

# COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

<b>MARICEL L. MADRID</b>
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Contact Person

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Company Telephone Number

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1	2				
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Fiscal Year					

<b>DEFINITIVE 20-IS</b>
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Form Type

**3rd Wed. of June**

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

<b>INVESTMENT COMPANY</b>
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Secondary License type, if applicable

C	G	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total amount of Borrowings

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To be Accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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Cashier

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Remarks = Pls. use black ink for scanning purposes.

**FIRST METRO SAVE AND LEARN BALANCED FUND, INC. (SALBF)**  
**ANNUAL MEETING OF THE STOCKHOLDERS**  
Thursday, June 22, 2023, 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 June 29, 2022
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 2022, including the following:
  - a. Renewal of the Management Distribution Agreement
6. Election of the Members of the Board of Directors for the year 2023-2024
7. Appointment of External Auditor for the year 2023
8. Other Matters
9. Adjournment

Stockholders of record as of May 18, 2023 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 22, 2023.

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 11, 2023, through email at [asm@fami.com.ph](mailto: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 BALANCED 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 Thursday, June 22, 2023 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 previous Annual Stockholders' Meeting held on June 29, 2022.			
2. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2022, including the following:  a. Renewal of the Management Distribution Agreement			
3. Election of the Members of the Board of Directors for the year 2023-2024	# of Votes		
Bro. Manuel V. de Leon, FMS			
Dr. Victor A. Abola			
Ms. Karen Liza M. Roa			
Mr. Jose C. Nograles ( <i>Independent Director</i> )			
Ms. Rhodora Angela F. Ferrer ( <i>Independent Director</i> )			
Apply the votes <u>equally</u> to all the nominees			
	<b>Yes</b>	<b>No</b>	
4. Appointment of External Auditor for the year 2023			

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

\_\_\_\_\_  
DATE

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

<sup>1</sup> Please fill-out and sign the proxy form and return via mail/email/Metrobank Branches on or before 5:00 p.m. on June 11, 2023.

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

Via Email: asm@fami.com.ph | Via Fax: 02816-0467 | Via MBTC Branches: Use Pouch Code 90020. This service is free of charge.

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

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

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

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box  
( ) Preliminary Information Statement  
( / ) Definitive Information Statement
2. Name of registrant as specified in its charter:  
**FIRST METRO SAVE AND LEARN BALANCED FUND, INC.**
3. Province, Country or other jurisdiction of incorporation or organization;  
**Metro Manila, Philippines**
4. SEC Identification number: **CS200701110**
5. BIR Tax Identification Code: **006-609-183-000**
6. Address of Principal Office:  
**18<sup>th</sup> Floor, PS Bank Center, 777 Paseo de Roxas, corner Sedeño St., Makati City**
7. Telephone Number:  
**(632) 88912860**
8. Date, time, place, of the meeting of security holders:  
**Date : June 22, 2023**  
**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: **May 30, 2023**
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of each class	Number of Shares of Common Stock Outstanding (Par value of P1.00)
<b>Common Shares</b>	<b>423,398,552 shares</b>
11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?  
**No**

## PART I - INFORMATION STATEMENT

### A. GENERAL INFORMATION

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

Date : Thursday, June 22, 2023  
Time : 02:00 p.m.  
Place : Zoom webinar at the link provided in <https://fami.com.ph>

#### Mailing Address of the Registrant

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

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

May 30, 2023

#### Item 2. Right of Appraisal:

There are no actions or matters to be taken up at the Annual Stockholders Meeting that will give rise to a possible exercise by security holders of their right of appraisal.

#### 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	423,398,552	One (1) vote per Share

##### b) Record Date

Stockholders of record as of May 18, 2023 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 stockholder below owns more than 5% of the common voting securities as of March 31, 2023:

Title Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	Percent to Outstanding Shares
Common Shares	First Metro Investment Corporation (First Metro) 45th Flr. GT Tower Int'l., Ayala Ave. cor. HV dela Costa St. Makati City	Same	Filipino	59,248,691	14.10%
Common Shares	First Georgetown Ventures, Inc. 109 Don Carlos Palanca, Legazpi Village, Makati	Same	Filipino	31,394,771	7.47%

First Metro, is the registered owner of the shares in the books of the Company. The Board of Directors of First Metro has the right to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of First Metro is Mr. Jose Patricio A. Dumlaog or any officers appointed by the Board.

First Georgetown Ventures, Inc., is the registered owner of the shares in the books of the Company. The Board of Directors of First Georgetown Ventures, Inc. has the right to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of First Georgetown Ventures, Inc. is George T. Yang, or any officers appointed by the Board.

**Security Ownership of Directors/Management:**

The directors and officers as a group held a total of 131,609 common voting shares as of March 31, 2023. This is broken down as follows:

Title of Class	Name of the Beneficial Owner	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common Shares	Bro. Manuel V. De Leon	1	Filipino	0.00%
Common Shares	Dr. Victor A. Abola	1	Filipino	0.00%
Common Shares	Karen Liza M. Roa	1	Filipino	0.00%
Common Shares	Jose C. Nograles*	1,815	Filipino	0.00%

Title of Class	Name of the Beneficial Owner	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common Shares	Rhodora Angela F. Ferrer*	1	Filipino	0.00%
Common Shares	Atty. Nimfa B. Pastrana	8,007	Filipino	0.00%
Common Shares	Jonathan T. Tabac	121,783	Filipino	0.03%

### Voting Trust Holders of 5% or More

There are no persons known to the registrant who owns more than 5% of a voting trust or similar arrangements.

### Changes in Control

First Metro Save and Learn Balanced Fund, Inc. is an open-end investment company engaged in selling its capital to the public and investing the proceeds in selected high grade stocks. The Fund has an initial paid-up capitalization of ₱25,000,000.00 that is paid by First Metro Investment Corporation (First Metro). As of March 31, 2023, the percentage of ownership of First Metro is 14.10% from the time it was opened to the public.

### 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, 2023 are as follows:

#### The Board of Directors

Name	Experience
Bro. Manuel V. de Leon, FMS Chairman Director	Bro. Manuel V. de Leon, FMS, 65, Filipino, term of office is one year. Bro. De Leon has been serving as a member of the Board of Director of the following companies since 2005 and elected as Chairman of the Board on March 22, 2011, namely: First Metro Save and Learn Fixed Income Fund, Inc. (2005 to present), First Metro Save and Learn Equity Fund, Inc. (2005 to present), First Metro Save and Learn Balanced Fund, Inc. (2005 to present), First Metro Save and Learn Dollar Bond Fund, Inc. (2008 to present), and First Metro Asia Focus Equity Fund, Inc. (2010 to present).  He is also a director of First Metro Asset Management, Inc. (2005 to present). He is the Founding President and CEO of SAGIP KA 2000 Foundation, Inc. (2000-present). He is the President of Notre Dame of Dadiangas University since May 2021- present. He was the Provincial Superior of Marist Brothers of the Schools - East Asia Province (from 2007 to 2013). He was an awardee of the Ten Outstanding Young Men (TOYM) in 1992.

	<p>Br. De Leon has masters and doctorate degrees in Education from University of the Philippines.</p>
<p>Dr. Victor A. Abola President Director</p>	<p>Dr. Victor A. Abola, 79, Filipino, term of office is one year.</p> <p>Dr. Abola currently serves as director and president First Metro Save and Learn Balanced Fund, Inc. (since August 2012), First Metro Save and Learn Equity Fund, Inc. (since August 2012), First Metro Save and Learn Fixed Income Fund, Inc. (since August 2012), and First Metro Save and Learn Dollar Bond Fund, Inc. (since June 2022).</p> <p>Dr. Abola is the current Program Director of the Strategic Business Economics Program (SBEP) of the University of Asia and the Pacific (UA&amp;P). He is the Executive Director of the UA&amp;P-FMIC Capital Market Research Center and the Corporate Secretary of Research, Education and Institutional Development Foundation, Inc. (REID).</p> <p>He gives lectures on Macroeconomic Policy at the graduate school level of the School of Economics. He was a lecturer in Macroeconomics and Introduction to Money, Banking and Finance in the Management Associates Program of the Development Bank of the Philippines (2006-2010). He was the Chief of Party of the Fiscal Policy Analysis Activity of the Department of Finance, a project funded by the USAID in order to enhance policy analysis and revenue forecasting capabilities of DOF's Domestic Finance Group. This work involved completing one of Asia's first Microsimulation Models for major taxes. He finished his doctorate degree in Development Management from the University of Asia and the Pacific, where he also received his M.S. in Industrial Economics. After obtaining his Bachelor of Arts and Bachelor of Science in Commerce (major in Accounting) from the De La Salle University, he obtained his CPA certificate. Prior to this, he spent 15 years in Hong Kong as a Consultant to PCI Capital Asia, Ltd. and later became the Executive Director of the Philippine Research Center (HK), Limited. He has authored numerous articles that have appeared in local and foreign newspapers and periodicals, and UA&amp;P's research publications. He co-authored with Dr. Bernardo M. Villegas the textbooks, Economics An Introduction (now in its 6th edition) and Basic Economics (2nd ed. 2010). He is the author of the text/reference book Money, Banking and Finance (2006).</p>



<p>Ms. Karen Liza M. Roa Director</p>	<p>Ms. Karen Liza M. Roa, 54, Filipino. term of office is one year.</p> <p>Ms. Roa currently serves as director of First Metro Save and Learn Equity Fund, Inc. (since June 2022), First Metro Save and Learn Fixed Income Fund, Inc. (since June 2022), First Metro Save and Learn Balanced Fund, Inc. (since June 2022), First Metro Save and Learn Dollar Bond Fund, Inc. (since June 2022), First Metro Asia Focus Equity Fund, Inc. (since June 2022), First Metro Consumer Fund, Inc. (since June 2022), and First Metro Philippine Equity Exchange Traded Fund, Inc. (since June 2022).</p> <p>She has over 25 years of expertise in the field of finance with a career that spans both domestic and international banking operations, she has a wealth of experience that fuels her financial skills. Has worked with some of the most renowned global companies in banking and asset management, such as Chase Manhattan Bank, SunGard Asia Pacific, trust banking groups of Philam Bank, and Citibank NA. She also served as President and CEO of Philam Asset Management, Inc. (PAMI). She was also a lecturer at the country's top universities, Ateneo de Manila and UP, teaching business courses on strategy, investment management, and financial services. She is the currently the President and CEO of First Metro Asset Management, Inc. (FAMI).</p>
<p>Mr. Jose C. Nograles Independent Director</p>	<p>Mr. Jose C. Nograles, 73, Filipino, term of office is one year.</p> <p>He currently serves as the Independent Director for First Metro Save and Learn Balanced Fund, Inc. (since June 2022), First Metro Asia Focus Equity Fund, Inc. (since June 2022). He's also an independent director of Bank of Commerce since April 2015 and Amalgamated Investment Bancorporation, Inc. since January 2019.</p> <p>He was an Independent Director of First Metro Asset Management, Inc. since June 2011; He was past President and Vice Chairman of the Board of Directors of the Philippine Deposit Insurance Corporation (Jan. 2008 to June 2011). He held various key positions with the Land Bank of the Philippines &amp; Group from 2000 to 2007. Mr. Nograles, being the Vice Chairman/President of the Land Bank Insurance Brokerage Inc. (2000 to 2007), was appointed as Vice Chairman of the Executive Committee (2002 to 2007). He joined the UCPB Board in March 2008 to Jan. 2011 where he was appointed as Chairman of the Audit Committee and member of the Executive Committee. He was also the Chairman of the Audit Committee and member of the Executive Council of the International Association of Deposit Insurers (Oct. 2008 to May 2011).</p> <p>He pursued collegiate studies at the Ateneo de Manila University, earning an AB degree in Economics and graduating as Cum Laude. He also completed a Master's degree in Business Administration from the Asian Institute of Management and undertook diploma courses-Career Executive Service Officer III ; Fellow, Institute of Corporate Directors.</p>

<p>Ms. Rhodora Angela F. Ferrer Independent Director</p>	<p>Ms. Rhodora Angela F. Ferrer, 55, Filipino, term of office is one year. Ms. Ferrer is an Independent Director of First Metro Save and Learn Dollar Bond Fund, Inc. (since 2014), First Metro Consumer Fund, Inc. (since 2019), and First Metro Save and Learn Balanced Fund, Inc. (since 2016).</p> <p>Ms. Ferrer is currently the Executive Director of the Private Education Assistance Committee (PEAC), the Trustee of the Fund for Assistance to Private Education (FAPE). PEAC co-implements with the Department of Education, the JHS Education Service Contracting Program and the SHS Voucher Program with over 2 million grantees in the country.</p> <p>Ms. Ferrer served as Executive Director for Catholic Educational Association of the Philippines (from 2010 to 2014); Asst. Professor, Education Department and Natural Science Department, St. Scholastica's College (since 2007); Trainer for Teacher-Training Programs, Foundation for Upgrading the Standards of Education (FUSE), since 2004. She also served as Chairperson of the Training Committee, Foundation for Upgrading the Standards of Education, Inc. (FUSE) (2009 to 2010); Associate Professor, College of Education at the University of the East (2009 to 2012).</p> <p>Ms. Ferrer finished her BS degree in Physics for Teachers (Cum Laude) at the Philippine Normal University and took up Masters in Education, Major in Physics at De La Salle University. She is currently pursuing her Ph.D. in Educational Leadership and Management (Executive Program) at De La Salle University.</p> <p>Ms. Ferrer finished Executive Courses in the areas of public policy and private sector development at the Lee Kuan Yew School of Public Policy of the National University of Singapore.</p>
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The two (2) independent directors, namely, Mr. Jose C. Nograles and Ms. Rhodora Angela F. Ferrer, 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, 44 years old, Filipino. She is a Senior Vice President of First Metro Investment Corporation and currently heads the company’s Controllership 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 and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro 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 Fund, Inc. and First Metro Save and 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, controllership 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, 61 years old, Filipino, Corporate Secretary. Term of office is one year and has served as such from January 29, 2007 up to present. 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 and 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</p>

	degree. She joined First Metro Investment Corporation in February 2002.
Mr. Jonathan T. Tabac Compliance Officer	Mr. Jonathan T. Tabac, 68 years old, Filipino, Compliance Officer. Term of office is one year and has served as such from January 29, 2007 up to present. He is also the Compliance Officer of First Metro Securities Brokerage Corporation, First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn FOCCUS Dynamic Fund, Inc., First Metro Save and Learn Philippine Index 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., First Metro Consumer Fund, Inc. and First Metro Asset Management, Inc. (from May 2005 to present). 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, Inc. (1997-2001). Mr. Tabac finished BSC-Accounting from University of Baguio. He is a Certified Public Accountant.  The Principal Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders.

**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 persons listed below have been nominated to become directors for 2023-2024. All directors are elected for a term of one year and until their successors shall have been elected and qualified.

- Bro. Manuel V. De Leon, FMS
- Dr. Victor A. Abola
- Ms. Karen Liza M. Roa
- Mr. Jose C. Nograles\*
- Ms. Rhodora Angela F. Ferrer\*
- \* Independent Director

The nominees are incumbent directors of Save and Learn Balanced Fund, Inc. All five (5) nominees confirmed and accepted their nomination to become directors.

**Independent Directors**

In accordance with Rule 38.1 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.

Mr. Jose C. Nograles and Ms. Rhodora Angela F. Ferrer are nominees for independent directors of SALBF and they were recommended to the Nominations Committee for election of independent directors by Sheila M. Reyes, stockholder, in accordance with the foregoing rules. Sheila M. Reyes has no relations with any nominees. No other persons were nominated.

The current members of the Nomination Committee are, Bro. Manuel V. De Leon, FMS, Ms. Rhodora Angela F. Ferrer and Ms. Karen Liza M. Roa. Mr. 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 payments to directors and officers estimated for the year 2023, and for the years ended December 31, 2022, 2021 and 2020 are as follows:

	2023 (Estimated)	2022	2021	2020
Directors	₱244,000	₱178,000	₱227,500	₱233,268
Executive Officers	32,000	32,000	32,000	76,239
Aggregate Annual Per Diem	₱276,000	₱210,000	₱259,500	₱309,507

Per diem of Directors, Corporate Secretary and Officers of the Fund amounting to P10,000.00, P3,000.00, P2,500.00, respectively, are given during their Annual Stockholders' and regular board meetings.

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

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

## Item 7. Independent Public Accountants:

The present auditor of the Fund is SGV & Company. Representatives of SGV & Co. are expected to be present at the stockholders meeting on June 22, 2023. 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.

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.

For the year 2023, SALBF 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. Redgjenald G. Radam signed the independent auditors' for the year 2022. The reports of auditors on the financial statements of the company for the years ended December 31, 2022, 2021 and 2020 contained unqualified opinions.

The aggregate fees paid for the professional services rendered by SGV & Company for the audit of our Financial Statements are ₱273,918, ₱273,918 and ₱273,925 for the years 2022, 2021 and 2020, respectively. SGV & Co. conducted the audit in accordance with auditing standards generally accepted in the Philippines to obtain reasonable assurance about whether the financial statements are free of material misstatements. Their audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

There are no tax fees paid for the last 5 years for professional services rendered by SGV & Co. for tax accounting compliance, advice, planning and any other form of tax service.

SALBF's Audit committee is chaired by Mr. Jose C. Nograles with Ms. Rhodora Angela F. Ferrer and Dr. Victor A. Abola as members.

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

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

## **D. OTHER MATTERS**

**Item 17. Amendment of Charters, By-Laws or Other Documents- N/A**

**Item 18. Other Proposed Item**

1. Approval of the minutes of the meeting of the stockholders held on June 29, 2022, with the following points:
  - a) Approval of the minutes of the annual stockholder's held in June 16, 2021
  - 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 2021, including the following:
    - i. Renewal of the Management and Distribution Agreement
  - d) AMENDMENT OF THE ARTICLES OF INCORPORATION AND BY-LAWS
    - i. Amendment of the Primary Purpose to include the provisions under the ICA IRR and its amendments.
    - ii. Amendment of the Secondary Purpose to delete the provisions not compliant or consistent with the ICA IRR.
    - iii. Amendment of Article VII to delete the provision not consistent with Rule 10.4 of the ICA IRR.
    - iv. Amendment of the By-Laws to align provisions with the Revised Corporation Code.
  - e) Election of the Members of the Board of Directors for the year 2022-2023
  - f) Appointment of External Auditor for the year 2022.
  - g) AMENDMENT IN PROSPECTUS (Increase in Authorized Capital Stocks and Revised Sales Load breakdown)
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 2023-2024 - 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 2023 - 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 2022 meetings and the ratification/approval of the acts and resolutions of the Board, and the appointment of the external auditor, a majority vote of the stockholders present in the meeting is sufficient.
2. For the election of Directors - The votes of all the shares present or represented by proxy at the meeting will be on a per share basis.

Article III of Section 7 of the By-Laws states that "unless otherwise provided by law, each stockholder shall at every meeting of the stockholders be entitled to one vote, in person or by proxy, for each share with voting right held by such stockholder. At all meetings of the stockholders, all elections and all questions,

except in cases where other provision is made by statute or by these By-Laws, shall be decided by the plurality vote of stockholders present in person or by proxy and entitlement to vote thereat, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting and entitlement to vote thereat, the vote on any question need not be by ballot. On a vote ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

3. **Methods by which votes will be counted**

Voting shall be made viva voce, through the raising of the hands or electronically by poll during the meeting, and counted manually/electronically by the Corporate Secretary. The duly accomplished proxy forms indicating votes for the particular items, sent by the stockholder prior the meeting, shall be tallied in advance by the Corporate Secretary accordingly.

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

**FIRST METRO SAVE AND LEARN BALANCED FUND, INC. YEAR 2022 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 and Learn Balanced Fund, Inc.  
45<sup>th</sup> 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 May 26, 2023.

**FIRST METRO SAVE AND LEARN BALANCED 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 Balanced Fund, Inc. (the Fund) is an open-end investment company, which was incorporated on January 29, 2007 and subsequently registered under the Philippine Investment Company Act (Republic Act No. 2629) on May 10, 2007. 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.

Initially, the Fund had paid-up capital of ₱25.00 million out of ₱100.00 million authorized capital stock composed of 100.00 million common shares with a par value of ₱1.00 per share. Due to the increase in subscriptions being received by the Fund, as of December 31, 2016, the authorized capital of the Fund was increased to ₱1.00 billion composed of 1.00 billion common shares with a par value of ₱1.00 per share. The price at which the shares are being offered is based on the net asset value per share computed on a daily basis plus a front-end sales load fee.

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

- In 2010, the Fund's performance ranked first for both 1-year return and 3-year return categories.
- In 2011, the Fund ranked first place in the 1-year return and second place for the 3-year return categories.
- In 2012, the Fund ranked second for 1-year return and first for 3-year return and 5-year return categories.
- In 2013, the Fund ranked third place, second place and first place in the 1-year, 3-year and 5-year categories, respectively.
- In 2014, the Fund got first place in the 5-year category.
- In 2016, the Fund ranked second place in the 10-year return category.
- In 2017, the Fund performed 14.50% net for 2017.
- In 2019, the Fund ranked first place in the 10-year return category and taking third place in the 1-year return category.
- 2021, the Fund ranked second place for the 5-year return category.

### **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 competitive environment for the Fund's products includes not only the products and services offered by the other Mutual Fund players, but all other investment instruments that the target market has access to. The Philippine mutual fund industry is still a relatively young industry compared to those of other countries. However, it is growing at a fast rate.

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, 2022, these four competitor Funds represent around 81.48% 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 three 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 engage in short selling.

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. This was reported in a Certification by the Compliance Officer filed with the Commission on January 11, 2017. The Compliance Officer has submitted to SEC a Certification of Compliance covering the year 2022. 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 the 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, there are instances when redemption prices of redeemed shares may be less than the prices at which the shares were originally purchased. Investors who redeem their shares during this time may not recover the full cost of their investment.

**Stock market risk.** Investing in shares of stock is generally riskier because of the volatility of the stock market. Changes in prices of equity securities that compose the Fund's portfolio may substantially vary in a short span of time. The performance of the companies whose shares are included in the portfolio of the Fund is very much dependent on the people behind those companies. Added to that, stock prices are sensitive to political and economic conditions that normally change from time to time. To manage the risk, the stocks included in the portfolio will be cautiously selected by the investment manager based on their soundness and long-term profitability. Diversification of the stockholdings (not only in terms of the number of stocks but also in the different sectors and industries) of the portfolio will be done to reduce its impact.

**Interest rate risk.** If interest rates rise, the prices at which the assets of the Fund can be sold may fall. The longer the maturity of the assets, the more sensitive the prices of the assets will be to changes in interest rates. In other words, a long -term investment (e.g. 5-year Retail Treasury Bond) will have higher interest rate sensitivity than a short-term investment (e.g. 365-day Treasury Bill). To mitigate the risks, the Fund manager will diversify in terms of the type of securities (such as treasury bonds, notes, bills) and the time horizons of the said securities (such as one -year, 3-year, 5-year, 10-year, and above 10 years).

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

The Fund is exposed to daily cash redemptions of redeemable shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund has the ability to borrow in the short term to ensure settlement. No borrowings have arisen during the year.

**Credit risk.** Credit risk (also called default risk) is the risk that the issuer of the security will not be able to make principal and interest payment on a debt issue. The credit ratings of issuers can change

and affect the Fund’s returns. To manage the risk, SEC-registered and investment grade fixed-income securities will be selected.

**Inflation risk.** Inflation risk is the risk that inflation may erode the real value of an investment by the Fund. One way to manage the risk is to actively trade in fixed-income securities, particularly government securities, which are valued on a marked-to-market basis.

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

No single fund is intended to be a complete investment program, but individual funds, such as this Fund, can be an important part of a balanced and diversified investment program. Mutual funds have the following general risks: returns may vary, the investor may lose money, and the investor cannot be certain that the Fund will achieve its investment objective.

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

### 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 2023, and for the year 2022, 2021 and 2020:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2023	High	2.6376	-	-	-
	Low	2.4787	-	-	-
2022	High	2.7350	2.6805	2.5931	2.5550
	Low	2.5994	2.4507	2.3356	2.3356
2021	High	2.6648	2.6166	2.6545	2.7366
	Low	2.4654	2.4501	2.4584	2.6211
2020	High	2.6355	2.4997	2.4676	2.6671
	Low	2.1061	2.2304	2.3482	2.3719

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, 2023, there are 4,666 shareholders of the Company’s common stock.

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

Fund.

### **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 March 31, 2023, and the years ended December 31, 2022 and 2021 are presented below:

#### Statements of Financial Position

	As of		
	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	December 31, 2021 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	₱200,813,274	₱45,703,187	₱185,423,448
Financial assets at fair value through profit or loss	588,718,571	752,786,435	840,812,760
Financial assets at amortized costs	261,794,711	261,794,711	271,794,711
Receivables	11,840,051	3,194,882	28,962,793
Other assets	3,406,807	3,407,009	3,129,152
<b>TOTAL ASSETS</b>	<b>₱1,066,573,414</b>	<b>₱1,066,886,224</b>	<b>₱1,330,122,864</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	₱10,403,781	₱6,084,922	₱39,057,347
<b>EQUITY</b>			
Capital stock	₱420,309,935	₱423,398,552	₱486,900,879
Additional paid-in capital	677,080,284	681,592,107	760,499,152
Retained earnings (Deficit)	(41,220,586)	(44,189,357)	43,665,486
	1,056,169,633	1,060,801,302	1,291,065,517
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱1,066,573,414</b>	<b>₱1,066,886,224</b>	<b>₱1,330,122,864</b>

## Statements of Comprehensive Income

	For the Period Ended March 31 (Unaudited)		For the Period Ended December 31 (Audited)	
	2023	2022	2022	2021
<b>INVESTMENT INCOME</b>				
Trading and securities gains (losses)	₱91,845	₱21,485,430	(₱51,454,777)	₱28,371,301
Interest income	4,193,740	3,683,729	16,566,431	19,102,901
Dividend income	8,862,038	6,137,136	14,854,812	12,923,944
	<b>13,147,623</b>	<b>31,306,295</b>	<b>(20,033,534)</b>	<b>60,398,146</b>
<b>OPERATING EXPENSES</b>				
Management and retainer's fees	5,647,020	6,475,965	23,807,875	28,564,871
Transaction charges	1,756,959	1,520,812	189,902	197,013
Brokers' commission	1,193,199	1,777,013	5,618,051	5,700,813
Custodian and clearing fees	134,039	134,039	543,602	543,602
Professional fees	67,541	67,541	273,918	273,918
Directors' and officers' fees	76,315	84,315	210,000	70,993
Taxes and licenses	41,696	53,233	203,714	219,399
Miscellaneous	40,035	2,300	372,564	46,196
	<b>₱8,956,804</b>	<b>₱10,115,218</b>	<b>₱31,219,626</b>	<b>₱35,616,805</b>
<b>NET INVESTMENT INCOME BEFORE FINAL TAX</b>	<b>₱4,190,819</b>	<b>₱21,191,077</b>	<b>(₱51,253,160)</b>	<b>₱24,781,341</b>
<b>PROVISION FOR FINAL TAX</b>	<b>846,703</b>	<b>414,005</b>	<b>8,441,493</b>	<b>10,093,253</b>
<b>NET INVESTMENT INCOME / TOTAL COMPREHENSIVE INCOME*</b>	<b>₱3,344,116</b>	<b>₱20,777,072</b>	<b>(₱59,694,653)</b>	<b>₱14,688,088</b>
<b>BASIC EARNINGS (LOSS) PER SHARE</b>	<b>₱0.0079</b>	<b>₱0.0452</b>	<b>(₱0.1366)</b>	<b>₱0.0282</b>

### FINANCIAL POSITION (March 31, 2023 vs December 31, 2022)

As of March 31, 2023, the Fund's total assets remained at ₱1.07 billion. Total liabilities increased by 70.98% or ₱4.32 million from ₱6.08 million to ₱10.40 million during the period. The changes in total assets and liabilities are primarily due to the movements in the following accounts:

#### a. 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 4.40% in 2023 and 0.47% in 2022. The increase of 339.39% or ₱155.11 million from ₱45.70 million to ₱200.81 million was mainly due to higher cash in bank balances as of reporting date.

#### b. Financial assets

*Financial assets at FVTPL* consist of investments in government securities and private debt and equity securities. The decrease of 21.79% or ₱164.07 million from ₱752.79 million to ₱588.72 million was due to sale of securities and result of fair value changes of investments during the period. As of March 31, 2023 and December 31, 2022, this account include fair value loss of ₱5.85 million and ₱25.89 million loss, respectively.

*Financial assets at Amortized Costs* consist of investments in quoted private debt securities. This account ended at ₱261.79 million as of March 31, 2023 and December 31, 2022.

#### c. Receivables

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The



increase of ₱8.65 or 270.59% million from ₱3.19 million to ₱11.84 million was due to higher uncollected proceeds from the sale of equity securities, accrued interest receivable and dividend receivable as of reporting date.

**d. Other assets**

This account remained at ₱3.41 million which pertains to creditable withholding taxes and miscellaneous assets of the Fund.

**e. 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 70.98% or ₱4.32 million from ₱6.08 million to ₱10.40 million was due to higher unsettled redemptions and payable to brokers during the period.

**f. Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱0.005 billion from ₱1.061 billion to ₱1.056 billion was mainly due to the net effect of redemptions during the period.

*Capital Stock* ended at ₱420.31 million, a decrease of ₱3.09 million from ₱423.40 million, mainly due to redemptions during the period. The Fund's authorized capital stock remained at ₱1.00 billion with par value of ₱1.00 per share. As of March 31, 2023 and December 31, 2022, the total issued and outstanding shares were 420,309,935 and 423,398,552, respectively, while the total number of holders of redeemable common shares is 4,666 and 4,739, respectively.

*Additional paid in capital* decreased by ₱4.51 million from ₱681.59 million to ₱677.08 million due to redemptions made during the year.

*Retained earnings (deficit)* decreased by 6.72% or ₱2.97 million from ₱44.19 million to ₱41.22 million due to net income recognized during the year.

**RESULTS OF OPERATION (January 1 - March 31, 2023 vs January 1 - March 31, 2022)**

For the period ended March 31, 2023, the Fund realized a net income of ₱3.34 million, decreased by ₱17.43 million or 83.90% from last year's net income of ₱20.77 million. Detailed discussions on the changes in the statement of income accounts are as follows:

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

This account includes realized and unrealized gains earned from trading investments in debt and equity securities. The decrease of ₱21.39 million or 99.57% from ₱21.48 million gain to ₱0.09 million gain 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.

**b. Interest income**

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. Interest income increased by 13.85% or ₱0.51 million from ₱3.68 million to ₱4.19 million this period due to higher investments in cash equivalents during the period.

**c. Dividend income**

This is recognized when the Fund's right to receive cash dividend is established. Dividend income rose by 44.40% or ₱2.72 million from ₱6.14 million to ₱8.86 million mainly due to the higher cash dividends earned from equity securities during this period.

**d. Management and retainer's fee**

This account represents management fees and other professional fees incurred by the Fund. This account dropped by 12.80% or ₱0.83 million from ₱6.48 million to ₱5.65 million mainly due to the decline in management fees relative to the decrease in the Fund's net assets.

**e. Transaction charges**

This account pertains to the payment of over-the-counter and stock trading charges. The increase of 15.53% or ₱0.24 million from ₱1.52 million to ₱1.76 million was due to higher volume of trades during the period.

**f. 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 32.85% or ₱0.58 million from ₱1.77 million to ₱1.19 million was mainly due to lower brokers' commission incurred during the period.

**g. Custodian and clearing fees**

This account remained at ₱0.13 million for the period ended March 31, 2023 and 2022.

**h. Professional fees**

This account represents audit fees incurred by the Fund and remained at ₱0.07 million as of March 31, 2023 and 2022.

**i. Directors' and officers' fees**

This account pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting. The decrease of 9.49% or ₱0.008 million from ₱0.084 million for the same period last year to ₱0.076 million as of March 31, 2023 was mainly due to lower per diem paid during the period.

**j. Taxes and licenses**

This account totaled ₱0.04 million and ₱0.05 million for the period ended March 31, 2023 and 2022, respectively. and this pertains to taxes other than income tax, such as DST and local taxes. The decrease of ₱0.01 million or 21.67% was due to lower DST paid relative to the decrease in subscription during the same period last year.

**k. Miscellaneous expenses**

This account increased by ₱0.038 million or 1640.60% from last year's ₱0.002 million to ₱0.040 million mainly due to higher bank charges and miscellaneous expenses paid by the Fund during the period.

**2022 Performance**

**Financial Position**

The Fund ended the year 2022 with audited total assets at ₱1.07 billion, lower by ₱0.26 billion or 19.79% from ₱1.33 billion as of December 31, 2021. Total liabilities decreased by ₱32.97 million or 84.42% from ₱39.06 million to ₱6.08 million this year.

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

**a) Cash and cash equivalents**

This account represents the Fund's 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 0.125% to 0.875% in 2022 and 2021. This account decreased by ₱139.72 million or 75.35% from ₱185.42 million to ₱45.70 million mainly due to the lower balances of current accounts and time deposits as of reporting date.

**b) Financial assets**

*Financial assets at FVTPL* consists of investments in government securities and private debt and equity

securities. The decrease of 10.47% or ₱88.03 million from ₱0.84 billion to ₱0.75 billion was mainly due to net redemptions during the year. Quoted government and private debt securities bears nominal annual interest rates ranging from 3.375% to 8.625% and 3.625% to 8.13% in 2022 and 2021, respectively. This account includes fair value loss of ₱25.89 million and fair value loss of ₱1.31 million in 2022 and 2021, respectively.

*Financial assets at Amortized Cost* consists of investments in quoted private debt securities. The decrease of ₱10.00 million from ₱271.79 million to ₱261.79 million was due to disposal during the year. These securities earn annual effective interest rates ranging from 3.361% to 5.25% and 2.375% to 3.6875% in 2022 and 2021, respectively.

**c) Loans and receivables**

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The decrease of ₱25.77 million or 88.97% from ₱28.96 million to ₱3.19 million was mainly due to lower outstanding balances of amount collectible for the sale of equity securities, accrued interest receivable and dividend receivable as of reporting date.

**d) Other asset**

This pertains to creditable withholding taxes and other assets of the Fund. This account ended at ₱3.41 million and ₱3.13 million as of December 31, 2022 and 2021, respectively. The increase of ₱0.28 million or 8.88% was due to increase in other miscellaneous asset of the Fund.

**e) 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. The decrease of ₱32.97 million or 84.42% from ₱39.06 million to ₱6.08 million this year was mainly due to lower unsettled purchase of equity securities and accounts payable during the year.

**f) Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱230.26 million or 17.84% from ₱1.29 billion to ₱1.06 billion was mainly due to the redemptions during the year.

*Capital Stock* ended at ₱423.40 million, a decrease of ₱63.50 million or 13.04% from ₱486.90 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, 2022 and 2021, the total issued and outstanding shares were 423,398,552 and 486,900,879, respectively, while the total number of holders of redeemable common shares is 4,739 and 4,956, respectively.

*Additional paid in capital* went down by ₱78.91 million or 10.38% from ₱760.50 million to ₱681.59 million due to redemptions made during the year.

*Retained earnings* decreased by ₱87.85 million or 201.20% from ₱43.67 million earnings to ₱44.19 million deficit mainly due to redemptions made and results of operations recognized during the year.

**Results of Operations**

For the year ended December 31, 2022, the Fund realized a net loss of ₱59.69 million, a decrease of ₱74.38 million or 506.42% from last year's net income of ₱14.69 million.

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

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

This account includes realized and unrealized gains earned from trading investments in debt and equity

securities. The decrease of 281.36% or ₱79.83 million from last year's ₱28.37 million gain to ₱51.45 million loss this year was mainly due to lower realized gain from the sale and unrealized loss from changes in fair value of debt and equity securities held for trading during the year.

**b) Interest income**

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. The decrease of ₱2.53 million or 13.28% from last year's income of ₱19.10 million to ₱16.57 million was mainly due to lower interest income earned from debt securities during the year.

**c) Dividend income**

This is recognized when the Fund's right to receive cash dividend is established. This account increased by ₱1.93 million or 14.94% from last year's ₱12.92 million to ₱14.85 million due to higher cash dividends received from equity securities during the year.

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

This account dropped by ₱4.75 million or 16.65% from last year's ₱28.56 million to ₱23.81 million mainly due to the decline in management fees relative to the decrease in the Fund's net assets.

**e) 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 ₱0.08 million from last year's ₱5.70 million to ₱5.62 million was mainly due to lower brokers' commission incurred during the year.

**f) Custodian and clearing fees**

Custodian and clearing fees pertain to payment made to the custodian of the Fund. This account ended at ₱0.54 million as of December 31, 2022 and 2021.

**g) Professional fees**

This pertain to payment of audit fee and other professional services acquired during the year. This account remained at ₱0.27 million for the years ended 2022 and 2021.

**h) 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 ₱0.14 million or 195.80% from last year's ₱0.07 million to ₱0.21 million mainly due to higher per diem paid during the year.

**i) Taxes and licenses**

This account pertains to taxes other than income tax, such as DST and local taxes. The decrease of ₱0.02 million or 7.15% from last year's ₱0.22 million to ₱0.20 million was mainly due to lower DST and local taxes paid during the year.

**j) Transaction Charges**

Transaction charges decreased by ₱0.01 million from last year's ₱0.20 million to ₱0.19 million mainly due to lower transaction cost incurred in the purchase and sale of equity and fixed income securities during the year.

**k) Miscellaneous Expense**

This account increased by ₱0.33 million or 706.49% from last year's ₱0.05 million to ₱0.37 million mainly due to higher membership fee and dues, notarial fees, bank charges and other miscellaneous expenses paid by the Fund during the year.

## **2021 Performance**

### **Financial Position**

The Fund ended the year 2021 with audited total assets at ₱1.33 billion, lower by ₱0.13 billion or 8.59% from ₱1.46 billion as of December 31, 2020. Total liabilities decreased by ₱21.35 million or 35.35% from ₱60.41 million to ₱39.06 million this year.

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

#### **a) Cash and cash equivalents**

This account represents the Fund's 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 0.125% to 0.875% and 0.25% to 3.00% in 2021 and 2020, respectively. This account increased by ₱125.00 million or 206.91% from ₱60.42 million to ₱185.42 million mainly due to the higher balances of current accounts and time deposits as of reporting date.

#### **b) Financial assets**

*Financial assets at FVTPL* consists of investments in government securities and private debt and equity securities. The decrease of 25.22% or ₱283.52 million from ₱1.12 billion to ₱0.84 billion was mainly due to net redemptions during the year. Quoted government and private debt securities bears nominal annual interest rates ranging from 3.625% to 8.13% and 2.38% to 8.00% in 2021 and 2020, respectively. This account includes fair value loss of ₱1.31 million and fair value gain of ₱41.29 million in 2021 and 2020, respectively.

*Financial assets at Amortized Cost* consists of investments in quoted private debt securities. The increase of ₱29.98 million or 12.40% from ₱241.81 million to ₱271.79 million was due to purchases during the year. These securities earn annual effective interest rates ranging from 2.375% to 3.6875% and 2.55% to 5.55% in 2021 and 2020, respectively.

#### **c) Loans and receivables**

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The increase of ₱3.47 million or 13.61% from ₱25.49 million to ₱28.96 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.

#### **d) Other asset**

This pertains to creditable withholding taxes of the Fund which remained at ₱3.13 million this year.

#### **e) 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. The decrease of ₱21.35 million or 35.35% from ₱60.41 million to ₱39.06 million this year was mainly due to lower unsettled purchase of equity securities and accounts payable during the year.

#### **f) Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱103.71 million or 7.44% from ₱1.39 billion to ₱1.29 billion was mainly due to the redemptions during the year.

*Capital Stock* ended at ₱486.90 million, a decrease of ₱44.06 million or 8.30% from ₱530.96 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, 2021 and 2020, the total issued and outstanding shares were 486,900,879 and 530,959,884, respectively, while the total number of holders of redeemable common shares

is 4,956 and 5,034, respectively.

*Additional paid in capital* went down by P23.67 million or 3.02% from P784.17 million to P760.50 million due to redemptions made during the year.

*Retained earnings* decreased by P35.98 million or 45.18% from P79.65 million to P43.67 million mainly due to redemptions made and results of operations recognized during the year.

### **Results of Operations**

For the year ended December 31, 2021, the Fund realized a net income of P14.69 million, an increase of P18.09 million or 531.45% from last year's net loss of P3.40 million.

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

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

This account includes realized and unrealized gains earned from trading investments in debt and equity securities. The increase of P26.64 million from last year's P1.74 million to P28.37 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.

**b) Interest income**

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. The decrease of P10.93 million or 36.40% from last year's income of P30.04 million to P19.10 million was mainly due to lower interest income earned from debt securities during the year.

**c) Dividend income**

This is recognized when the Fund's right to receive cash dividend is established. This account increased by 1.43 million or 12.45% from last year's P11.49 million to P12.93 million due to higher cash dividends received from equity securities during the year.

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

This account dropped by P2.01 million or 6.60% from last year's P30.47 million to P28.46 million mainly due to the decline in management fees relative to the decrease in the Fund's net assets.

**e) 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 P1.46 million or 34.60% from last year's P4.24 million to P5.70 million was mainly due to higher brokers' commission incurred during the year.

**f) Custodian and clearing fees**

This account increased by P0.10 million or 21.33% from last year's P0.45 million and P0.54 million mainly due to higher fees paid to the custodian of the Fund during the year.

**g) Professional fees**

This account remained at P0.27 million this year.

**h) Taxes and licenses**

This account pertains to taxes other than income tax, such as DST and local taxes. The decrease of P0.04 million or 14.29% from last year's P0.26 million to P0.22 million was mainly due to lower DST and local taxes paid during the year.

**i) Transaction Charges**

Transaction charges increased by ₱0.03 million or 19.73% from last year's ₱0.16 million to ₱0.20 million mainly due to higher transaction cost incurred in the purchase and sale of equity and fixed income securities during the year.

**j) 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 ₱0.24 million or 77.06% from last year's ₱ 0.31 million to ₱0.07 million mainly due to lower per diem paid during the year.

**k) Miscellaneous Expense**

This account decreased by ₱0.10 million or 67.29% from last year's ₱0.14 million to ₱0.05 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 period ended March 31, 2023.

**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**

SALBFI, incorporated on January 29, 2007, has grown tremendously during the ten years of its existence. Its investment objective is to seek long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities.

SALBFI has identified the following as its key performance indicators:

- *Net Asset Value Per Share* - Net Asset Value per share amounted to ₱2.5128 as of March 31, 2023, higher by ₱0.0074 from the ₱2.5054 NAVPS as of December 31, 2022. The Fund's net asset value slid by ₱0.005 billion from ₱1.061 billion as of December 31, 2022 to ₱1.056 billion as of March 31, 2023.
- *Sales for the period ended* - The Fund's total sales of ₱6.49 million for the period ended March 31, 2023 was 37.10% or ₱3.82 million lower than ₱10.31 million sales for the same period last year.

- **Redemptions for the period ended** - Total redemptions of the Fund amounting to ₱14.46 million for the period ended March 31, 2023 was 88.28% or ₱108.93 million lower than ₱123.39 million redemptions for the same period last year.
- **Net Income vs. Benchmark** - The Fund incurred ₱3.34 million net income for the period ended March 31, 2023, ₱17.43 million or 83.90% lower than ₱20.77 million net income for the same period last year.
- **Market Share vs. Benchmark** - As of March 31, 2023, the Fund garnered 6.71% share in the Balanced Funds category while 0.40% share among all mutual funds in terms of net assets. On the basis of account holders, the Fund has 4,666 account holders or 5.06% of the total accounts in this Fund category.

The following basic ratios measure the financial performance of the Fund for the period ended March 31, 2023 and for the years ended 2022 and 2021:

PERFORMANCE INDICATORS	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	December 31, 2021 (Audited)
Return on average asset <sup>1/</sup>	1.25%	(5.08%)	1.05%
Return on average equity <sup>2/</sup>	1.26%	(4.98%)	1.09%
Cost-to-income ratio <sup>3/</sup>	68.12%	(155.84%)	58.97%
Net asset value per share <sup>4/</sup>	₱2.5128	₱2.5054	₱2.6516
Earnings(Loss) per share <sup>5/</sup>	₱0.0079	(₱0.1366)	₱0.0282

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

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

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

<sup>4/</sup> Net asset value per share by deducting total liabilities from total assets to come up with the Net Assets and dividing with the outstanding number of shares for the year.

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

## Item 7. Financial Statements

1. Statement of Management's Responsibility for Financial Statements
2. Audited Financial Statements

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on May 26, 2023.

**FIRST METRO SAVE AND LEARN BALANCED FUND, INC.**

By:

  
MARICEL L. MADRID

TREASURER



CERTIFICATION OF INDEPENDENT DIRECTOR

I, JOSE C. NOGRALES, Filipino of legal age and resident of 35 San Martin Village, Magallanes, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of First Metro Save and Learn Balanced Fund, Inc. on June 22, 2023 and have been its independent director since June 29, 2022;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organizations	Period of Service	Position/Relationship
Bank of Commerce	April 2015 - Present	Independent Director
Amalgamated Investment Bancorporation, Inc.	January 2019 - Present	Independent Director
First Metro Asia Focus Equity Fund, Inc.	June 29, 2022 - Present	Independent Director

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Save and Learn Balanced Fund, Inc. as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am NOT related to any director/officer/substantial shareholder (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities and Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of First Metro Save and Learn Balanced Fund, Inc. of any changes in the abovementioned information within five (5) days from its occurrence.

Done this MAY 19 2023 day of May 2023, QUEZON CITY

  
 JOSE C. NOGRALES  
 Independent Director  
 MAY 19 2023

SUBSCRIBED AND SWORN to before me on 19 day of May 2023 in QUEZON CITY, Philippines, affiant exhibiting to me his Senior Citizen ID No. 72343 issued on February 1, 2008 at Quezon City.

Doc. No. 71 ;  
Page No. 16 ;  
Book No. 24 ;  
Series of 2023.

NOTARY PUBLIC  
 Until December 31, 2024  
**ATTY. ROGELIO J. BOLIVAR**  
 NOTARY PUBLIC IN QUEZON CITY  
 Commission No. Adm. Matter No. NP 158 (2023-2024)  
 IBP O.R. No. 180915 2023 & IBP O.R. No. 180816 2024  
 PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-0000  
 MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2024  
 Address: 31-F Harvard St. Cubao, Q.C.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Rhodora Angela F. Ferrer, Filipino of legal age and with office address at 25th Floor Philippine Axa Life Centre Sen. Gil Puyat Avenue corner Tindalo St. Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of First Metro Save and Learn Balanced Fund, Inc. on June 22, 2023 and have been its independent director since 2016;
2. I am affiliated with the following company/ies or organizations:

Company/Organizations	Period of Service	Position
First Metro Consumer Fund, Inc.	October 18, 2019 - Present	Independent Director
First Metro Save and Learn Dollar Bond Fund, Inc.	2014 to present	Independent Director
Private Education Assistance Committee (PEAC)	since 2014 to present	Executive Director

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Save and Learn Balanced Fund, Inc. as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and other SEC issuances;
4. I am NOT related to any director/officer/substantial shareholder (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities and Regulation Code;
5. To the best of my knowledge, I am NOT subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with the duties and responsibilities as independent director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;
7. I shall inform the Corporate Secretary of First Metro Save and Learn Balanced Fund, Inc. of any changes in the above mentioned information within five (5) days from its occurrence.

Done this MAY 10 2023 day of May 2023, Makati City

*Rhodora Angela F. Ferrer*  
Rhodora Angela F. Ferrer  
Independent Director

SUBSCRIBED AND SWORN to before me on MAY 10 2023 day of May 2023 in Makati City, Philippines, affiant exhibiting to me her TIN No. 116-066-828.

Doc. No. 83;  
Page No. 184;  
Book No. 28;  
Series of 2023.

NOTARY PUBLIC  
ATTY. RUEL S. BOLAÑOS  
NOTARY PUBLIC IN QUEZON CITY  
Commission No. Adm. Matter No. NP 158 (2023-2024)  
IBP O.R. No. 180815 2023 & IBF O.R. No. 150816 2024  
PTR O.R. No. 3916669 @ 01/03/2023 / Roll No. 33832 / TIN # 129-471-009-000  
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025  
Address: 31-F Harvard St. Cubao, Q.C.