

# 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

<b>C G F D</b>
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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

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

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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 F.O.C.C.U.S. DYNAMIC FUND, INC.  
(SALFOCCUS)**

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

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



**NIMFA BALMES-PASTRANA**  
Corporate Secretary

PROXY

The undersigned stockholder of **FIRST METRO SAVE AND LEARN FOCCUS DYNAMIC FUND, INC.** hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, as attorney-in-fact and proxy, with power of substitution, to present and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on 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 Annual Stockholders' Meeting held on June 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		
Mr. Eduardo R. Carreon			
Mr. Robert T. Yu			
Dr. Bernardo M. Villegas ( <i>Independent Director</i> )			
Atty. Abelardo V. Cortez ( <i>Independent Director</i> )			
Fr. Roderick C. Salazar, Jr., SVD ( <i>Independent Director</i> )			
<i>Apply the votes equally to all the nominees.</i>			
	<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 F.O.C.C.U.S. DYNAMIC FUND, INC.**
3. Province, Country or other jurisdiction of incorporation or organization;  
**Metro Manila, Philippines**
4. SEC Identification number: **CS201821017**
5. BIR Tax Identification Code: **010-145-586**
6. Address of Principal Office:  
**4<sup>th</sup> Floor, Agdao MPC Green Building, Nicasio Torres Street, Obrero, Davao 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>396,143,671 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 matters or proposed corporate actions which may give rise to a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines.

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

a) Other than election to office, there is no matter to be acted upon in which any director or executive officer is involved or had a direct, indirect or substantial interest.

b) No director has informed the registrant, in writing or otherwise, that he intends to oppose any action to be taken by the registrant at the Meeting.

### B. CONTROL AND COMPENSATION INFORMATION

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

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

Class of Voting Securities.	Total Outstanding Shares	Votes Entitlement
Common Shares	396,143,671	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	<i>James Chiew Lee</i> Ecoland Davao	Same	Filipino	401,376,315	29.23%
Common Shares	<i>Catholic Educational Association of the Philippines (CEAP)</i> 7 Rd 16, Bagong Pag-asa, Quezon City, Metro Manila	Same	Filipino	131,414,022	9.57%
Common Shares	<i>Norbert Bangloy Comafay</i> #06 Saffron St Mahogany Place 3 Acacia Estates Brgy Bambang, Taguig	Same	Filipino	86,191,554	6.28%
Common Shares	<i>Gino Felino Fernandez Salvador or Karl Antonious De Pio</i> 123 Maplewood Court, South Hills Subdivision Tisa, Cebu City	Same	Filipino	75,686,291	5.51%

James Chiew Lee is the owner and will vote over his shares.

Catholic Educational Association of the Philippines (CEAP), is the registered owner of the shares in the books of the Company. The Board of Trustees of CEAP 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 CEAP is Sr. Ma. Marissa R. Viri, RVM or any officers appointed by the Board.

Norbert Bangloy Comafay is the owner and will vote over his shares.

Gino Felino Fernandez Salvador or Karl Antonious De Pio are the owners and will vote over their shares.

**Security Ownership of Directors/Management:**

The directors and officers as a group held common voting shares as of March 31, 2023 as follows:

Title of Class	Name of the Beneficial Owner	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common Shares	Eduardo R. Carreon	4,000	Filipino	0.00%
Common Shares	Robert T. Yu	4,000	Filipino	0.00%
Common Shares	Bernardo M. Villegas*	4,000	Filipino	0.00%
Common Shares	Atty. Abelardo V. Cortez*	4,000	Filipino	0.00%
Common Shares	Fr. Roderick C. Salazar, Jr.*	1	Filipino	0.00%

*\*Independent directors*

### 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 F.O.C.C.U.S Dynamic 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 was paid by First Metro Asset Management, Inc. (FAMI), Silangan Multipurpose Cooperative, and PERA Multipurpose Cooperative, Et Cetera. As of March 31, 2023, the percentage of ownership of FAMI, Silangan Multipurpose Cooperative, and PERA Multipurpose Cooperative, Et Cetera are nil.

### 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
Eduardo R. Carreon Chairman and Director	<p><b>Mr. Eduardo R. Carreon</b>, 74, Filipino, term of office is one year.</p> <p>Mr. Carreon has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013, First Metro Save and Learn Money Market Fund, Inc. since June 2018, and First Metro Save and Learn FOCCUS Dynamic Fund, Inc. (since June 2022).</p> <p>He is President and CEO of CVLF Consultancy and Outsourcing Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise</p>

	<p>Financial Services (2003-2008). He served as Consultant for Capital Advisors for Private Enterprise Expansion Inc. from 1998-1999. He was also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank - 1974-1979; and Pro Manager, Citibank from 1970-1973.</p> <p>Mr. Carreon graduated from the Ateneo de Manila University in 1969 with a Bachelor of Arts degree. He is also an MBA candidate from the Ateneo Graduate School of Business.</p>
<p>Mr. Robert T. Yu President and Director</p>	<p><b>Mr. Robert T. Yu</b>, 76 years old, Filipino, term of office is one year.</p> <p>Mr. Yu has been serving as a member of the Board of Director and President of First Metro Consumer Fund, Inc., First Metro Save and Learn Philippine Index Fund, Inc. Since 2017, and First Metro Save and Learn FOCCUS Dynamic Fund, Inc. (since June 2022).</p> <p>He was formerly the Vice Chairman of First Metro Securities Brokerage Corporation. He was also appointed as Director in 2011 after his stint as the company's President in 2010. He concurrently serves as Adviser to the Board of Charter Ping An Insurance Corporation and Executive Director of PG Progress Marketing Corporation. He previously served at the Senior Management level in various industrial corporations.</p> <p>Mr. Robert Yu has a Bachelor's degree in Commerce from the University of the East.</p>
<p>Dr. Bernardo M. Villegas Independent Director</p>	<p><b>Dr. Bernardo M. Villegas</b>, Ph.D., 84, Filipino, term of office is one year.</p> <p>He has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since April 2013, First Metro Save and Learn Money Market Fund, Inc. since June 2021, and First Metro Save and Learn FOCCUS Dynamic Fund, Inc. (since June 2022).</p> <p>He serves as University Professor and Vice President of the University of Asia and the Pacific. He is columnist for Manila Bulletin and Business World. He has served as Independent Director for Transnational Diversified,, Inc. from 2000 to the present. He has been the Chairman of Filipino Fund since June 2012. He has been the Chairman of the Board of the Benguet Corporation since 2010. He was in the boards of BPI, Globe Telecom, Insular Life, McDonalds, IBM, Rolls Royce, AES, and Alaska Milk. He is a member of the</p>



	<p>boards of director of leading NGOs such as Dualtech Foundation and the Philippine Foundation for Cultural and Educational Development.</p> <p>He also served as Chairman of Filipino Fund Inc. until February 2007, Co-Chairman until November 30, 2007 and served as its President. He served as Chairman, Department of Economics-De La Salle University Manila and Director, Economic Research Bureau and Graduate School of Business-De La Salle University Manila. He has been an Independent Director of Benguet Corp. since June 25, 1998. He has been a Director of Alaska Milk Corp. since August 2008. He served as Director of Bank of Philippine Islands from 1980 to 2000. He served as a Director of the Filipino Fund Inc., from June 1995 to November 30, 2007. He served as a Non-Executive Independent Director of Uniwide Holdings Inc., since September 11, 1994. He served as an Independent Director of Alaska Milk Corp. from 1999 to 2006.</p> <p>Dr. Villegas holds a Ph.D. in Economics and M.A. in Economics from the Harvard University. He obtained his Bachelor's degrees in Commerce and the Humanities (both Summa Cum Laude) from De La Salle University.</p>
<p>Atty. Abelardo V. Cortez Independent Director</p>	<p><b>Atty. Abelardo V. Cortez, 77, Filipino, term of office is one year.</b></p> <p>Atty. Cortez has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since May 2014 and First Metro Save and Learn FOCCUS Dynamic Fund, Inc. (since June 2022).</p> <p>He has over 25 years of banking experience both in the local and international banking industry, concentrating in treasury trust and private banking side of the business. Over this banking period, he held the following posts: Money Market Head- Rizal Banking Corporation (1978 to 1980); Vice President-Treasury Operations, Bank of the Philippine Island (1980 to 1986); Managing Director and CEO for 8 long years at BPI International Finance Ltd. (Hongkong) from 1987 to 1995; Vice President, Head/Private Banking Group- Bank of the Philippine Island (1995 to 1996); Director for Trust and Investments, ATR KimEng Capital Partners, Inc. (1996 to 2011); Independent Board Director, First Metro Investment Banking Corp. (2012) He was national FINEX President in 2007 and Co-Chairman of the country's Capital Market Development Council in 2008; he was a former director/trustee of FINEX Foundation. He was likewise former director of First Metro Asset Management Inc.</p> <p>At present, he is Board Director and Executive Committee member of IAFEI (International Association of Financial</p>

	<p>Institutes), a more than 50 year-old global financial organization based in Europe.</p> <p>Currently, he also sits as Independent Director of First Metro Securities Brokerage Corp.</p> <p>Atty. Cortez earned his Bachelor of Laws degree from San Beda College of Law, and was awarded the school's most outstanding student award (the Abbott's Award). He also completed his other collegiate diploma studies at San Beda College, Bachelor of Arts in journalism, first honor, Cum Laude.</p> <p>Atty. Cortez writes FINEX business columns both in the Businessworld and Manila Bulletin.</p> <p>In 2008, San Beda College Alumni Association voted him Most Distinguished Bedan Award in the field of banking and finance.</p>
<p>Fr. Roderick C. Salazar Independent Director</p>	<p><b>Fr. Roderick C. Salazar</b>, 75, Filipino. He is an Independent Director of First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Philippine Index Fund, Inc., and First Metro Save and Learn FOCCUS Dynamic Fund, Inc.</p> <p>For more than 15 years, until June 2014, he was Chair of the Board of Trustees of St. Jude Catholic School in Manila. In 2017, he was elected back to the same SJCS Board and served till 2020. He was the Chair of the Board of Trustees of St. Scholastica's College, Westgrove. He continues to be the Chair of the Board of Trustees of St. Agnes Academy in Legazpi City. He is a past member of the Board of Trustees of St. Paul University in Dumaguete City. He is the Chair of the Board of Trustees of Center for Educational Measurement (CEM). He was the Regional Secretary for Asia and the Vice-president for Asia of the Office Internationale de l'Enseignement Catholique (OIEC) [International Office of Catholic Education] after serving as its President in 2011-2015. He also served as the Executive Secretary of the Office of Education and Faith Formation of the Federation of Asian Bishops Conferences (FABC-OEFF). Most of his priestly ministry he spent at the University of San Carlos in Cebu City. From 1975 until 2009, at USC he served in various administrative positions including Vice President for Administration, Vice President for Academic Affairs, Presidential Assistant for External and Alumni Affairs, and President for four 3-year terms: 1987-1990; 1990-1993) (2004-2007) (2007-2010).</p> <p>On August 14, 2010, in the Archdiocese of Cebu, he received the Papal Award Croce Pro Ecclesia et Pontifice for his years of service to Catholic Education. His congregation appointed him Director of SVD Mission Philippines, Inc, in 2014-2017.</p>

	<p>Catholic Educational Association of the Philippines (CEAP), the unified group of all Catholic schools in the country, he served as its President for 16 years. In September 2020, for his service to Catholic Education, CEAP awarded him the Pro \Deo et Patria Award.</p>
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The three (3) independent directors, namely, Dr. Bernardo M. Villegas, Atty. Abelardo V. Cortez and Fr. Roderick C. Salazar, Jr., have always possessed the qualifications and none of the disqualifications of an independent director.

### Executive Officers

Name	Experience
<p>Ms. Maricel L. Madrid Treasurer</p>	<p><b>Ms. Maricel L. Madrid</b>, 44 years old, Filipino. She is a Senior Vice President of First Metro Investment Corporation and currently heads the company’s Controllershship Group. She also holds presidency and directorship with SBC Properties, Inc., Prima Ventures Development Corporation and FMIC Equities, Inc. Ms. Madrid also serves as the Treasurer of First Metro Securities Brokerage Corporation, First Metro Asset Management, Inc., First Metro Save Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn FOCCUS Dynamic Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Funds, 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, controllershship and finance. She was the Controller during her six years stint with a local bank and served as a director and a member of the audit committee for one of the subsidiaries of the said banking group. She started her career as an external auditor with one of the top auditing firms in the country.</p> <p>Ms. Madrid is a Certified Public Accountant and graduated cum laude with a degree of Bachelor of Science in Accountancy from the University of Santo Tomas.</p>
<p>Atty. Nimfa B. Pastrana Corporate Secretary</p>	<p><b>Atty. Nimfa B. Pastrana</b>, 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 &amp; 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</p>

	<p>present), First Metro Consumer Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn SALFOCCUS Dynamic Fund, Inc., First Metro Securities Brokerage Corporation, First Metro Asset Management, Inc., PBC Capital Investment Corporation, Prima Ventures Development Corporation, Resiliency (SPC), Inc., SBC Properties, Inc., FMIC Equities, Inc., and First Metro Insurance Brokers, Corp.</p> <p>She graduated from the University of the Philippines with a degree A.B. Philosophy and from San Beda College with a Bachelor of Laws degree. She joined First Metro Investment Corporation in February 2002.</p>
<p>Mr. Jonathan T. Tabac Compliance Officer</p>	<p><b>Mr. Jonathan T. Tabac</b>, 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 &amp; Learn Fixed-Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Fund, Inc. and First Metro Asset Management, Inc. (from May 2005 to present). He served as AVP &amp; 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.</p> <p>The principal officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders.</p>

**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.

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

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

### **Independent Directors**

In accordance with Rule 38 of the Securities Regulations Code (SRC) Implementing Rules and Regulations, Save and Learn FOCCUS Dynamic Fund, Inc. has formulated its rules relative to the election of independent directors, as follows:

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

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

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

For the complete background information of the nominee directors, please refer to Item 5. Directors and Officers.

### **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.

### 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	₱232,000	₱275,500	₱34,500
Executive Officers	32,000	202,039	32,000	32,000
Aggregate Annual Per Diem	₱276,000	₱434,039	₱307,500	₱66,500

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

### 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, SALDBF will still be engaging the services of SGV.

In compliance with SRC Rule 68, par. 3 (b)(ix), the signing partner of the auditing firm is rotated every after five (5) years of engagement. Redgienald G. Radam signed the independent auditors' 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 ₱55,440, ₱63,510 and ₱55,440 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.

There are no other fees paid for the last 4 years for products and services provided by SGV & Co. other than the services mentioned above.

SALFOCCUS's Audit Committee is chaired by Atty. Abelardo V. Cortez with Dr. Bernardo M. Villegas and Fr. Roderick C. Salazar, Jr. SVD 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:
  - i. Approval of the minutes of the annual stockholders held in June 16, 2021
  - ii. Annual Report to the Stockholders
  - iii. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2021, including the following:
    - Renewal of the Management Distribution Agreement
  - ii. AMENDMENT OF THE ARTICLES OF INCORPORATION AND BY-LAWS  
AOI
    - 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 III to change the principal address of the corporation
    - iv. Amendment of Article VII to delete the provision not consistent with

Rule 10.4 of the ICA IRR.

**BY-LAWS**

- i. Amendment of Article I, Sec. 1 to change the principal address of the Corporation
- ii. Amendment of Article III, Sec. 2 to change the annual meeting of the Corporation; and
- iii. Align provisions with the Revised Corporation Code.
  
- iv. Election of the Members of the Board of Directors for the year 2022-2023
- v. Appointment of External Auditor for the year 2022
- vi. AMENDMENT IN PROSPECTUS (Increase in Authorized Capital Stocks and Revised Sales Load breakdown)

**2. Ratification of Corporate Acts**

Ratification of the minutes of the board meeting and all acts and resolutions of the Board, including among others the following:

- a. 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 to 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 FOCUS DYNAMIC 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 & Learn Fixed-Income 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 FOCUS DYNAMIC FUND, INC.**

By:

  
**NIMFA BALMES- PASTRANA**  
Corporate Secretary

## **PART II -COMPANY PROFILE**

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

First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. (the Fund) was incorporated in the Philippines on September 25, 2018 and subsequently registered under the Philippine Investment Company (Republic Act No. 2629) on July 1, 2019 as an open-end mutual fund company engaged in selling its capital to the public and investing the proceeds in selected high grade equity securities in the Philippines. As an open-end mutual fund company, shares are redeemable at the holder's option at net asset value (NAV) at the time of redemption. The name of the Fund was amended to First Metro Save and Learn Dynamic Allocation Fund, Inc. on May 18, 2022 and the amendment of the Articles of Incorporation is currently being processed with the SEC.

First Metro Asset Management, Inc. (FAMI) serves as the investment manager and principal distributor of the Fund. Metropolitan Bank & Trust Company - Trust Banking Group (MBTC-TBG) serves as the Fund's stock and transfer agent. The Fund is a subsidiary of First Metro Investment Corporation (First Metro or the Parent Company) and the ultimate parent company is Metropolitan Bank & Trust Company (Metrobank), the parent company of First Metro.

The registered office address of the Fund is at 4th Floor, Agdao MPC Green Building, Nicasio Torres Street, Barangay 17-B, Davao City, Davao del Sur. The Articles of Incorporation was amended to transfer the registered office address to Makati City.

The Fund earned some awards and recognitions based on its performance from Philippine Investment Fund Association (PIFA) for the year 2021 as shown below:

- First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. ranked 2nd place on 1-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 October 2019.

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 ATRAM, as its main competitors. As of December 31, 2022, these four competitor Funds represent around 57.05% 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. ATRAM 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 a 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 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 incorporate 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 F.O.C.C.U.S. Dynamic 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 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 to 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	0.2054	-	-	-
	Low	0.1931	-	-	-
2022	High	0.2142	0.2091	0.1992	0.1989
	Low	0.2016	0.1894	0.1829	0.1829
2021	High	0.2014	0.1961	0.1976	0.2090
	Low	0.1853	0.1836	0.1831	0.1969
2020	High	0.2305	0.1935	0.1895	0.2016
	Low	0.1612	0.1754	0.1801	0.1858

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 242 shareholders of the Company’s common stock. Shown below are the top twenty (20) shareholders, including the number of shares and percentages of ownership held by each.

No.	Client No.	No. of Shares	Percentage of Ownership
1	James Chiew Lee	401,376,315	29.23%
2	Catholic Educational Association Of The Philippines (Ceap)	131,414,022	9.57%
3	Norbert Bangloy Comafay	86,191,554	6.28%
4	Gino Felino Fernandez Salvador Or Karl Antonious . De Pio	75,686,291	5.51%
5	Manila Ecclesiastical Province School Systems Association (Mapsa) Inc. Immaculate Conception Academy Of San Juan, Inc.	64,047,222	4.66%
6	Magsaysay Mol Ship Management, Inc	49,287,640	3.59%
7	Hung Pok . Tai Or Lance Harvey Hao Tai	47,790,586	3.48%
8	Aristotle Banzon Batuhan	33,621,518	2.45%
9	Regina Paz Goco Morales Or Karen	28,324,194	2.06%
10	Liza Munda Roa	26,135,778	1.90%
	Maria Dulce Morales Zalsos Or Emmanuel Champion Zalsos Or Diana Marie Morales Zalsos	25,641,192	1.87%
11	St. Paul University Quezon City, Inc.	25,019,790	1.82%
12	The Roman Catholic Bishop Of Pasig Inc.	23,840,822	1.74%
13	Jose Gabriel Aguilar Santos	15,865,385	1.16%
14	Our Lady Of Peace School	15,620,706	1.14%
15	Edward Magtoto Solayao Or Ceedee Taboada Solayao	14,117,647	1.03%
16	Philippine Christian University	10,857,763	0.79%
	Enrico Valencia Angeles Or Marissa Glenda Valencia Angeles Or Ofelia Angeles Marino	10,526,316	0.77%
17	Luz Seno Redaja Or Reina May Seno Redaja	10,188,487	0.74%
18	Jesus Julio Iii Santiago Ancheta Or Maria Bernadeth Cacao Ancheta	9,895,574	0.72%
19			
20			

### 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 from declaring 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 in bank	₱116,701,136	₱18,274,489	₱4,617,124
Financial assets at fair value through profit or loss	155,089,422	279,387,518	23,159,266
Receivables	3,573,953	876,378	314,986
<b>TOTAL ASSETS</b>	<b>₱275,364,511</b>	<b>₱298,538,385</b>	<b>₱28,091,376</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	₱5,099,873	₱1,143,937	₱91,228
Deposit for future stock subscription	239,036,682	235,942,620	-
<b>TOTAL LIABILITIES</b>	<b>₱244,136,555</b>	<b>₱237,086,557</b>	<b>₱91,228</b>
<b>EQUITY</b>			
Capital stock	₱2,172,527	₱3,961,437	₱1,358,507
Additional paid-in capital	44,641,935	82,475,198	30,385,942
Retained earnings (deficit)	(15,586,506)	(24,984,807)	(3,744,301)
	₱31,227,956	₱61,451,828	₱28,000,148
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱275,364,511</b>	<b>₱298,538,385</b>	<b>₱28,091,376</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>				
Interest income	₱448,425	₱321,664	₱3,320,457	₱375,339
Trading and securities gain (loss)	3,861,008	(726,946)	(20,005,489)	1,874,263
Dividend income	5,297,141	1,944,443	7,029,567	435,977
	<b>₱9,606,574</b>	<b>₱1,539,161</b>	<b>(₱9,655,465)</b>	<b>₱2,685,579</b>
<b>OPERATING EXPENSES</b>				
Management Fees	₱1,568,288	₱828,588	₱5,358,985	₱605,170
Broker's Commission	807,850	943,440	2,642,309	271,920
Taxes and licenses	12,731	123,717	285,622	17,727
Directors and Officers Fees	58,000	58,000	232,000	307,500
Transaction Charges	28,852	33,694	55,378	9,651
Custodian and Clearing Fees	43,003	22,161	127,155	102,227
Professional fees	13,670	13,670	55,440	63,510
Miscellaneous expense	41,427	85,354	254,081	31,979
	<b>₱2,573,821</b>	<b>₱2,108,624</b>	<b>₱9,010,970</b>	<b>₱1,409,684</b>
<b>NET INVESTMENT INCOME (LOSS) BEFORE FINAL TAX</b>	<b>₱7,032,753</b>	<b>(₱569,463)</b>	<b>(₱18,666,435)</b>	<b>₱1,275,895</b>
<b>PROVISION FOR FINAL TAX</b>	<b>1,297,722</b>	<b>578,826</b>	<b>2,938,830</b>	<b>387,205</b>
<b>NET INVESTMENT INCOME (LOSS)/TOTAL COMPREHENSIVE INCOME (LOSS)*</b>	<b>₱5,735,031</b>	<b>(₱1,148,289)</b>	<b>(₱21,605,265)</b>	<b>₱888,690</b>
<b>BASIC EARNINGS (LOSS) PER SHARE</b>	<b>₱0.0242</b>	<b>(₱0.0029)</b>	<b>(₱0.0526)</b>	<b>₱0.0061</b>
<b>DILUTED EARNINGS (LOSS) PER SHARE</b>	<b>₱0.0041</b>	<b>(₱0.0010)</b>	<b>(₱0.0139)</b>	<b>₱0.0061</b>

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

As of March 31, 2022, the Fund's total assets ended at ₱275.36 million, decreased by 7.76% or ₱23.17 million from ₱298.53 million as of December 31, 2022. Total liabilities increased by ₱7.05 million from ₱237.09 million to ₱244.14 million as of reporting date. The changes in total assets and liabilities are primarily due to the movements in the following accounts:

#### 1. *Cash in bank*

This account consists of the Fund's savings and checking accounts in local banks. Cash in banks earn interest at the respective bank deposit rates. The increase of 538.60% or ₱98.43 million from ₱18.27 million to ₱116.70 million was due to sales of investment securities during the period.

#### 2. *Financial assets at FVTPL*

This account consists of investments in government securities and private debt and equity securities. The decrease of 44.49% or ₱124.30 million from ₱279.39 million to ₱155.09 million was due to the sale of securities during the period. As of March 31, 2022 and December 31, 2022, this account include fair value gain of ₱3.86 million and ₱3.67 million fair value loss, respectively.

#### 3. *Receivables*

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

receivable. The increase of 307.81% or ₱2.70 million from ₱0.87 million to ₱3.57 million was due to higher uncollected dividend receivable as of reporting date.

**4. Accounts payable and accrued expenses**

This account consists of due to brokers, accounts payable, payable to FAMI, accrued expenses, withholding tax payable and documentary stamp tax (DST) payable. The increase of 345.82% or ₱3.96 million from ₱1.14 million to ₱5.10 million was due to higher payable to brokers during the period.

**5. Deposit for future subscription**

This account ended at ₱239.04 million as of March 31, 2023 mainly due to receipt of subscriptions during the period, increased by ₱3.10 million from ₱235.94 million as of December 31, 2022.

**6. Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of 49.18% or ₱30.22 million from ₱61.45 million to ₱31.23 million was mainly due to the net effect of redemptions during the period.

*Capital Stock* ended at ₱2.17 million, a decrease of ₱1.79 million or 45.16% from ₱3.96 million, mainly due to redemptions during the period. The Fund's authorized capital stock remained at ₱4.00 million with par value of ₱0.01 per share. As of March 31, 2023 and December 31, 2022, the total number of holders of redeemable common shares is 242 and 237, respectively.

*Additional paid in capital* also decreased by 45.87% or ₱37.83 million from ₱82.47 million to ₱44.64 million due to redemptions made during the period.

*Deficit* decreased by 37.62% or ₱9.40 million from ₱24.98 million to ₱15.58 million mainly due to results of operations recognized during the period.

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

For the period ended March 31, 2023, the Fund realized a net income of ₱5.74 million, increased by ₱6.88 million or 599.44% from last year's net loss of ₱1.14 million. Detailed discussions on the changes in the statement of income accounts are as follows:

**1. Dividend income**

This is recognized when the Fund's right to receive cash dividend is established. Dividend income rose by ₱3.35 million or 172.42% from ₱1.95 million to ₱5.30 million mainly due to the higher cash dividends earned from equity securities during this period.

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

This account includes realized and unrealized gains earned from trading investments in debt and equity securities. The increase of ₱4.59 million or 631.13% from ₱0.73 million loss to ₱3.86 million gain was mainly due to higher realized gain from the sale and result of changes in fair value of debt and equity securities held for trading during the period.

**3. Interest income**

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. Interest income increased by 39.41% or ₱0.13 million from ₱0.32 million to ₱0.45 million this period due to higher investments in debt securities during the period.

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

This account increased by 89.27% or ₱0.74 million from ₱0.83 million to ₱1.57 million mainly due to higher management fees and fund accounting fee incurred by the Fund during the period.

**5. Brokers' commission**

This account pertains to fees paid to brokers to execute a trade based on the volume of equity and debt securities being traded. The decrease of ₱0.13 million or 14.37% from ₱0.94 million to ₱0.81 million was mainly due to lower brokers' commission incurred during the period.

**6. Directors' and officers' fees**

This account totaled ₱0.06 million for the period ended March 31, 2023 and 2022, and this pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting.

**7. Custodian and clearing fees**

This account increased by 94.05% or ₱0.02 million mainly due to higher fees paid to the Custodian of the Fund during the period. This account ended at ₱0.04 million and ₱0.02 million as of March 31, 2023 and 2022.

**8. Transaction charges**

This account pertains to the payment of over-the-counter and stock trading charges. The decrease of ₱0.005 million or 14.37% from ₱0.034 million to ₱0.029 million was due to lower volume of trades during the period.

**9. Professional fees**

This account represents audit fees incurred by the Fund amounting to ₱0.01 million for the period ended March 31, 2023 and 2022.

**10. Taxes and licenses**

This account pertains to taxes other than income tax, such as DST and local taxes amounting to ₱0.01 million for the period ended March 31, 2023. The decrease of 89.71% or ₱0.11 million from last year's ₱0.12 million was mainly due to the decrease in DST relative to the decrease in the Fund's subscription for the period.

**11. Miscellaneous expenses**

This account decreased by 51.46% or ₱0.04 million from last year's ₱0.08 million to ₱0.04 million mainly due to lower bank charges and annual stockholders meeting related expenses paid by the Fund.

**2022 Performance**

**Financial Position (December 31, 2022 vs December 31, 2021)**

The Fund ended the year 2022 with audited total assets at ₱298.54 million, higher by ₱270.45 million or 962.74% from ₱28.09 million as of December 31, 2021. Total liabilities increased by ₱237.00 million from ₱0.09 million to ₱237.09 million this year.

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

**a) Cash in bank**

This account represents the Fund's savings and checking accounts. Cash in banks earn interest at the respective bank deposit rates. This account increased by ₱13.66 million or 295.80% from ₱4.61 million to ₱18.27 million mainly due to the higher balances of current accounts as of reporting

date.

**b) Financial assets at FVTPL**

*Financial assets at FVTPL* consist of investments in government securities and private debt and equity securities. The increase of 1106.37% or ₱256.23 million from ₱23.16 million to ₱279.39 million was mainly due to purchase of securities during the year. Quoted government and private debt securities bears nominal annual interest rates ranging from 4.00% to 8.625% and 3.741% in 2022 and ranging from 3.375% to 8.00% and nil in 2021.

**c) Receivables**

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The increase of ₱0.56 million or 178.23% from ₱0.31 million to ₱0.87 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) 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 increase of ₱1.05 million or 1153.93% from ₱0.09 million to ₱1.14 million this year was mainly due to higher unsettled accounts payable during the year.

**e) Deposit for future stock subscription**

This account totaled ₱235.94 million representing 1,141,025,782 shares as of reporting date and this pertains to total consideration received in excess of the authorized capital of the Fund with the purpose of applying the same as payment for future issuance of redeemable shares. However, as of March 22, 2023, the fund has yet to apply the increase in authorized capital stock in SEC.

**f) Equity**

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The increase of ₱33.45 million or 119.47% from ₱28.00 million to ₱61.45 million was mainly due to the net subscriptions during the year.

*Capital Stock* ended at ₱3.96 million, an increase of ₱2.60 million or 191.60% from ₱1.36 million last year, mainly due to subscriptions during the year. The Fund's authorized capital stock remained at ₱4.00 million with par value of ₱0.01 per share. As of December 31, 2022 and 2021, the total issued and outstanding shares were 396,143,671 and 135,850,650, respectively, while the total number of holders of redeemable common shares is 237 and 20, respectively.

*Additional paid in capital* went up by ₱52.09 million or 171.43% from ₱30.39 million to ₱82.48 million due to subscriptions made during the year.

*Retained earnings (deficit)* decreased by ₱21.24 million or 567.28% from ₱3.74 million deficit to ₱24.98 million deficit mainly due to the results of operations recognized during the year.

**Results of Operations (January 1 - December 31, 2022 vs January 1 - December 31, 2021)**

For the year ended December 31, 2022, the Fund realized a net loss of ₱21.61 million from last year's net income of ₱0.89 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 1167.38% or ₱21.88 million from last year's ₱1.87 million gain to ₱20.01 million loss this year was mainly due to unfavorable market condition in the current year.

**b) Interest income**

This account includes interest income earned from cash and cash equivalents, investments in government and private debt securities. The increase of ₱2.95 million or 784.66% from last year's income of ₱0.37 million to ₱3.32 million was mainly due to higher 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 ₱6.59 million or 1512.37% from last year's ₱0.44 million to ₱7.03 million due to higher cash dividends received from equity securities during the year.

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

This account increased by ₱4.75 million or 785.53% from last year's ₱0.61 million to ₱5.36 million mainly due to higher management fees relative to the increase 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 ₱2.37 million or 871.72% from last year's ₱0.27 million to ₱2.54 million was mainly due to higher brokers' commission incurred during the year.

**f) Taxes and licenses**

This account pertains to taxes other than income tax, such as DST and local taxes. The increase of ₱0.27 million or 1511.23% from last year's ₱0.02 million to ₱0.29 million was mainly due to higher DST and local taxes paid during the year.

**g) 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 ₱0.08 million or 24.55% from last year's ₱0.31 million to ₱0.23 million this year due to lower per diem paid during the year.

**h) Custodian and clearing fees**

Custodian and clearing fees pertain to payment made to the custodian of the Fund. This account totaled at ₱0.13 million and ₱0.10 million as of December 31, 2022 and 2021. The decrease of ₱0.03 million or 24.38% was due to lower fees incurred during the year.

**i) Professional fees**

This pertain to payment of audit fee and other professional services acquired during the year. This account remained at ₱0.06 million as of December 31, 2022 and 2021.

**j) Transaction Charges**

Transaction charges increased by ₱0.05 million or 473.80% from last year's ₱0.01 million to ₱0.06 million mainly due to higher transaction cost incurred in the purchase and sale of equity and fixed income securities during the year.

**k) Miscellaneous Expense**

This account increased by ₱0.22 million or 694.50% from last year's ₱0.03 million to ₱0.25 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 (December 2021 vs December 2020)

The Fund ended the year 2021 with audited total assets at ₱28.09 million, lower by ₱4.84 million or 14.69% from ₱32.93 million as of December 31, 2020. Total liabilities also decreased by ₱0.18 million or 66.84% from ₱0.28 million to ₱0.10 million this year.

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

**a) Cash in bank**

This account represents the Fund's savings and checking accounts. Cash in banks earn interest at the respective bank deposit rates. This account increased by ₱4.01 million or 654.55% from ₱0.61 million to ₱4.61 million mainly due to the higher balances of current accounts as of reporting date.

**b) Financial assets at FVTPL**

*Financial assets at FVTPL* consist of investments in government securities and equity securities. The decrease of 15.23% or ₱4.16 million from ₱27.32 million to ₱23.16 million was mainly due to sale of securities during the year. Quoted government securities bear nominal annual interest rates ranging from 3.375% to 8.00% in 2021 and ranging from 2.625% to 8.00% in 2020.

*Financial assets at Amortized Cost* consists of investments in quoted government debt security amounting to ₱4.47 million has matured in April 2021.

**c) Receivables**

This account consists of receivables from brokers, accrued interest receivable and dividend receivable. The decrease of ₱0.20 million or 39.33% from ₱0.51 million to ₱0.31 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 assets**

This account consists of other miscellaneous assets. This account ended at nil and ₱0.004 million as of December 31, 2021 and 2020.

**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 ₱0.18 million or 66.84% from ₱0.28 million to ₱0.09 million this year was mainly due to lower unsettled 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 ₱4.65 million or 14.25% from ₱32.65 million to ₱28.00 million was mainly due to the result of operation during the year.

*Capital Stock* ended at ₱1.35 million, a decrease of ₱0.29 million or 17.36% from ₱1.64 million last year, mainly due to net redemptions during the year. The Fund's authorized capital stock remained at ₱4.00 million with par value of ₱0.01 per share. As of December 31, 2021 and 2020, the total issued and outstanding shares were 135,850,650 and 164,386,394, respectively, while the total number of holders of redeemable common shares is 20 and 22, respectively.

*Additional paid in capital* went down by ₱5.51 million or 15.36% from ₱35.90 million to ₱30.39 million due to net redemptions made during the year.

*Retained earnings (deficit)* decreased by ₱1.15 million or 23.46% from ₱4.89 million deficit to ₱3.74 million deficit mainly due to the results of operations recognized during the year.

### **Results of Operations (January 1 - December 2021 vs January 1 - December 2020)**

For the year ended December 31, 2021, the Fund realized a net income of ₱0.89 million, an increase of ₱3.63 million or 132.41% from last year's net loss of ₱2.74 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 189.88% or ₱3.96 million from last year's ₱2.09 million loss to ₱1.87 million gain this year 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 in bank, investments in government securities. The increase of ₱0.08 million or 27.66% from last year's income of ₱0.29 million to ₱0.37 million was mainly due to higher interest income earned from government 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 ₱0.16 million or 56.16% from last year's ₱0.28 million to ₱0.44 million due to higher cash dividends received from equity securities during the year.

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

This account increased by ₱0.05 million or 8.94% from last year's ₱0.56 million to ₱0.61 million mainly due to higher fees paid during the period.

**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 ₱0.15 million or 128.87% from last year's ₱0.12 million to ₱0.27 million was mainly due to higher brokers' commission incurred during the year.

**f) *Taxes and licenses***

This account pertains to taxes other than income tax, such as DST and local taxes. This account totaled ₱0.02 million for the years 2021 and 2020.

**g) *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 ₱0.24 million or 362.41% from last year's ₱0.07 million to ₱0.31 million mainly due to higher per diem paid during the year.

**h) *Custodian and clearing fees***

Custodian and clearing fees pertain to payment made to the custodian of the Fund. This account totaled at ₱0.10 million and ₱0.16 million as of December 31, 2021 and 2020. The decrease of ₱0.06 million or 35.47% was due to lower fees incurred during the year.

**i) *Professional fees***

This pertains to payment of audit fee and other professional services acquired during the year. This account remained at ₱0.06 million as of December 31, 2021 and 2020.



**j) Transaction Charges**

Transaction charges increased by ₱0.005 million or 127.62% from last year's ₱0.0004 million to ₱0.009 million mainly due to higher transaction cost incurred in the purchase and sale of equity and fixed income securities during the year.

**k) Miscellaneous Expense**

This account decreased by ₱0.04 million or 54.97% from last year's ₱0.07 million to ₱0.03 million mainly due to lower membership fee and dues, 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**

SALFOCCUS, incorporated on September 25, 2018, has grown tremendously during the four 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.

SALFOCCUS has identified the following as its key performance indicators:

- *Net Asset Value Per Share* - Net Asset Value per share amounted to ₱0.1968 as of March 31, 2023, higher by ₱0.0033 from the ₱0.1935 NAVPS as of December 31, 2022. The Fund's net asset value decreased by 49.18% or ₱30.22 million from ₱61.45 million as of December 31, 2022 to ₱31.23 million as of March 31, 2023.
- *Sales for the period ended* - The Fund's total sales of ₱9.67 million for the period ended March 31, 2023, this was lower by ₱220.43 million or 95.80% from ₱230.10 million for the same period last year.

- *Redemptions for the period ended* - Total redemptions of the Fund amounting to ₱42.53 million for the period ended March 31, 2023. This was 273.73% or ₱31.15 million higher than the ₱11.38 million redemptions for the same period last year.
- *Net Income vs. Benchmark* - The Fund incurred ₱5.74 million net income for the period ended March 31, 2023, ₱6.88 million or 599.44% higher than ₱1.14 million net loss for the same period last year.
- *Market Share vs. Benchmark* - As of March 31, 2023, the Fund garnered 1.72% share in the Balanced Funds category while 0.10% share among all mutual funds in terms of net assets. On the basis of account holders, the Fund has 242 account holders or 0.26% 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>	7.99%	(13.23%)	2.91%
Return on average equity <sup>2/</sup>	49.50%	(48.31%)	2.93%
Cost-to-income ratio <sup>3/</sup>	26.79%	(100.44%)	0.52%
Net asset value per share <sup>4/</sup>	₱0.1968	₱0.1935	₱0.2061
Basic Earnings (Loss) per share <sup>5/</sup>	₱0.0242	(₱0.0526)	₱0.0043
Diluted Loss per share <sup>6/</sup>	₱0.0041	(₱0.0139)	N/A

<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.

<sup>6/</sup> Net income divided by weighted average number of common shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary 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 FOCCUS DYNAMICFUND, INC.**

By:

  
**MARICEL L. MADRID**  
TREASURER

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, Bernardo M. Villegas, Filipino of legal age and resident of 119 Aguirre Street, Legaspi Village, 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 FOCCUS Dynamic Fund, Inc. on June 22, 2023 and have been its independent director since June 29, 2022;
2. I am affiliated with the following company/ies or organizations:

Company/Organizations	Period of Service	Position/Relationship
First Metro Save and Learn Money Market Fund, Inc.	June 16, 2021 to present	Independent Director
First Metro Philippine Equity Exchange Traded Fund, Inc.	April 16, 2013 to present	Independent Director
University of Asia and the Pacific	From 1995 to present	Senior Vice President Dean of the School of Economics /University Professor
Parents for Education Foundation Inc. ("PAREF"),	From 1976 to present	Educational Consultant
Transnational Diversified Inc.	From 2000 to present	Director
Alaska Milk Corporation	From 1999 to 2020	Independent Director
Insular Life	From 2000 to 2016	Member, Board of Trustees
Benguet Corporation	From 1998 to present	Independent Director
PHINMA Properties, Inc.	From 2000 to present	Independent Director
Filipino Fund, Inc.	From 2012 to present	Chairman
Manila Bulletin	From 1986 to present	Columnist
Philippine Daily Inquirer	From 2000 to present	Columnist

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Save and Learn FOCCUS Dynamic 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 FOCCUS Dynamic 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** Makati City.

*Bernardo M. Villegas*  
Bernardo M. Villegas  
Independent Director

**QUEZON CITY**

SUBSCRIBED AND SWORN to before me on MAY 19 2023 day of May 2023 in Makati City, Philippines, affiant exhibiting to me his TIN: 158-209-919.

NOTARY PUBLIC  
Until December 31, 200\_\_.

Doc. No. 73 ;  
Page No. 16 ;  
Book No. 98 ;  
Series of 2023.

*Rogelio J. Bolivar*  
**ATTY. ROGELIO J. BOLIVAR**  
**NOTARY PUBLIC IN QUEZON CITY**  
Commission No. Adm. Matter No. NP 158 (2023-2024)  
**IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024**  
**PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000**  
**MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025**  
Address: 31-F Harvard St. Cubao, Q.C.



CERTIFICATION OF INDEPENDENT DIRECTOR


I, Abelardo V. Cortez, Filipino of legal age and resident of 791 Pantaleon Mandaluyong, 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 FOCCUS Dynamic Fund, Inc. on June 22, 2023 and have been its independent director since June 29, 2022;
2. I am affiliated with the following company/ies or organizations:

Company/Organizations	Period of Service	Position/ Relationship
First Metro Philippine Equity Exchange Traded Fund, Inc.	May 14, 2014 to present	Independent Director
First Metro Securities Brokerage Corporation	May 16, 2018 to present	Independent Director

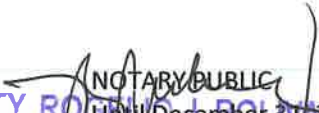
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Save and Learn FOCCUS Dynamic Fund, Inc. as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am 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 FOCCUS Dynamic 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. Mandaluyong City.

  
Abelardo V. Cortez  
Independent Director

SUBSCRIBED AND SWORN to before me on \_\_\_\_\_ day of May 2023 in Makati City, Philippines, affiant exhibiting to me his TIN: 158-209-919.

Doc. No. 81;  
Page No. 18;  
Book No. 24;  
Series of 2023.

  
NOTARY PUBLIC  
ATTY. ROBERTO L. DEL ROSARIO  
Until December 31, 2020  
NOTARY PUBLIC IN QUEZON CITY  
Commission No. 158 (2023-2024)  
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024  
PTR O.R. No. 381609 D 01/03/2023 / Roll No. 33832 TIN # 129-871-009-000  
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025  
Address: 31-F Harvard St. Cubao, Q.C.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, Fr. Roderick C. Salazar, Jr., SVD, Filipino of legal age and resident of Christ the King Mission Seminary 1142 E Rodriguez Sr. Ave, Quezon City, 1112 Metro Manila, 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 FOCCUS Dynamic Fund, Inc. on June 22, 2023 and have been its Independent Director since June 29, 2022;
2. I am affiliated with the following company/ies or organizations:

Company/Organizations	Period of Service	Position/ Relationship
St. Agnes Academy	2009 - Present	Chair, Board of Trustees
UPRAISE		Chair, Board of Trustees
Center for Educational Measurement (CEM)		Chair, Board of Trustees
First Metro Save and Learn Philippine Index Fund, Inc.	December 29, 2017 - Present	Independent Director
First Metro Save and Learn Dollar Bond Fund, Inc.	Since June 20, 2015	Independent Director
First Metro Save and Learn Money Market Fund, Inc.	June 18, 2018 - Present	Independent Director
First Metro Save and Learn FOCCUS Dynamic Fund, Inc.	June 29, 2022	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 FOCCUS Dynamic 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 FOCCUS Dynamic Fund, Inc. of any changes in the above mentioned information within five (5) days from its occurrence.


Done this 4<sup>th</sup> day of May 2023, Quezon City.

  
FR. RODERICK C. SALAZAR, JR., SVD  
Independent Director

SUBSCRIBED AND SWORN to before me on MAY 24 2023 day of May 2023 in QUEZON CITY,  
Philippines, affiant exhibiting to me his SSS ID No. 03-2212847.

NOTARY PUBLIC  
Until December 31, 200\_\_.

Doc. No. 270  
Page No. 55  
Book No. 24  
Series of 2023.

  
ATTY. ROGELIO J. BOLIVAR  
NOTARY PUBLIC IN QUEZON CITY  
Commission No. Adm. Matter No. NP-158 (2023-2024)  
IBP O.R. No. 180516 2023 & IBP O.R. No. 180816 2023  
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 429-571-3029-807  
MCLE No. 75.6 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025  
Address: 31-F Harvard St. Cubao, Q.C.