's capital management is to maintain an optimum capital base to support its management and operations and to meet the capital requirements prescribed by the regulatory bodies.

Results of Operations

For the year ended December 31, 2021, the Fund realized a net gain of P0.89 million, an increase from last year's net income of negative P2.74 million.

The highlights of the results of operations for the year 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 increase from last year's gain of P2.08 million to P1.87 million during the year.

2. Interest income

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. There is an increase from last year's income of P0.29 million to P0.38 million during the year.

3. Dividend income

This is recognized when the Fund's right to receive cash dividend is established. This account increased from last year's P0.28 million to P0.44 million during the year.

4. Management and retainer's fees

This account dropped by P5.62 million or 15.57% from last year's P36.09 million to P30.47 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 increase from last year's P0.12 million to P0.27 million during the year.

6. Custodian and clearing fees

This account decreased from last year's P0.16 million to P0.10 million during the year.

7. Directors' and officers' fees

This account pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting during the year. This account increased from last year's P0.06 million to P0.31 million during the year.

8. Professional fees

This account increased from last year's P0.05 million to P0.06 million this year mainly due to lower professional fees incurred during the year.

9. Tax and licenses

This account pertains to taxes other than income tax, such as DST and local taxes. The decrease from last year's P0.02 million to P0.01 million during the year.

10. Transaction charges

Transaction charges increased from last year's P0.04 million to P0.09 million during the year.

11. Miscellaneous Expense

This account decreased from last year's P0.07 million to P0.03 million during the year.

2020 Performance

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

The Fund closed the year 2020 with audited total assets at P1.46 billion, lower by P130.82 million or 8.25% from P1.59 billion as of December 31, 2019. Total liabilities ended at P60.41 million from P5.95 million, higher by P54.46 million or 915.63% during the year.

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

6. 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 3.00% and 0.25% to 7.10% in 2020 and 2019, respectively. This account decreased by P43.55 million or 41.89% from P103.97 million to P60.42 million mainly due to the redemptions made during the year.

7. Short term investment

In 2020, the outstanding short-term investment amounted to P16.17 million as of December 31, 2019 has matured.

8. Financial assets

Financial assets at FVTPL consists of investments in government securities and private debt and equity securities. The decrease of 18.41% or P253.66 million from P1.38 billion to P1.12 billion was mainly due to net sales during the year. Quoted government and private debt securities bears nominal annual interest rates ranging from 2.38% to 8.00% and 4.63% to 5.55% in 2020 and 2019, respectively. This account includes fair value gain of P41.29 million and P25.08 million in 2020 and 2019, respectively.

Financial assets at Amortized Cost consists of investments in quoted private debt securities. The increase of P166.84 million or 222.55% from P74.97 million to P241.81 million was due to purchases during the year. These securities earn annual effective interest rates ranging from 2.55% to 5.55% and 4.00% to 5.88% in 2020 and 2019, respectively.

9. Loans and receivables

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The increase of P15.77 million or 162.07% from P9.73 million to P25.49 million was mainly due to higher outstanding balances of amount collectible for the sale of equity securities, accrued interest receivable and dividend receivable as of reporting date.

10. Other asset

This pertains to creditable withholding taxes of the Fund which decreased by P0.04 million from P3.17 million to P3.13 million this year.

11. Accounts payable and accrued expenses

This account consists of due to brokers, accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax (DST) payable. Payable to FAMI includes management fees, redemption fees and sales load fees while accrued expenses consists of unpaid professional fees, custodianship fees and retainer's fees. Accounts payable represents amounts payable to shareholders for the unpaid redemption proceeds and subscriptions without confirmation from clients. The increase of P54.46 million or 915.63% from P5.95 million to P60.41 million was mainly due to higher unsettled purchase of equity securities and accounts payable this year.

12. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of P185.28 million or 11.73% from P1.58 billion to P1.39 billion was mainly due to the net effect of redemptions and net income recognized during the year.

Capital Stock ended at P530.96 million, a decrease of P69.49 million or 11.57% from P600.45 million last year, mainly due to redemptions during the year. The Fund's authorized capital stock remained

at P1.00 billion with par value of P1.00 per share. As of December 31, 2020 and 2019, the total issued and outstanding shares were 530,959,884 and 600,450,496, respectively, while the total number of holders of redeemable common shares is 5,004 and 4,982, respectively.

Additional paid in capital went down by P112.39 million or 12.54% from P896.56 million to P784.17 million due to redemptions made during the year.

Retained earnings decreased by P3.04 million or 4.10% from P83.05 million to P79.65 million mainly due to results of operations recognized during the year.

Results of Operations

For the year ended December 31, 2020, the Fund realized a net loss of P3.40 million, a decrease of P66.83 million or 105.37% from last year's net income of P63.43 million.

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

12. Trading and securities gain (loss)

This account includes realized and unrealized gains earned from trading investments in debt and equity securities. The decrease of P77.92 million or 97.82% from last year's gain of P79.65 million to P1.73 million was mainly due to lower realized gain from the sale and unrealized gain from changes in fair value of debt and equity securities held for trading during the year.

13. Interest income

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. The increase of P1.78 million or 6.28% from last year's income of P28.26 million to P30.04 million was mainly due to higher interest income earned from debt securities during the year.

14. Dividend income

This is recognized when the Fund's right to receive cash dividend is established. This account decreased by P6.54 million or 36.27% from last year's P18.03 million to P11.49 million due to lower cash dividends received from equity securities during the year.

15. Management and retainer's fees

This account dropped by P5.62 million or 15.57% from last year's P36.09 million to P30.47 million mainly due to the decline in management fees relative to the decrease in the Fund's net assets.

16. 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 P4.57 million or 51.90% from last year's P8.81 million to P4.24 million was mainly due to lower brokers' commission incurred during the year.

17. Custodian and clearing fees

This account decreased by P0.04 million or 9.12% from last year's P0.49 million and P0.45 million mainly due to lower fees paid to the custodian of the Fund during the year.

18. Directors' and officers' fees

This account pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting during the year. This account increased by P0.04 million or 13.79% from last year's P0.27 million to P0.31 million mainly due to lower per diem paid during the year.

19. Professional fees

This account increased by P0.02 million or 6.28% from last year's P0.26 million to P0.27 million this year mainly due to lower professional fees incurred during the year.

20. Tax and licenses

This account pertains to taxes other than income tax, such as DST and local taxes. The decrease of P0.03 million or 11.22% from last year's P0.29 million to P0.26 million was mainly due to lower DST and local taxes paid during the year.

21. Transaction charges

Transaction charges slid by P0.16 million or 49.96% from last year's P0.33 million to P0.16 million mainly due to lower transaction cost incurred in the purchase and sale of equity and fixed income securities during the year.

22. Miscellaneous Expense

This account decreased by P0.08 million or 35.65% from last year's P0.22 million to P0.14 million mainly due to lower membership fee and dues, postage and mailing fees, notarial fees, bank charges and other miscellaneous expenses paid by the Fund during the year.

2019 Performance

Financial Position

The Fund closed the year 2019 with audited total assets at ₱1.59 billion, lower by ₱157.28 million or 9.02% from ₱1.74 billion as of December 31, 2018. Total liabilities ended at ₱5.95 million from ₱4.44 million, higher by ₱1.51 million or 34.00% during the year.

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 7.10% and 0.25% to 4.63% in 2019 and 2018, respectively. This account decreased by ₱76.34 million or 42.34% from ₱180.31 million to ₱103.97 million mainly due to the redemptions made during the year.

2. Short term investment

This pertains to short-term time deposit amounting to ₱16.17 million with 3.75% interest rate.

3. Financial assets

Financial assets at FVTPL consists of investments in government securities and private debt and equity securities. The decrease of 9.48% or ₱144.36 million from ₱1.52 billion to ₱1.38 billion was mainly due to net sales during the year. Private bond bears nominal annual interest rates ranging from 4.63% to 5.55% and 5.38% in 2019 and 2018, respectively, while government securities bears annual interest rate ranging from 4.00% to 6.42% and 4.10% to 7.02% in 2019 and 2018, respectively. This account includes fair value gain of ₱25.08 million in 2019 and fair value loss of ₱82.09 million in 2018.

Financial assets at Amortized Cost consists of investments in quoted private debt securities. The increase of ₱40.0 million or 114.38% from ₱34.97 million to ₱74.97 million was due to purchases during the year. This securities earn annual effective interest rates ranging from 4.00% to 5.88% and 4.00% in 2019 and 2018, respectively.

4. Loans and receivables

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The increase of ₱7.20 million or 284.71% from ₱2.53 million to ₱9.73 million was mainly due to higher outstanding balances of amount collectible for the sale of equity securities, accrued interest receivable and dividend receivable as of reporting date.

5. Other asset

This pertains to creditable withholding taxes of the Fund which increased by ₱0.04 million or 1.36% from ₱3.13 million to ₱3.17 million this year.

6. Accounts payable and accrued expenses

This account consists of due to brokers, accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax (DST) payable. Payable to FAMI includes management fees, redemption fees and sales load fees while accrued expenses consists of unpaid professional fees, custodianship fees and retainer's fees. Accounts payable represents amounts payable to shareholders for the unpaid redemption proceeds and subscriptions without confirmation from clients. The increase of ₱1.51 million or 34.00% from ₱4.44 million to ₱5.95 million was mainly due to unsettled purchase of equity securities and higher accounts payable this year.

7. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱158.79 million or 9.13% from ₱1.74 billion to ₱1.58 billion was mainly due to the net effect of redemptions and net income recognized during the year.

Capital Stock ended at ₱600.45 million, a decrease of ₱83.29 million or 12.18% from ₱683.74 million last year, mainly due to redemptions during the year. The Fund's authorized capital stock remained at ₱1.00 billion with par value of ₱1.00 per share. As of December 31, 2019 and 2018, the total issued and outstanding shares were 600,450,496 and 683,739,611, respectively, while the total number of holders of redeemable common shares is 4,982 and 5,413, respectively.

Additional paid in capital went down by ₱132.05 million or 12.84% from ₱1.03 billion to ₱896.56 million due to redemptions made during the year.

Retained earnings increased by ₱56.55 million or 213.40% from ₱26.50 million to ₱83.05 million mainly due to results of operations recognized during the year.

Results of Operations

For the year ended December 31, 2019, the Fund realized a net income of ₱63.43 million, an increase of ₱223.11 million or 139.72% from last year's net loss of ₱159.68 million.

The highlights of the results of operations for the year 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 increase of ₱207.52 million or 162.29% from last year's loss of ₱127.87 million to ₱79.65 million was mainly due to higher realized gain from the sale and unrealized gain from changes in fair value of debt and equity securities held for trading during the year.

2. Interest income

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. The increase of ₱3.22 million or 12.85% from last year's income of ₱25.04 million to ₱28.26 million was mainly due to higher interest income earned from debt securities during the year.

3. Dividend income

This is recognized when the Fund's right to receive cash dividend is established. This account increased by ₱1.96 million or 12.19% from last year's ₱16.07 million to ₱18.03 million due to the higher cash dividends received from equity securities during the year.

4. Miscellaneous income

This account declined by ₱0.38 million or 81.69% from last year's ₱0.47 million to ₱0.09 million due to the decrease in the reversal of stale checks and unrecorded deposit.

5. Management and retainer's fees

This account dropped by ₱3.11 million or 7.95% from last year's ₱39.20 million to ₱36.09 million mainly due to the decline in management fees relative to the decrease in the Fund's net assets.

6. 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 ₱3.90 million or 30.68% from last year's ₱12.71 million to ₱8.81 million was mainly due to lower brokers' commission incurred during the year.

7. Custodian and clearing fees

This account decreased by ₱0.05 million or 9.60% from last year's ₱0.55 million to ₱0.49 million mainly due to lower fees paid to the custodian of the Fund during the year.

8. Transaction Charges

Transaction charges slid by ₱0.16 million or 32.14% from last year's ₱0.48 million to ₱0.33 million mainly due to lower transaction cost incurred in the purchase and sale of equity and fixed income securities during the year.

9. Taxes and licenses

This account pertains to taxes other than income tax, such as DST and local taxes. The decrease of ₱0.66 million or 69.48% from last year's ₱0.94 million to ₱0.29 million was mainly due to lower DST and local taxes paid during the year.

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 during the year. This account decreased by ₱0.01 million or 3.55% from last year's ₱0.28 million to ₱0.27 million this year.

11. Professional fees

This account represents audit fees and other professional fees incurred during the year and it increased by ₱0.02 million or 6.70% from last year's ₱0.24 million to ₱0.26 million this year.

12. Miscellaneous Expense

This account decreased by ₱0.09 million or 28.26% from last year's ₱0.31 million to ₱0.22 million mainly due to lower membership fee and dues, postage and mailing fees, notarial fees, bank charges and other miscellaneous expenses paid by the Fund during the year.

Plan of Action

FAMI is the principal distributor of the Fund's shares of stock. It is licensed by SEC to act as the Investment Company Adviser/Manager, Administrator and Principal Distributor. It intends to increase its marketing network and accredit sub-dealers or agents to sell the Fund's share.

Subsequent Events

There were no subsequent events that took place after the year ended December 31, 2021.

Other Matters

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 was incorporated on September 25, 2018. It seeks to provide total return consisting of as high a level of current income as is consistent with the preservation of capital and liquidity and long-term capital appreciation by investing in a mix of debt instruments and equity securities.

The Fund has appointed FAMI to serve as its Investment Company Adviser, Administrator and Principal Distributor. With the SEC's approval of FAMI's license to act as such last September 6, 2005 and its procedures firmed-up at the end of the same month, active management of the Fund's assets was initiated in May 2007 with the objective to consistently outperform its benchmark, which is the PSEi, and achieve a sizable net income.

The Fund has an initial paid-up capital of P4.00 million which translates to a minimal share in the mutual fund industry (under the balanced 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 P0.2092 as of March 31, 2022, higher by 1.49% from the P0.2061 NAVPS as of December 31, 2021. The Fund's average daily net asset value increased by 460.58% or P.130.83 million from P28.40million as of December 31, 2021, to P.159.23 million as of March 31, 2022.
- *Sales for the period ended* - The Fund's total sales of P230.10 million and nil for the period ended March 31, 2022 and 2021, respectively.
- *Redemptions for the period ended*- Total redemptions of the Fund amounting to P1 1.38 million and nil for the period ended March 31, 2022 and 2021, respectively.
- *Net Income vs. Benchmark*-The Fund incurred P1 .15 million net loss for the period ended March 31, 2022, P0.82 million higher than P1.97 million net loss for the same period last year.
- *Market Share vs. Benchmark*-As of March 31, 2022, the Fund garnered 0.92% share in the Balanced Funds category while 0.05% share among all mutual funds in terms of net assets. On the basis of account holders, the Fund has 149 account holders or 0.16% of the total accounts in this Fund category.

FINANCIAL SOUNDNESS INDICATORS

Performance Indicator	Formula	As of March 31 (Unaudited)	
		2022	2021
a. Current/Liquidity Ratio	Total Current Assets	147.80%	14742.21%
	Total Current Liabilities		
b. Solvency Ratio	Total Liabilities	67.66%	0.58%
	Total Assets		
c. Debt to Equity Ratio	Total Liabilities	209.20%	0.58%
	Total Equity		
d. Asset to Equity Ratio	Total Assets	309.20%	100.58%
	Total Equity		
e. Interest Rate Coverage Ratio	Income before Interest Expense and Tax	NA	NA
	Interest Expense		
f. Return on Equity	Net Income after Tax	-8.37%	-24.89%
	Average Capital		
g. Return on Assets	Net Income after Tax	-3.27	-24.71%
	Average Total Assets		
h. Net Profit Margin Ratio	Net Income	- 74.60%	124.76%
	Net Interest Income and Operating Income		
i. Net Asset Value (NAV) Per Share	NAV Attributable to Holders of Redeemable Shares	0.2092	0.1866
	Number of Redeemable Shares		

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 June 7, 2022.

FIRST METRO SAVE AND LEARN FOCCUS DYNAMIC FUND, INC.

By:


MARICEL L. MADRID
TREASURER