

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, *AS AMENDED*

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

GENERAL INSTRUCTIONS

1. The Form 12-1 shall be used for registration of securities that are to be sold or offered for sale pursuant to Sections 8 and 12 of the Code.
2. Attention is directed to the following Rules under the Code which pertain to the registration of securities under Sections 8 and 12 thereof, filings of periodic and current reports under Section 17, proxy [solicitations](#) under Section 20, officer and principal stockholder filings under Sections 18 and 23 and financial statements required by Section 68 thereof.
 - (a) [SRC Rule 8.1](#)
 - (b) [SRC Rule 8.3](#)
 - (d) [SRC Rule 12.1](#)
 - (l) [SRC Rule 12.2](#)
 - (f) SRC Rule 13
 - (m) SRC Rule 14
 - (n) [SRC Rule 17.1](#)
 - (k) SRC Rule 18.1
 - (o) SRC Rule 20
 - (p) [SRC Rule 68, AS AMENDED](#)
 - (q) SRC Rule 72.1
3. Attention is particularly directed to [SRC Rule 12.1](#) for the requirements applicable to the content of the non-financial statement portions of registration statements under the Code, and SRC Rule 68, [as amended](#) for the content of financial statement portions of registration statements. Where SEC Form 12-1 directs the registrant to furnish information required by [SRC Rule 12.1](#) and “Annex C, [as amended](#)” thereof and the item of that Rule so provides, information need only be furnished to the extent appropriate. Prior to preparation of their filings, registrants should also review the provisions of SRC Rule 72.1, “General Rules and Regulations For Filing of SEC Forms With the Securities and Exchange Commission.” Definitions contained in “Annex B” and SRC Rule 68, [as amended](#), to the extent they are not defined herein, shall govern the meanings of similar terms used herein.
4. The registration statement shall be signed by the registrant’s principal executive officer, its principal operating officer, its principal financial officer, its controller, its principal accounting officer, its corporate secretary or persons performing similar functions. If the registrant is a foreign person the registration statement shall also be signed by its resident agent in the Philippines.
5. The name of each person who signs the registration statement shall be typed or printed beneath his signature. Any person who occupies more than one of the specified positions shall indicate the capacity in which he signs the registration statement. At least one copy of the documents filed shall be manually signed and the unsigned copies shall be conformed.
6. [Every amendment to a registration statement shall be signed by the persons specified in Section 12.4 of the Code or by any executive officer duly authorized by the Board of Directors. The final registration statement and the final prospectus shall, however, be signed by all required signatories under Section 12.4 of the Code.](#)

7. [Three](#) (3) copies of the complete Form 12-1 shall be filed, including exhibits and all other papers and documents filed as part thereof.
8. In case of voluntary withdrawal of a registration statement, fifty percent (50%) of the filing fee shall be forfeited and not be allowed for future application. No pre-evaluation shall be conducted on the registration statement prior to filing and the Commission may reject any application for registration for technicalities.
9. [In the event that the registration statement is rejected pursuant to Section 13 of the Code, the filing fee paid thereon shall be forfeited.](#)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 12-1, AS AMENDED

REGISTRATION STATEMENT UNDER THE SECURITIES REGULATION CODE

1. SEC Identification Number ...**CS-200509328**....

2. **FIRST METRO SAVE AND LEARN EQUITY FUND, INC.**

Exact name of registrant as specified in its charter

3. **Metro Manila, Philippines.**

Province, country or other jurisdiction of incorporation or organization

4.

BIR Tax Identification Number

5. **The Fund is an open-end mutual fund company principally engaged in the sale of its shares of stock and in the investment of the proceeds from these sales into a portfolio of quality, high-grade securities.**

General character of business of registrant.

6. Industry Classification Code: (SEC Use Only)

7. **4th Floor Ayala Tower One and Exchange Plaza, Ayala Triangle, Ayala Ave., Bgy. Bel-Air, Makati City, (632) 7777-4100 and (632) 7777-4101**

Address, including postal code, telephone number, FAX number including area code, of registrant's principal offices

8. **Not Applicable**

If registrant is not resident in the Philippines, or its principal business is outside the Philippines, state name and address including postal code, telephone number and FAX number, including area code, and email address of resident agent in the Philippines.

9. Fiscal Year Ending Date (Month and Day) : **December 31**

Computation of Registration Fee

Title of each class of securities to be registered	Amount to be registered	Proposed Maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
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Registration Statements filed pursuant to Section 12 of the Code shall be accompanied by a fee as follows:

Maximum aggregate price of securities to be offered	Amount of filing fee
Not more than P500 Million	0.10% of the maximum aggregate price of the securities to be offered
More than P500 Million but not more than P750 Million	P500,000 plus 0.075% of the excess over P500 Million
More than P750 Million but not more than P1 Billion	P687,500 plus 0.05% of the excess over P750 Million
More than P1 Billion	P812,500 plus 0.025% of the excess over P1 Billion

In the case of warrants which have no issue value, the filing fee shall be **P50,000**.

A legal research fee of 1% of the filing fee paid for filings made pursuant to [SRC Rule 8.1](#) shall also be paid at the time of the filing.

PART I - INFORMATION REQUIRED IN PROSPECTUS

Item 1. Front of the Registration Statement and Outside Front Cover Page of Prospectus.

Set forth in the front of the registration statement and on the outside front cover page of the prospectus the information required by [Part VI](#), paragraph (A) of “[Annex C, as amended](#)”.

Item 2. Inside Front Cover and First Two or More Pages of Prospectus.

Set forth on the inside front cover page of the prospectus and the first two or more pages, the information required by [Part VI](#), paragraph (B) of “[Annex C, as amended](#)”.

Item 3. Risk Factors and Other Information

Furnish the information required by [Part VI](#), paragraph (C) and (D) of “[Annex C, as amended](#)”.

Item 4. Use of Proceeds.

Furnish the information required by [Part VI](#), paragraph (E) of “[Annex C, as amended](#)”.

Item 5. Determination of Offering Price.

Furnish the information required by [Part VI](#), paragraph (F) of “[Annex C, as amended](#)”.

Item 6. Dilution.

Furnish the information required by [Part VI](#), paragraph (G) of “[Annex C, as amended](#)”.

Item 7. Selling Security Holders.

Furnish the information required by [Part VI](#), paragraph (H) of “[Annex C, as amended](#)”.

Item 8. Plan of Distribution.

Furnish the information required by [Part VI](#), paragraphs (I), (J) and (K) of “[Annex C, as amended](#)”.

Item 9. Description of Securities to Be Registered.

Furnish the information required by [Part II](#), paragraph (B) of “[Annex C, as amended](#)”.

Item 10. Interests of Named Experts and Independent Counsel.

Furnish the information required by [Part VI](#), paragraph (L) of “[Annex C, as amended](#)”.

Item 11. Information with Respect to the Registrant.

Furnish the following information with respect to the registrant:

- (a) Information required by Part I, paragraph (A) of “Annex C, as amended”, Description of Business;
- (b) Information required by Part I, paragraph (B) of “Annex C, as amended”, Description of Property;
- (c) Information required by Part I, paragraph (C) of “Annex C, as amended”, Legal Proceedings;
- (d) Where common equity securities are being offered, information required by Part II, paragraph (A)(1) through (4) of “Annex C, as amended”, Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters;
- (e) Information required by Part III, paragraph (A) of “Annex C, as amended”, Management's Discussion and Analysis or Plan of Operation;
- (f) Information required by Part III, paragraph (B) of “Annex C, as amended”, Changes in and Disagreements With Accountants On Accounting and Financial Disclosure;
- (g) Information required by Part IV, paragraph (A) of “Annex C, as amended”, Directors, Executive Officers, Promoters and Control Persons;
- (h) Information required by Part IV, paragraph (B) of “Annex C, as amended”, Executive Compensation;
- (i) Information required by Part IV, paragraph (C) of “Annex C, as amended”, Security Ownership of Certain Record and Beneficial Owners and Management;
- (j) Information required by Part IV, Section (D) of “Annex C, as amended”, Certain Relationships and Related Transactions.

Item 12. Financial Information

Furnish financial information as required by SRC Rule 68.

**PART II - INFORMATION INCLUDED IN REGISTRATION STATEMENT
BUT NOT REQUIRED IN PROSPECTUS**

Item 13. Other Expenses of Issuance and Distribution.

Furnish the information required by Part VI, paragraph (M) of “Annex C, as amended”.

Item 14. Exhibits.

Furnish or incorporate by reference the exhibits required by Part VII of “Annex C, as amended”.

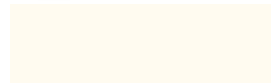
Item 15.

Furnish any other document the omission of which will render the foregoing material facts or any other part of the Registration Statement misleading.

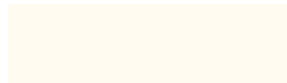
SIGNATURES

Pursuant to the requirements of the Code, this registration statement is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on March 3, 2026.

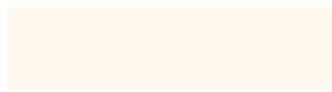
By:



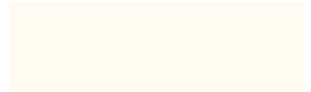
Manuel V. de Leon, FMS
Chairman



Eduardo R. Carreon
President



Atty. Ma. Alicia Picazo-San Juan
Corporate Secretary



Maria Avalen A. Dianco
Treasurer

SUBSCRIBED AND SWORN to before me this MAR 03 2026, affiants exhibiting to me their TIN, as follows:

NAMES	TIN	PLACE OF ISSUE
Manuel V. de Leon, FMS		Philippines
Eduardo R. Carreon		Philippines
Atty. Ma. Alicia Picazo-San Juan		Philippines
Maria Avalen A. Dianco		Philippines

Doc. No. 317
Page No. 65
Book No. 4;
Series of 2026.

NOTARY PUBLIC
ATTY. ADONAI JAN R. ASLARONA
Notary Public
Until **December 31, 2026**
IBP O.R No. 591537/01-07-2026/Pampanga
Appointment No. M-30 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769145/1-06-2026/Makati City
**Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat
Avenue Corner, Tindalo Street, Makati City 1226**

1. SECForm 12-1- SALEF Amended RS
(Instructions) February 2001



FINAL PROSPECTUS

FIRST METRO SAVE AND LEARN EQUITY FUND, INC.

**(Open-end Investment Company)
ISSUER**

The Fund's shares consisting of Two Billion Two Hundred Fifty Million (2,250,000,000) common shares with a par value of ₱1.00 per share will be offered at current net asset value (NAV). The shares being offered will be traded over-the-counter.

**ATR FINANCIAL ADVISORY AND MANAGEMENT INC.
(Formerly "FIRST METRO ASSET MANAGEMENT, INC.")**

Investment Company Adviser
and Principal Distributor
4th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Ave., Makati City
Tel. No. (02) 7777-4100 and (632) 7777-4101

Sub-Distributors:

First Metro Securities Brokerage Corporation, COL Financial Group, Inc.,
Wealth Securities, Inc.,
and Certified Investment Solicitors (CISols)

**THIS PROSPECTUS IS DATED
December 31, 2025**

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



FIRST METRO SAVE AND LEARN EQUITY FUND, INC.
(A corporation organized under Philippine laws)

This prospectus relates to the offer for subscription of the First Metro Save and Learn Equity Fund, Inc. of Two Billion Two Hundred Fifty Million (2,250,000,000) common shares with a par value of ₱1.00 per share at an offer price of the current net asset value per share (NAVPS).

The Fund is engaged in the business of investing, re-investing or trading in securities or other investment assets allowed under ICA and its rules. The total proceeds from the sale of the 2,250,000,000 shares is estimated at ₱ 9,839,475,000.00 (using the Fund's NAVPS of ₱ 4.3731 as of December 31, 2025).

The investment objective of the Fund is to seek long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities. The Fund is classified as aggressive or high risk. The assets of the Fund were structured based on equity market conditions and liquidity needs of the Fund.

The net proceeds from the sale of securities will be used to invest in carefully selected listed and non-listed equity securities as may be allowed by the ICA and its Implementing Rules and Regulations or any amendments.

The shares are being offered in the Philippines through ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly "First Metro Asset Management, Inc."), the fund manager and principal distributor of the Fund. The shares of the Fund will be offered through the principal distributor and other eligible sales agents licensed by the Commission, including agents/employees who are Certified Investment Solicitors (CISol) and Mutual Fund Sub-Distributors, that have entered into an agreement to sell shares with the principal distributor. ATR FAMI shall be paid a monthly fee up to a maximum of one-and-eighth-seven-five percent (1.875%) per annum of the average net asset value of the Fund's assets, computed on a daily basis. In addition, as Investment Manager, ATR FAMI shall be paid an incentive fee equivalent to 10% of the realized appreciation in the value of the fund's net assets in excess of the benchmark or any of its prior years' highest performance whichever is higher. For a more detailed discussion, please refer to the section entitled "Plan of Distribution" on page 21 for the list of sub-distributors and "Parties Involved in the Fund" on page 47.

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

As provided for in the Issuer's By-laws, the Board of Directors may make arrangements with its stockholders whereby dividends and/or other distributions may be reinvested in the Fund's securities in lieu of cash to be paid to the stockholders. The arrangement with shareholders shall be such that the dividends to be reinvested shall be valued at the net asset value per share of the Fund at the time said dividends are paid. For a more detailed discussion, please refer to the section entitled "Dividends" on page 26.

An investment in the Fund is not insured or guaranteed by the Philippines Deposit Insurance Corporation or any other government agency. The Fund's return will fluctuate as a result of various factors, including material changes in the Fund, general economic conditions or interest rate and foreign exchange policy changes. The profits or losses of a stockholder is limited to their investment in the Fund. For a more detailed discussion on additional risk factors, please refer to the section entitled "Risk Factors" on page 8.



The information contained in this Prospectus has been supplied by the Fund and the Fund Manager, unless otherwise stated. To the best of knowledge and belief, the Fund and the Fund Manager confirms that there are no omissions of fact which would make any statement in this Prospectus misleading and hereby accepts full and sole responsibility for the accuracy of the information. Neither the delivery of this Prospectus nor any sale made pursuant to this Prospectus shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED IS TRUE AND CURRENT.

EDUARDO R. CARREON
President

SUBSCRIBED AND SWORN to before this **FEB 10 2026**, affiant exhibiting to me his PHILIPPINE IDENTIFICATION CARD No _____ issued at Philippines.

Doc. No 251 ;
Page No 72 ;
Book No 4 ;
Series of 2026.

ATTY. ADONAI JAN R. ASLARONA
Notary Public
Until December 31, 2026
IBP O.R No. 591537/01-07-2026/Pampanga
Appointment No. M-30 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769145/1-06-2026/Makati City
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat
Avenue Corner, Tindalo Street, Makati City 1286

SUMMARY OF FEES, COMMISSIONS AND OTHER CHARGES TO BE DEDUCTED FROM THE FUND

Management and Distribution Fee	1.875% p.a. (excluding VAT)
Transfer Agency Fee	₱10,000 per month (net of EWT) plus 4bps of daily NAVPS before fees
Custodianship and Fund Accounting Fee	4bps of total AUM as of month-end
External Audit Fee	₱528,072 as of December 31, 2025
Directors and Officer' Fees	Aggregate annual per diem as of 2025 is ₱225,000

SUMMARY OF FEES TO BE PAID BY SHAREHOLDERS

Sales Load Fee	Total Amount (in PHP)	Sales Load
	< 100,000	3.00%
	100,000 - 499,999	2.50%
	500,000 - 999,999	2.00%
	1,000,000 - 4,999,999	1.50%
	5,000,000 - 9,999,999	1.00%
	10,000,000 and up	0.50%
Redemption Fee	Redemptions made within six (6) months are subject to an exit fee of no more than 1%	

ABBREVIATED FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

(Amounts in Philippine Peso)

	As of September 30 (Unaudited)	As of December 31 (Audited)	
	2025	2024	2023
Total Assets	₱2,426,468,356	₱3,207,610,153	₱4,372,581,720
Total Liabilities	₱18,238,796	₱15,919,659	₱18,902,378
Net Assets	₱2,408,229,560	₱3,191,690,494	₱4,353,679,342
Net Asset Value Per Share (NAVPS)	₱4.3355	₱4.6434	₱4.6301

STATEMENT OF OPERATIONS

(Amounts in Philippine Peso)

	As of September 30 (Unaudited)	As of December 31 (Audited)	
	2025	2024	2023
Total Revenues	(105,501,663)	₱225,262,091	₱127,395,602
Total Expenses	58,254,539	₱110,693,453	₱126,328,428
Net Income (Loss) After Tax	(₱177,114,614)	₱75,484,731	(₱10,142,572)



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GLOSSARY

1. **Assets Under Management (AUM)** – shall refer to the total market value of all the financial assets of an Investment Company managed by a Fund Manager.
2. **BSP**– shall refer to the Bangko Sentral ng Pilipinas
3. **Collective Investment Scheme (CIS)** – shall refer to an arrangement whereby funds are solicited from the investing public for the purpose of investing, reinvesting and trading in securities or other assets allowed under ICA Rule.
4. **Commission** – shall refer to the Securities and Exchange Commission.
5. **Custodian Bank** – shall refer to a juridical person who holds financial assets for safekeeping to minimize the risk of theft or loss.
6. **Fund Manager** – shall refer to a registered entity with an Investment Company Adviser license that is ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly “First Metro Asset Management, Inc.”).
7. **Independent Director** – shall refer to a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company. An independent director shall possess the degree of independence and all the qualifications and none of the disqualifications for independent directors as defined in the SRC and its implementing rules and regulations or such other rules or guidelines issued by the Commission.
8. **Account Opening Form** – shall refer to the documentary requirements for account opening.
9. **Investment Company** – shall refer to a stock corporation primarily engaged or holds itself out as being engaged primarily, or proposes to engage, in the business of investing, reinvesting and trading in securities.
10. **Investment Company Act / ICA** – shall refer to the Investment Company Act, Republic Act No. 2629.
11. **Investors of the Fund** – shall refer to the shareholders of the Investment Company who subscribe to the shares of the Investment Company.
12. **Net Asset Value (NAV)** – shall refer to the aggregate value of each shares, as determined by the market value of its underlying securities holdings, including any cash in the portfolio less liabilities, computed at the close of the trading of securities for the day.
13. **Net Asset Value per Share or NAVPS** – shall refer to the computed NAV on a per share basis at the close of the day. It is the computed difference between the total assets of the Fund and its liabilities divided by the number of outstanding shares.
14. **Open-end company** – shall refer to an investment company which is offering for sale, or has outstanding, any redeemable security, of which it is the issuer.
15. **Sales load** – shall refer to the charge or commission on the cost of acquiring the shares of an Investment Company.

16. **Transfer Agent** – shall refer to a juridical person duly licensed by the Commission as a transfer agent and appointed by the Investment Company, or the Fund Manager, to maintain an accurate registry for recording the initial and subsequent transfer of securities.

PROSPECTUS SUMMARY

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

Issuer	First Metro Save and Learn Equity Fund, Inc.
Investment Objective	The Fund is designed to seek long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities.
Investment Strategy	The Fund will invest in carefully selected listed and non-listed equity securities to provide diversification and maximization of returns.
Shares Offered/Par Value	The Fund is offering 2,250,000,000 shares of common stock with a par value of ₱1.00 per share.
Offering Price	It is the NAVPS at the end of banking day, if payment is made within the daily cut-off time, plus a sales load fee.
Sales Load Fee	The sales load fee is a maximum of 3% (see breakdown on page 4).
Daily Cut-off Time	If received after 2:00 pm (maybe updated from time to time), subscription will be processed at the NAVPS calculated for the next business day. For redemption requests, the daily cut-off time shall be 2:00 PM.
Minimum Investment	The minimum initial and additional investment shall be ₱500.00 and ₱100.00 respectively or as otherwise prescribed by the Fund Manager and approved by the Commission. However, for Monthly Investment Program (MIP), minimum investment shall be ₱100.00.
Redemption Price	The redemption price is the NAVPS at the close of business day provided that redemption form is received on or before the specified cut-off time. Should the redemption request be received after the specified cut-off time, the request shall be deemed to have been received on the following business day and the NAVPS applied shall be the NAVPS of the said following business day.
Redemption Charge	Redemptions made within six (6) months are subject to an exit fee of no more than 1% (exclusive of Value Added Tax/VAT). No redemption fee shall be deducted if redeemed beyond six (6) months from the time of investment.
Asset Valuation	The Fund will be valued using the mark-to-market basis in accordance with PFRS 9. Thus, the NAV of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in the market value may occur as a result of various factors including material changes in the Fund, general economic conditions or interest rate and foreign exchange policy changes.

RISK FACTORS AND OTHER INFORMATION

I. GENERAL RISK WARNING

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

Past performance is not a guide to future performance.

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

II. PRUDENCE REQUIRED

This risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He/she may request information on the securities and issuer thereof from the Commission which are available to the public.

III. PROFESSIONAL ADVICE

The investor should seek professional advice if he or she is uncertain of or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially the high-risk securities.

RISK FACTORS

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

Various risk factors can affect the market value of the assets of the Fund and cause the Fund's net asset value to vary. Consequently, the returns of the Fund are not guaranteed and there is a risk that a Fund might not achieve its investment objectives. The major risk factors facing the Fund are listed by order of importance below:

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 are 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).

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 underperform in the market or compared to 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 the 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.

RISK MANAGEMENT FRAMEWORK

The overall risk management framework establishes risk management policies, procedures, limits and practices. The Fund's risk management framework is designed to manage risks that could affect the Fund value, contribute to sustainable returns and provide transparency through risk reporting. The Fund takes risks with the appropriate returns in order to meet its investment objectives. This is aligned with the Fund's vision and strategies embedded within its practices. In pursuing the investment objectives, it is ensured that all significant risks are identified, measured, managed and monitored. The Fund's investment outlets undergo evaluation in accordance with the Investment Policy, and internal and regulatory limits are monitored on a regular basis.

The Fund's Board of Directors (BOD) has overall responsibility for the oversight of the Fund's risk management process. Supporting the BOD in this function is the Audit Committee. The Audit Committee is responsible for monitoring compliance with the Fund's risk management policies and procedures, and for reviewing the adequacy of risk management practices in relation to the risks faced by the Fund.

Monitoring and management of risk exposures are performed by the ATR FAMI Fund Accounting and Compliance and Risk Unit, on a daily basis, check compliance with the investment limits prescribed under Rule 6.8 of the Implementing Rules and Regulations of the Investment Company Act, including compliance with internal investment policy limits, such as but not limited to approved portfolio allocation and sectorial allocation limits. Any breach noted by the risk officer, whether or not the same would involve regulatory limits or internal limits, is escalated to the Fund Manager for corrective action. The daily risk monitoring reports of the risk officer is collated weekly and reported to the Management Committee during its weekly meeting. Thereafter, the risk monitoring and management report including the limit breaches noted thereof is elevated to the Audit Committee and taken up during its meeting held every other month of the year. As a matter of good governance policy, the Audit Committee renders its report to the Board of Directors.

The risk officer and his team also perform monitoring and management of operational risk incidents. Under existing policy, all units and departments are required to submit to the risk officer a risk incident report within 24 hours, if any. These units and departments are also required to fill up a templated Key Risk Indicator (KRI) report regardless of whether the pre-determined risk indicators were triggered or not. Similarly, these operational risk reports are escalated to the Audit Committee. Please note that the risk officer reports to the Board through the Audit Committee.

The following are additional risks present in managing the Fund:

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

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

NATURE OF RISKS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of such unpredictability on the Fund's financial performance.

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 (ICA) and SEC, among others.

Specifically, 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 (20.00%) 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 (20.00%) 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 (5.00%) of its net assets and shall not exceed ten percent (10.00%) 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 (35.00%) of the NAV, but only five percent (5.00%) 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 (10.00%) of the net assets or five percent (5.00%) if the derivatives are not investment grade, unless used for efficient portfolio management which the aggregate shall not be more than twenty percent (20.00%);
 - Five percent (5.00%) of the NAV shall be invested to liquid assets to meet all payment and delivery obligations;
 - The Fund Manager shall not act as a counterpart to an OTC derivative investment into by the Investment Company.
- f. Investment in its own securities is prohibited.

- g. Investments in margin purchases of securities, commodity futures contracts, precious metals, unlimited liability instruments, short selling of currencies and securities are not allowed.
- h. Purchasing or selling of securities other than capital stocks of the Fund from or to any of its officers or directors or the officers and directors of its investment adviser/s, manager or distributor/s or firm/s of which any of them are members is prohibited.
- i. The Fund shall not participate in underwriting or selling activities in connection with public distribution of securities except for its own capital stock.
- j. Lending operations to corporations or other entities, public or private, shall not be engaged without prior review and approval of its BOD. Approvals, however, are only to those determined to be financially sound.
- k. Investment in any company for the purpose of exercising control or management or to invest in the securities of other investment companies and real estate companies is prohibited.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This included the risk that the Fund's investments in government and private debt securities will decline as the bond issuer may not be able to pay its debt upon interest payments and maturity.

The Fund manages its credit risks by setting limits for issuers/borrowers. As credit ratings can change and affect the Fund's returns, a credit analysis is adopted to standardize operational procedure that will support in assessing the credit quality and the credit worthiness of the counterparty. Credit exposures are closely monitored to ensure payments are made on time.

Maximum exposure to credit risk

The Fund's maximum exposure to credit risk as of September 30, 2025 and December 31, 2024 is represented by the carrying amounts of the financial assets that are carried in the statements of financial position.

As of September 30, 2025 and December 31, 2024, the Fund does not hold collateral and have no other credit enhancements for its outstanding financial assets.

Concentration of risks of financial assets with credit risk exposure

The Fund focuses on industries with strong growth potential or profitable historical financial performance. There may be concentration on certain industries at various points in time, depending on the overall condition of the financial and capital markets.

Credit quality per class of financial asset

The Fund's basis in grading its financial assets follow:

High grade - Entities that are highly liquid, sustain operating trends, unlikely to be affected by external factors and have competent management that uses current business models.

Standard grade - Entities that meet performance expectations, unlikely to be affected by external factors and have competent management that uses current business models.

Substandard grade - Entities with marginal liquidity and have declining trend in operations or an imbalanced position in the balance sheet, though not to the point that repayment is jeopardized.

Not rated - Entities for which there is no established credit rating.

Financial assets at amortized cost (excluding receivable from brokers)

Credit risk associated with the cash in banks, dividend receivables and accrued interest receivables is minimal since these are placed and recoverable from banks and private corporations with high

external credit ratings (high grade).

Investments in government debt securities are considered risk-free investments since these are issued and guaranteed by the Philippine government (High grade).

Receivable from brokers

For the receivable from brokers, the Fund used the simplified approach and applied the practical expedient to calculate the ECL using provision matrix. The Fund assessed that the impact of recognizing ECL for its receivable from brokers is not material as the risk of default of counterparties is low and short-term in nature (three trading day's term).

Liquidity risk

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

The Fund is exposed to daily cash redemptions of its 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 may borrow, on a temporary basis, for the purpose of meeting redemptions and bridging requirements provided that:

- the borrowing period should not exceed one month; and
- the aggregate borrowings shall not exceed ten percent (10%) of the net assets of the Investment Company

The Fund shall not incur any further debt or borrowing, unless at the time it is incurred or immediately thereafter, there is asset coverage of at least 300.00% for all its borrowings. In the event that such asset coverage shall at any time fall below 300.00%, the Fund shall, within three days thereafter, reduce the amount of borrowings to an extent that the asset coverage of such borrowings shall be at least 300.00%.

As of September 30, 2025 and December 31, 2024, the Fund has complied with the above requirements.

Market risk

Market risk is the risk of changes in the fair value of financial instruments from fluctuations in, market interest rates (interest rate risk) and market prices (equity price risk), whether such changes in prices are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Risks to the financial instruments are managed by (a) closely monitoring investment objectives and constraints on investment by its Investment Manager; (b) detailed market observation and analysis; (c) setting limits on investment diversification, i.e., issuer, industry, or sector index; and (d) establishment of profit and/or loss tolerance.

Equity price risk

The Fund's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices. Such investment securities are subject to equity price risk due to changes in the market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.



The Fund measures the sensitivity of its investment securities by using the Philippine Stock Exchange index (PSEi) fluctuations.

FUND FEATURES

THE FUND

First Metro Save and Learn Equity Fund, Inc. is an open-end investment company incorporated on May 27, 2005 under SEC Registration No. CS200509328. The Fund's main objective is to provide investors with the opportunity to access the capital markets and enable them to reach satisfactory returns on their investments through prudent selection of equity securities, and the professional management and supervision of the Fund.

CLASSIFICATION OF THE FUND

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

INVESTMENT OBJECTIVE AND LIMITATIONS

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

The following shall be the limitations in investing the assets of the Fund:

- a. The maximum investment of the Fund in any single enterprise or issuer shall not exceed an amount equivalent to fifteen percent (15%) of its net assets, nor shall the total investment of the fund exceed ten percent (10%) of the outstanding securities of the investee company.
- b. The 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.
- c. Deposits shall not exceed twenty percent (20%) of its net assets in a single bank/non-bank with quasi-bank license excluding monies for liquidation of a revoked Fund.
- d. The investments in the following shall not exceed five percent (5%) of the net assets of the Fund:
 - i. Deposits placed with a non-investment grade or unrated deposit taking institution;
 - ii. Debt securities or money market instruments not dealt in an organized market or issued by an unrated or non-investment grade issuing body;
 - iii. OTC financial derivatives with non-investment grade or unrated counterparty; unless the derivatives are used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%) of the assets of the Fund; and
 - iv. Unlisted shares issued by a related party.

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

- e. Index funds shall not be subject to investment limitations under this provision, provided, they comply with the following requirements:
 - i. Comprise eligible assets;
 - ii. Diversified such that the maximum weight per constituent does not exceed thirty percent (30%) of the index or the underlying securities should have the same weights as the index;

- iii. Developed by an independent and reputable agency, and based on a recognized and accepted methodology;
 - iv. Represent an adequate benchmark for the market which is widely accepted in international financial markets;
 - v. Index value is published daily through media, which disseminate information in a timely manner and is accessible either publicly or on a subscription basis; and
 - vi. Information on the index is published daily and readily accessible.
- f. Investment in foreign government debt securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating of investment grade may be increased to a maximum of thirty five percent (35%) of the net assets of the Fund.
- g. A maximum of five percent (5%) of the net assets of the Fund may be invested in government debt securities issued or guaranteed by a government, sovereign or central bank with an international long-term issuer rating that is non-investment grade.
- h. In investing in financial derivative instruments for the Fund, the Fund Manager shall see to it that it employs a risk-management process which captures the risks associated with the use of financial derivatives and satisfies all the following requirements.
- i. The total exposure to financial derivatives or embedded financial derivatives, including counterparty transactions, shall not exceed ten percent (10%) of the net assets of the Fund, or five percent (5%) of the net assets if the derivatives are not investment grade, unless the derivatives counterparty is used for efficient portfolio management which the investment aggregate shall not exceed more than twenty percent (20%);
 - ii. The Fund shall invest five percent (5%) of its net assets to liquid assets to meet all its payment and delivery obligations;
 - iii. The Fund Manager shall not act as a counterparty to an OTC derivative invested into by the Fund.
- i. The Fund shall not invest in the securities it is issuing.
- j. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its investment advisor/s, manager or distributor/s or firm/s of which any of them are members, any securities other than the capital stock of the Fund.
- k. The Fund shall not engage in short selling.
- l. Unless the Commission shall provide otherwise, the Fund shall not engage in short selling securities or invest in any of the following:
- a. Margin purchase of securities (investment in partly paid shares are excluded);
 - b. Commodity futures contracts;
 - c. Precious metals; and
 - d. Unlimited liability investments.
- m. For liquidity purposes, unless otherwise prescribed by the Commission, at least ten percent (10%) of the assets of the Fund shall be invested in liquid/semi-liquid assets.
- i. Such liquid/semi-liquid assets shall refer to, but not limited to the following:
 - a. Treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short term, and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines;
 - b. Tradable Long-Term Negotiable Certificate of Time Deposits

- c. Government debt securities where the issuer or the guarantor is a foreign government, sovereign or central bank with an international long-term issuer rating of investment grade;
- d. Savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposit accounts be accepted or allowed under a “bearer”, “numbered” account or other similar arrangement.
- e. Money market instruments issued by Philippine regulated qualified buyers or those issued by an investment grade issuing body;
- f. Other collective schemes wholly invested in liquid/semi-liquid assets.
- ii. The Fund may implement a decreased investment of less than ten percent (10%) but not less than five percent (5%) of its assets in liquid/semi-liquid assets, provided, however, that it shall submit a notarized liquidity contingency plan, signed by the President of the Fund and its Fund Manager.
- iii. Index funds may be exempted from the liquidity requirement provided that it submits a notarized liquidity contingency plan signed by the President of the Fund and its Fund Manager which shall be approved by the Commission. The plan shall include a statement that:

"In making any redemption to meet a client obligation, the Fund Manager will exercise the requisite prudence and diligence necessary under the circumstances and taking into account all relevant factors that will ensure market stability."

The Fund’s liquidity contingency plan dated October 17, 2019 involves the assessment and monitoring of equity investments by Investment and Compliance Team through the stocks’ average daily value traded on a monthly basis, review of cash positions of funds by the Investment team on a daily basis that is provided by the Fund Operations, and overseeing of ATR FAMI Senior Management Committee, Investment Committee and Fund’s Board on the execution of liquidity risk management policy.

- n. The total operating expenses of the Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in its previous Audited Financial Statements covering the immediately preceding fiscal year. The formula shall be as follows: $\text{Expense Ratio (\%)} = (\text{Total Operating Expenses} / \text{Average Net Asset Value}) * 100$. The computation and expense ratio of the Fund must be disclosed in the quarterly and annual report.
- o. The Fund may borrow, on a temporary basis, for the purpose of meeting redemptions and bridging requirements provided that:
 - i. The borrowing period should not exceed one month; and
 - ii. The aggregate borrowings shall not exceed ten percent (10%) of the net assets of the Fund.

The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all borrowings of the Fund. Provided, however, that in the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).

- p. The Fund Manager shall inform the Commission within three (3) business days after it becomes aware of any breach of investment restrictions and shall rectify such breach as soon as practicable, but shall not be more than five (5) business days from the date of discovery. Failure of the Fund Manager to report the breach within the period shall raise the presumption that the Fund Manager intentionally breached the investment restrictions and therefore shall be liable for administrative penalty/ies.

If any of the investment limits is breached by reason other than investment decision, the Fund



Manager shall report this matter to the Commission within five (5) business days, and rectify the breach no later than three (3) months from the date of the breach.

- q. The purchase and sale of foreign securities shall be made only through a distributor or underwriter duly authorized or licensed by the relevant government of the issuer of such securities.

LIMITATION OF LIABILITIES

As stated in the ICA Rules, such agreement shall not contain any provision which protects or purports to protect any director or officer of such Fund Manager against any liability to the Investment Company or to its security holders to which it would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of its office.

The liability of the investors is limited to their investments in the Fund. The investment risk and liquidity associated with the Fund are to be borne solely by the investor.

ANNUAL SHAREHOLDERS' MEETING

The Fund shall conduct the annual shareholders' meeting every 3rd Wednesday of June or as stated in its By-Laws. Reports or notices of such meetings shall be in compliance with ICA IRR including its amendments, as well as other SEC issuances applicable.

FEATURES AND PROCEDURES

Eligible Investors

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

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

Investor Profile and Investment Suitability

Prior to account opening, the Fund shall perform an investor profiling process for all investors under the general principles on client suitability assessment to guide the investor in choosing investment outlets that are best suited to their objectives, risk tolerance, preferences and experience. The profiling process shall, at the minimum, require the client to provide relevant information thru the Suitability Assessment Form (SAF) and classify them according to their financial sophistication and communicate the SAF results to the Fund. The Fund is exposed to equity securities and is suitable for aggressive investors with long-term (>5yrs) investment horizon.

Requirements For Account Opening

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

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

- a. Account Opening Form (AOF) and Client Suitability Assessment (CSA)



- b. Photocopy of at least one (1) valid government-issued ID
- c. Subscription/initial payment to First Metro Save and Learn Equity Fund, Inc. (SALEF).

Electronic Know-Your-Customer (E-KYC)

- a. Online Account Opening Form through ATR FAMI Website
- b. Upload Specimen Signature
- c. Upload Photocopy of at least one (1) valid government-issued ID
- d. Subscription/initial payment to First Metro Save and Learn Equity Fund, Inc. (SALEF)
- d. Online Interview to be conducted by ATR FAMI's Relationship Manager or any Authorized Investment Solicitor.

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

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

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

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

Offering Price and Sales Load Fees

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

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

The daily cut-off time for the receipt of the subscription proceeds shall be 2:00 pm (*may be updated from time to time*). The shares shall be valued based on the NAVPS for the same banking day if the proceeds are received on or before the said cut-off time. For subscriptions received after the cut-off time, it shall be deemed to have been received the following banking day. In both instances, a sales load fee may be charged based on the total price of the subscription.

The sales load fee is a maximum of 3% (see breakdown on page 4).

MINIMUM INVESTMENT

The minimum initial and additional investment shall be ₱500.00 and ₱100.00 respectively or as otherwise prescribed by the Fund Manager and approved by the Commission. However, for Monthly



Investment Program (MIP), minimum investment shall be ₱100.00.

Payment Terms and Methods

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

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

Redemption of Shares

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

For redemption requests submitted before the daily cut-off time of 2:00 PM (*may be updated from time to time*), the redemption price shall be computed based on the NAVPS on the same banking day when such request is received. Should the request for redemption be received after the said daily cut - off time, it shall be valued at NAVPS on the following banking day.

An investor is allowed to switch every calendar year for each ATR FAMI fund under every account he/she maintains. Sales load for fund switches, are subject to conditions (*may be updated from time to time*): fresh placements from money market fund, if switched to other funds, would be subject to the normal entry fee; fund switches may be a partial or full transfer from one ATR FAMI fund to another; and the transferred amount should be beyond the originating fund's minimum holding period otherwise, redemption out of ATR FAMI funds would be subject to exit fee of 1%.

Payments for shares redeemed, less any redemption charges and taxes applicable, shall be made within seven (7) banking days from receipt of the request for redemption. Redemption proceeds can be made available to the Investor through bank transfer acceptable to the Commission.

The Fund may suspend redemption or postpone the date of payment for redemptions in accordance with R.A. 2629 and/or the Implementing Rules and Regulations of the Investment Company Act including its amendments as applicable. The Commission motu proprio or, upon the request of the Fund Manager, may suspend the redemption of securities of ICA if:

- a. The exchange, where eighty percent (80%) of the securities in the Fund's portfolio, is suspended;
- b. Eighty percent (80%) of the securities in the Fund's portfolio, could not be traded or liquidated;
- or
- c. Whenever necessary or appropriate, in the public interest or for the protection of investors.

If the request for suspension of redemption of shares is made by the Fund Manager, for any of the grounds mentioned above, the approval of the Funds audit committee acting as Independent Oversight Entity (IOE) must be secured.

The Commission shall provide the period of suspension of redemption which shall not be more than twenty-one (21) business days, unless an extension is approved by the Commission En Banc.



Minimum Holding Period and Redemption Charges

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

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

Procedure for Handling Customer’s Complaints

Investors may coordinate with ATR FAMI through several platforms such as phone call (02) 7777-4100, email (inquiry@atrファミ.com.ph), social media [Viber Public (ATR FAMI), Facebook Messenger, Instagram, Twitter (@ATRFAMI)], and website (www.atrfami.com.ph).

Guidelines for each complaint category are implemented, such as endorsing concerns to specific subject matter expert or assigned Relationship Manager, to ensure speed and efficiency in achieving the goal of solving concerns via shortest handling and waiting time possible.

Delivery of Stock Certificates

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

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

Benefits to the Investor

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

Professional Management

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

Diversification at Low Cost

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

Liquidity

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

**Convenience**

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

Protecting Investors

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

USE OF PROCEEDS

The proceeds of the shares of the Fund will be invested to listed and non-listed equity securities in accordance with the policies and limitations set forth in the "Investment Objective and Limitations" and other applicable laws. The Fund Manager may, without need of prior approval of or prior notification to the Investment Company, purchase and sell securities and otherwise make or dispose of investments for the account of the Investment Company, and shall be guided by the Fund's investment policies and legal limitations on investment prescribed by the Board of Directors and subject to the provisions of the ICA Rules and amendments and registration statements of the Fund. The Fund Manager shall be guided by the Fund's investment policies and legal limitations on investment prescribed by the Board of Directors and subject to the provisions of the ICA Rules and amendments and registration statements of the Fund. The Fund Manager shall exercise due diligence and prudence in connection with the investment of the Fund's assets; but, except for willful misfeasance, bad faith, gross negligence or reckless disregard of its duties. The Fund Manager shall not be liable for any loss or depreciation in the value of any assets of the Investment Company arising from any of such investments or re-investments, provided that the Fund Manager acted in good faith and in accordance with the investment policies or guideline prescribed by the Board of Directors of the Investment Company. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid in capital of the Fund shall be held by the custodian bank. If there be any delegation or outsourcing of fund management functions or custody of assets, the Fund shall comply with the requirements of ICA Rule 5.1.6 and 3.3.6, respectively and any amendments thereto.

Expenses charged to the Fund include, but not limited to, SEC filing fees, documentary stamp taxes, registration statement fees, transfer, distribution, directors, and officers and management fees. No material amount of the proceeds is to be used to acquire assets or finance the acquisition of other business. The proceeds will not be used to discharge debt or reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned or advanced or otherwise or any expenses.

DETERMINATION OF OFFER PRICE

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

The value of the assets of the Investment Company shall be determined based on the following:

- a. If quoted in an organized market, based on official closing price or last known transacted price;
- b. If unquoted or quoted investments where the transacted prices are not represented or not available to the market, based on fair value; Provided further that in determining the fair value of the investments, the Fund Manager shall, with due care and good faith:



- i. Have reference to the price that the Investment Company would reasonably expect to receive upon the sale of the investment at the time the fair value is determined;
- ii. Document the basis and approach for determining the fair value.

The net asset value shall be calculated by adding:

- The aggregate market value of the portfolio securities and other assets;
- The cash on hand;
- Any dividends on stock trading ex-dividend; and
- Any accrued interest on portfolio securities,

And subtracting:

- Taxes and other charges against the fund not previously deducted;
- Liabilities;
- Accrued expenses and fees; and
- Cash held for distribution to investors of the fund on a prior date.

The Fund Manager will compute and post the NAVPS of the Fund on a daily basis and shall upload daily in its website or industry association, through digital portals such as its website or social media accounts; or post them daily in a conspicuous place at the principal office of the investment company as well as in all its branches or correspondent offices which are designated redemption centers.

PLAN OF DISTRIBUTION

The Fund does not have any underwriter and has not entered into any underwriting agreement. There are no shares designated to specified persons. There is no plan to apply the shares of the Fund for listing in any exchange. Thus, none of the Fund's shares are to be allocated to an exchange and/or to its members.

ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly "First Metro Asset Management, Inc.") serves as the Fund's principal distributor. ATR FAMI is licensed by the Commission to act as an Investment Company Adviser wherein the license was renewed last November 14, 2024. The Agreement shall take effect for a period of two years and shall continue in effect from year to year, unless otherwise terminated or amended by the parties in accordance with specified terms and conditions. The shares of the Fund will be offered through the principal distributor and other eligible sales agents licensed by the Commission, including agents/employees who are Certified Investment Solicitors (CiSol) and Mutual Fund Sub-Distributors, that have entered into an agreement to sell shares with the principal distributor.

As the principal distributor, ATR FAMI will be in-charge of monitoring the Fund's distribution in all its accredited channels and sub-distributors. The following are the active sub-distributors of the Fund: First Metro Securities Brokerage Corporation, COL Financial Group, Inc., Wealth Securities, Inc. and Certified Investment Solicitors (CiSols). The sub-distributors may invest in the Fund for and in behalf of its customers and in accordance with specific instructions of the latter provided through the sub-distributor's online platform or electronic means as approved by the SEC and provided or allowed by the sub-distributor's MFD license to distribute the Fund. ATR FAMI shall monitor their compliance with the Investment Company Act and its implementing rules and regulations through the submission of daily reports per channel.

ATR FAMI's marketing strategy will leverage on the strategic partnership of Catholic Educational Association of the Philippines, Marist Brothers Congregation and ATR Financial Holdings, Inc. through joint programs or events that cater to their employees and other internal staff. It likewise capitalizes on



its affiliation with the ATRAM Group.

The Fund will pay its principal distributor a monthly distribution fee equivalent up to a maximum of one and eight hundred seventy-five percent (1.875%) per annum of the daily average net asset value of the Fund, computed on a daily basis. In addition, as Investment Manager, ATR FAMI shall be paid an incentive fee equivalent to 10% of the realized appreciation in the value of the fund's net assets in excess of the benchmark or any of its prior years' highest performance whichever is higher.

The sales load, which will be directly used for commissions of sub-distributors, will not be more than 3%. There are no discounts to be given to qualified sub-distributors unless approved by the Commission, and/or upon application of such as submitted by the Fund Manager.

DESCRIPTION OF SECURITIES

The Fund's authorized capital is Two Billion Two Hundred Fifty Million Pesos (₱2,250,00,000), composed of Two Billion Two Hundred Fifty Million (2,250,00,000) unclassified common shares with a par value of One Peso (₱1.00) per share.

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

Right of Redemption

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

Waiver of Pre-emptive Rights

No stockholder shall, because of his ownership of stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the Fund.

Distribution of Dividends

Each shareholder has a right to any dividends that may be declared by the Fund in accordance to the Revised Corporation Code of the Philippines.

Right to Information

The shareholders shall be provided, upon request, with periodic reports and information relating to matters for which the Fund is accountable for and should disclose to the shareholders. Except as may be provided other under the ICA-IRR as to manner or form of conveying reports or information to shareholders, each shareholder has a right to be notified of the matters concerning changes in the Fund through posting in the Fund's website and/or the office/s of the Fund's distributors or as prescribed by the Commission and within the applicable periods specified in the ICA-IRR. The Fund Manager shall maintain records and arrange for participants to receive accounts, reports and statements either in hard/physical copies or by electronic means such as but not limited to, transmitting via electronic communication with soft-copy attachments or as amended by the Commission.

There are also no provisions in the Articles of Incorporation or By-Laws that would delay, deter or prevent a change in control of the Fund.

In case of dissolution, all the shareholders have all the rights and entitlements granted to them under the Revised Corporation Code, the ICA and other relevant laws. The Fund Manager shall immediately stop the offer of shares and carry out the liquidation of assets within maximum of six (6) months from the



receipt of the Investment Company the Order revoking the registration statement and its Certificate. Likewise, the Fund Manager shall file a monthly report to SEC, within ten (10) days after the end of every month, on the redemption of securities in the immediately preceding month. The report shall include the following: 1) number of shares redeemed, 2) number of shareholders whose securities were redeemed, 3) number of shareholders whose securities are yet to be redeemed, 4) reasons why their securities are not yet redeemed.

The Fund Manager shall carry out the liquidation of assets on behalf of the Fund. In all cases of revocation of the Registration Statement and Certificate of Permit to Offer Securities for Sale, the Fund Manager must liquidate the assets within a maximum period of six (6) months from the receipt of the Investment Company of the Order revoking the Registration Statement and its Certificate. The Fund must wind up or amend its business purposes within one (1) year from receipt of the same. The Fund and the Fund Manager shall comply with R.A. 2629 and/or the Implementing Rules and Regulations of the Investment Company Act including its amendments as applicable.

INTEREST OF NAMED EXPERTS AND INDEPENDENT COUNSEL

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

INFORMATION WITH RESPECT TO THE REGISTRANT

Description of Business

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

There are no sales or revenues and net income contributed by foreign sales (broken down into major markets such as Western Europe, Southeast Asia, etc.) for each of the last three years.

Competition

The competitive environment for the Fund's product includes not only the products and services offered by the other Mutual Fund players, but all other investment instruments that the Fund's target market has access to.

The Fund's main competitors are the other mutual funds in the Equity Fund category of Philippine mutual funds. The Fund's main competitors are the other mutual funds in the Equity Fund category of Philippine mutual funds. As of December 31, 2025, the Fund considers the funds of Philequity, Sunlife, Soldivo, and ALFM, as its main competitors which represent around 56.06% of the total funds in this category.

Mutual Fund Company	Net Asset Value	Market Share
Philequity Fund, Inc.	7,985,247,504.94	15.95%
Sun Life Prosperity Philippine Equity Fund, Inc.	4,357,938,438.00	8.71%
Soldivo Strategic Growth Fund, Inc.	3,500,579,207.50	6.99%
ALFM Growth Fund, Inc.	3,448,641,902.00	6.89%
Philam Strategic Growth Fund, Inc.	2,745,204,764.00	5.48%
Philequity Dividend Yield Fund, Inc.	2,589,811,906.22	5.17%
First Metro Save and Learn Equity Fund, Inc.	2,403,087,173.00	4.80%
United Fund, Inc.	520,588,278.77	1.04%
Climbs Share Capital Equity Investment Fund Corp.	487,263,061.30	0.97%



MBG Equity Investment Fund, Inc.	22,175,628.00	0.04%
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The Fund will be competing in terms of investment performance or fund return measured as the NAVPS appreciate over time. The Fund continues to be steadfast on the strategies and abilities of its appointed Fund Manager to effectively compete in this sector.

Business of Issuer

The Fund’s primary purpose is to issue its own securities and offer them for sale to the public, to offer for sale, sell, or deliver after sale, any security or any interest in a security, whether issued by it or by another person, to invest, reinvest, or trade in equity, or other investment assets allowed under the Investment Company Act and its Rules, to purchase, redeem, retire, or otherwise acquire or attempt to acquire any security or any interest in security, whether issued by it or by another person, to do any and all things which may be useful in connection with or incidental to the conduct of such business, and generally to carry on the business of an open-end investment company in all the elements and details thereof.

The shares are being offered in the Philippines through ATR Financial Advisory and Management Inc. (ATR FAMI), the fund manager and principal distributor of the Fund. The shares of the Fund will be offered through the principal distributor and other eligible sales agents licensed by the Commission, including agents/employees who are Certified Investment Solicitors (CISol) and Mutual Fund Sub-Distributors, which have entered into an agreement to sell shares with the principal distributor.

The Fund has business relationships and transactions with related parties. Transactions with such parties are made in the ordinary course of business and on substantially the same terms as those prevailing at the time for similar transactions with other parties. These transactions also did not involve more than the normal risk of collectability and did not present conditions unfavorable to the Fund.

Except for the related party transactions stated in the notes to financial statements of the Fund as of and for the years ended December 31, 2024, 2023 and 2022, there has been no material transaction during the last two years 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 5% 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.

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.

The Fund is subject to several major risks that may adversely affect its net asset value and potentially result in investors redeeming their shares at a loss. These risks include: (i) stock market risk, arising from the inherent volatility of equity securities; (ii) interest rate risk, where rising interest rates may lead to declining asset values, particularly for longer-term securities; (iii) inflation risk, which may erode the real value of investments; and (iv) manager risk, relating to the Fund’s dependence on the investment manager’s performance and adherence to investment objectives.

To prudently manage these risks, the Fund will: (a) employ careful selection of equity securities based on long-term financial soundness and profitability; (b) diversify its portfolio across various asset classes, issuers, and maturity profiles; (c) actively trade equity securities to respond to market movements; and (d) implement robust oversight measures, with the Fund’s board of directors conducting regular reviews to ensure strict compliance with investment policies and continuous monitoring of the investment manager’s performance.



Description of Property

The Fund has financial assets in the form of cash, fixed income securities, and equity securities. It does not own any real property. As prescribed by SEC rules, all of the Fund's assets must be held by the custodian bank as disclosed in this prospectus.

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

Market Information

The shares of the First Metro Save and Learn Equity Fund, Inc. are available for purchase through its appointed Principal Distributor and sub-distributors. The shares of the Fund are not traded publicly on an exchange.

Below is the history of Net Asset Value per Share (NAVPS) of the Fund as of December 31, 2025, and the years 2024, 2023, and 2022:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025	High	4.7163	4.7859	4.8126	4.4562
	Low	4.3383	4.2554	4.3355	4.0272
2024	High	4.9811	4.9671	5.2746	5.3295
	Low	4.6283	4.3368	4.4813	4.5723
2023	High	5.0076	4.7824	4.7948	4.6662
	Low	4.5460	4.5987	4.3757	4.3095
2022	High	5.3104	5.1592	4.8598	4.7917
	Low	4.9289	4.4474	4.1606	4.1606

Shareholders

As of December 31, 2025, there are 15,349 shareholders of the Company's common stock. In addition, the Fund is 99.10 % owned by Filipinos and 0.90% by Non-Filipinos. Retail and Institutional investors owned 71.41% and 28.59%, respectively. Shown below are the top twenty (20) shareholders, including the number of shares and percentage of ownership held by each as of the same date.

	ACCOUNT NO.*	SHARES	OWNERSHIP
1	5431183353	66,900,947	12.17%
2	5431141344	16,879,724	3.07%
3	5431182725	12,416,125	2.26%
4	5431113333	12,368,626	2.25%
5	35304	11,204,523	1.95%
6	5431182865	9,940,840	1.81%
7	5431069754	8,978,353	1.63%
8	5431059574	8,062,209	1.47%
9	5431181284	7,864,163	1.43%
10	5431181991	7,722,208	1.41%
11	5431152425	7,082,795	1.29%
12	5431181304	4,833,170	0.88%
13	64787	4,345,923	0.79%
14	5431182185	4,183,978	0.76%
15	5431181782	4,155,277	0.76%
16	5431048015	3,486,670	0.63%



17	5431139024	3,467,492	0.63%
18	5431149495	3,256,913	0.59%
19	5431125144	3,245,349	0.59%
20	5431178685	3,228,306	0.59%

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

Dividends

Under the Revised Corporation Code, the Board of Directors of the Fund may declare dividends from the unrestricted retained earnings of the Fund at a time and percentage as the same Board may deem proper and in accordance with law. If dividends are to be declared, the computation and distribution shall be proportionate to the holdings or ownership of each of the stockholders. A Philippine corporation may retain all or any portion of such surplus when (i) justified by definite corporate expansion projects or programs approved by the Board of Directors; or (ii) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/ his consent, and such consent has not yet been secured; or (iii) when it can clearly be shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies. The Fund shall comply with Revised Corporation Code rulings, SEC MC No. 11, Series of 2008 on Guidelines on the Determination of Retained Earnings Available for Dividend Declaration or any amendment thereto.

Consistent with the Fund's objective, the Fund may retain the surplus profits of the Fund in the retained earnings account when justified for a definite project or programs approved by the Board of Directors, or prohibited under any loan agreements with financial institutions or creditor, or when the retention is necessary under special circumstances in the Fund. Such accumulation is reflected in the computation of the NAVPS. Shareholders realize their gains when shares are redeemed. To date, there has been no distribution of dividends to shareholders. The Board of Directors of the Fund may amend the dividend policy as conditions warrant as long as the dividends to be declared will not impair the capital stock of the company.

LEGAL PROCEEDINGS

To the knowledge of the Company, its Fund Manager, and their respective directors and officers, none of them has been involved in any legal, regulatory, or other proceedings, nor are there any allegations or investigations, that could materially and adversely affect their integrity, ability to perform their duties, or the operations, financial condition, or reputation of the Company or the Fund.

AFFILIATED COMPANIES

ATR Financial Holdings, Inc. is affiliated with the Fund, being its majority shareholder. ATR Financial Holdings, Inc. is the parent company of ATR FAMI, principal distributor and fund manager, and it is also a stockholder of the other investment companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Fund's Statements of Financial Position and Statements of Comprehensive Income as of September 30, 2025, and for the years ended December 31, 2024 and 2023 are presented below:

Statements of Financial Position

	As of December 31			Increase (Decrease) 2025 vs 2024		Increase (Decrease) 2024 vs 2023	
	September 30, 2025 (Unaudited)	2024	2023	Amount	%	Amount	%
ASSETS							
Cash and cash equivalents	₱147,049,063	₱467,546,535	₱364,951,480	(₱320,497,472)	-68.55%	₱102,595,055	28.11%
Financial assets at fair value through profit or loss (FVTPL)	2,264,704,261	2,737,496,539	4,002,731,474	(472,792,278)	-17.27%	-1,265,234,935	-31.61%
Receivables	13,237,049	1,089,096	3,420,783	12,147,953	1115.42%	-2,331,687	-68.16%
Other asset	1,477,983	1,477,983	1,477,983	-	-	-	-
	₱2,426,468,356	₱3,207,610,153	₱4,372,581,720	(₱781,141,797)	-24.35%	(₱1,164,971,567)	-26.64%
LIABILITIES							
Accounts payable and accrued expenses	₱18,238,796	₱15,919,659	₱18,902,378	₱ 2,319,137	14.57%	(₱2,982,719)	-15.78%
EQUITY							
Capital stock	555,471,932	687,354,539	940,290,337	(131,882,607)	-19.19%	-252,935,798	-26.90%
Additional paid-in capital	2,147,547,787	2,636,446,651	3,651,193,903	(488,898,864)	-18.54%	-1,014,747,252	-27.79%
Retained earnings (deficit)	(294,790,159)	(132,110,696)	(237,804,898)	(162,679,463)	123.14%	105,694,202	44.45%
	2,408,229,560	3,191,690,494	4,353,679,342	(783,460,934)	-24.55%	-1,161,988,848	-26.69%
TOTAL LIABILITIES AND EQUITY	₱2,426,468,356	₱3,207,610,153	₱4,372,581,720	(₱781,141,797)	-24.35%	(₱1,164,971,567)	-26.64%

Statements of Comprehensive Income

	Jan 1– September 30 (Unaudited)		Jan 1– December 31 (Audited)		Increase (Decrease) 2025 vs. 2024 (Unaudited)		2024 vs. 2023 (Audited)	
	2025	2024	2024	2023	Amount	%	Amount	%
INVESTMENT INCOME								
Trading and securities gains (losses)	(₱172,808,098)	₱447,204,848	₱134,210,381	(₱4,879,724)	(620,012,946)	(138.64%)	₱139,090,105	2850.37%
Dividend income	63,275,182	70,198,079	83,728,627	114,449,367	(6,922,897)	(9.86%)	(30,720,740)	(26.84%)
Interest income	4,031,253	5,076,386	6,425,648	15,125,752	(1,045,133)	(20.59%)	(8,700,104)	(57.52%)
Miscellaneous income	-	-	897,435	2,700,207	-	-	(1,802,772)	(66.76%)
	(105,501,663)	522,479,313	225,262,091	127,395,602	(627,980,976)	(120.19%)	97,866,489	76.82%
OPERATING EXPENSES								
Management and retainer's fees	47,081,953	61,334,682	79,431,884	87,181,718	(14,252,729)	(23.24%)	(7,749,834)	(8.89%)
Brokers' commission	7,873,515	23,146,616	25,348,302	33,096,776	(15,273,101)	(65.98%)	(7,748,474)	(23.41%)
Fund accounting fee	670,869	1,003,253	1,261,280	1,968,194	(332,384)	(33.13%)	(706,914)	(35.92%)
Professional fees	595,064	352,640	631,277	663,075	242,424	68.75%	(31,798)	(4.80%)
Custodian and clearing fees	524,286	709,811	902,599	1,147,851	(185,525)	(26.14%)	(245,252)	(21.37%)
Transaction charges	499,323	988,167	1,121,689	301,605	(488,844)	(49.47%)	820,084	271.91%
Directors' and officers' fees and allowances	225,000	204,500	273,500	222,000	20,500	10.02%	51,500	23.20%
Taxes and licenses	166,491	1,302,699	1,528,330	1,484,084	(1,136,208)	(87.22%)	44,246	2.98%
Rent	36,611	-	-	-	36,611	100.00%	-	-
Miscellaneous	581,427	166,681	194,592	263,125	414,746	248.83%	(68,533)	(26.05%)
	58,254,539	89,209,049	110,693,453	126,328,428	(30,954,510)	(34.70%)	(15,634,975)	(12.38%)
NET INVESTMENT INCOME (LOSS) BEFORE TAX	(163,756,202)	433,270,264	114,568,638	1,067,174	(597,026,466)	(137.80%)	113,501,464	10635.70%
PROVISION FOR FINAL TAX	13,358,412	33,539,928	39,083,907	11,209,746	(20,181,516)	(60.17%)	27,874,161	248.66%
NET INVESTMENT INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	(₱177,114,614)	₱399,730,336	₱75,484,731	(₱10,142,572)	(576,844,950)	(144.31%)	₱85,627,303	844.24%

2025

FINANCIAL POSITION (September 30, 2025 vs. December 31, 2024)

As of September 30, 2025, the Fund's total assets reached ₱2.43 billion, lower by ₱0.78 billion or 24.35% from ₱3.21 billion as of December 31, 2024. Total liabilities increased by ₱2.32 million or 14.57% from ₱15.92 million to ₱18.24 million as of reporting date. The changes in total assets and liabilities are primarily due to the movements in the following accounts:

1. Cash and cash equivalents

This account represents the Fund's savings and checking accounts and time deposits in local banks. Cash in banks earn interest at the respective bank deposit rates. Time deposits bear annual interest rates of 4.00% and 3.85% in September 30, 2025 and December 31, 2024, respectively. The decrease of 68.55% or ₱320.50 million from ₱467.55 million as of December 31, 2024 to ₱147.05 million was due to lower balances of time deposits as of reporting date.

2. Financial assets at fair value through profit or loss

This account consists of investments in equity securities. The decrease of 17.27% or ₱0.48 billion from ₱2.74 billion to ₱2.26 billion was due to the sale of equity securities. As of September 30, 2025 and December 31, 2024, this account includes unrealized fair value loss of ₱124.73 million and gain of ₱67.22 million, respectively.

3. Receivables

This account consists of due from brokers, accrued interest receivable, dividend receivable and accounts receivable. The increase of ₱12.15 million or 1115.42% from ₱1.09 million to ₱13.24 million was due to higher receivable from brokers pertaining to the amount collectible from the sale of equity securities which collections are due within two (2) business trading days following the settlement convention as of reporting date.

4. Other asset

Other asset pertains to creditable withholding taxes of the Fund. This account remained at ₱1.48 million as of September 30, 2025 and December 31, 2024.

5. Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of due to brokers, accounts payable, payable to ATR FAMI, accrued expenses and withholding tax payable. The increase of ₱2.32 million or 14.57% from ₱15.92 million to ₱18.24 million was mainly due to higher accounts payable to brokers as of reporting date.

6. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱0.78 billion or 24.55% from ₱3.19 billion to ₱2.41 billion was mainly due to net redemption and results of operations during the period.

Capital Stock ended at ₱555.47 million, a decrease of ₱131.88 million or 19.19% from ₱687.35 million mainly due to net redemptions during the period. The Fund's authorized capital stock remained at ₱2.25 billion with par value of ₱1.00 per share. As of September 30, 2025, and December 31, 2024, the total issued and outstanding shares were 555,471,932 and 687,354,539, respectively, while the total number of holders of redeemable common shares is 15,487 and 14,541, respectively.

Additional paid in capital decreased by ₱0.49 billion or 18.54% from ₱2.64 billion as of December 31, 2024 to ₱2.15 billion as of September 30, 2025 due to net redemptions during the period.

Deficit increased by ₱162.68 million or 123.14% from ₱132.11 million to ₱294.79 million mainly due

to results of operations during the year.

RESULTS OF OPERATIONS (January 1 to September 30, 2025 vs. January 1 to September 30, 2024)

For the period ended September 30, 2025, the Fund incurred a net loss of ₱177.11 million, lower by ₱576.84 million or 144.31% from same period last year's net income of ₱399.73 million. Detailed discussions on the changes in the statement of income accounts are as follows:

1. Trading and securities gains (losses)

This account includes realized and unrealized gains (losses) from equity securities trading portfolio. The decrease of ₱620.01 million or 138.64% from ₱447.20 million gain during the same period last year to ₱172.81 million loss this year was due to the change in the fair value of equity securities held and sale of securities during the period.

2. Dividend income

This account decreased by ₱6.92 million or 9.86% from ₱70.20 million to ₱63.28 million mainly due to lower cash dividends earned from the shares of stocks held during the period.

3. Interest income

This account totaled ₱4.03 million, 20.59% or ₱1.05 million lower than same period last year's ₱5.08 million mainly due to lower interest income earned from time deposits during the period on account of decreased time deposits volume.

4. Management and retainer's fees

This account decreased by ₱14.25 million or 23.24% from ₱61.33 million to ₱47.08 million mainly due to the lower daily average asset under management of 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 securities being traded. The decrease of 65.98% or ₱15.28 million from ₱23.15 million to ₱7.87 million was mainly due to lower commission rate charged during the period. This is relative to the issuance of SEC MC 7-2024 last April 16, 2024 which removes the minimum commission charge of every stock trading transaction.

6. Fund accounting fee

This account pertains to payment of the fund admin fee during the period. The decrease of 33.13% or ₱0.33 million from ₱1.00 million to ₱0.67 million this year was due to lower fees being paid in connection with the decrease in asset under management of the Fund during the period.

7. Professional fees

This account represents audit fees and legal fees incurred by the Fund. This account increased by 68.75% or ₱0.25 million from ₱0.35 million to ₱0.60 million mainly due to higher legal fees paid during the period.

8. Custodian and clearing fees

This account pertains to payment to the custodian of the Fund. This account decreased by 26.14% or ₱0.19 million from ₱0.71 million to ₱0.52 million mainly due to lower fees paid relative to the decrease in equity securities held by the custodian during the period.

9. Transaction charges

This account pertains to the payment of stock trading charges. The decrease of 49.47% or ₱0.50



million from ₱1.00 million to ₱0.50 million was due to the lower volume of equity trades during the period.

10. Directors' and officers' fees

This account pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting. The increase of ₱0.03 million or 10.02% from ₱0.20 million to ₱0.23 million was due to the higher number of members who attended the meetings held during the period.

11. Taxes and licenses

This account pertains to taxes other than income tax, such as DST and local taxes. The decrease of 87.22% or ₱1.13 million from ₱1.30 million to ₱0.17 million was primarily attributable to the exemption from DST granted to mutual fund companies effective July 1, 2025, pursuant to Republic Act No. 12214, otherwise known as the "Capital Markets Efficiency Promotion Act".

12. Rent expense

This account pertains to the Fund's share in office rent with the Fund Manager effective June 2025. This totaled ₱0.04 million for the period ended September 30, 2025.

13. Miscellaneous expense

This account increased by 248.83% or ₱0.41 million from last year's ₱0.17 million to ₱0.58 million mainly due to higher other miscellaneous expenses paid by the Fund during the period.

2024

Financial Position (December 31, 2024 vs. December 31, 2023)

The total resources of the Fund decreased by ₱1.16 billion or 26.64% from ₱4.37 billion in 2023 to ₱3.21 billion as of December 31, 2024. Liabilities also went down by ₱2.98 million or 15.78% from ₱18.90 million in 2023 to ₱15.92 million in 2024.

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

a. Cash and cash equivalents

Cash and cash equivalents represent the Fund's savings, checking accounts and time deposits in local banks. This account increased by ₱102.60 million or 28.11% from ₱364.95 million in 2023 to ₱467.55 million in 2024 due to higher cash in banks and higher placements in time deposit this year.

Cash in banks earn interest at the respective bank deposit rates which remains at 0.0625% to 0.125% and 0.13% to 0.50% in 2024 and 2023, respectively. Cash equivalents which consist of time deposits earns an annual interest rate ranging from 3.85% and 3.00% to 3.83% in 2024 and 2023, respectively.

b. Financial assets at fair value through profit or loss (FVTPL)

This account consists of investment in equity securities. This account represents 85.34% and 91.54% of the total assets in 2024 and 2023, respectively. It declined by ₱1.26 billion or 31.61% from ₱4.00 billion in 2023 to ₱2.74 billion at the end of the year due to the sale of various securities.

Financial assets at FVTPL include unrealized fair value gains of ₱67.22 million and ₱70.39 million as of December 31, 2024 and 2023, respectively.

c. Receivables

Receivables amounted to ₱1.09 million and ₱3.42 million as of December 31, 2024 and 2023, respectively. The decrease of ₱2.33 million or 68.16% was mainly due to the decrease in dividends receivable from equity securities.

d. Other asset

Other asset remained at ₱1.48 million as of December 31, 2024 and 2023. This account pertains to prepaid creditable withholding tax of the Fund.

e. Accounts payable and accrued expenses

This account amounted to ₱15.92 million and ₱18.90 million as of December 31, 2024 and 2023, respectively. The decrease of ₱2.98 million or 15.78% was mainly due to the lower unsettled payable to ATR FAMI and documentary stamp tax payable.

This includes accounts payable, payable to ATR FAMI, accrued expenses, withholding tax payable and documentary stamp tax payable.

f. Equity

Total stockholders' equity decreased by ₱1.16 billion or 26.69% from last year's ₱4.35 billion to 3.19 billion this year mainly due to the net redemptions during the year.

Capital Stock

The Fund's authorized and issued capital stock follow:

	2024		2023	
	Shares	Amount	Shares	Amount
Par value - ₱1 Authorized	2,250,000,000	₱2,250,000,000	2,250,000,000	₱2,250,000,000
Issued and outstanding				
Balance at the beginning of the year	940,290,337	940,290,337	912,506,191	912,506,191
Subscription	146,363,979	146,363,979	135,805,826	135,805,826
Redemption	(399,299,777)	(399,299,777)	(108,021,680)	(108,021,680)
Balances at the end of the year	687,354,539	₱687,354,539	940,290,337	₱940,290,337

As of December 31, 2024 and 2023, the total number of holders of redeemable common shares is 14,541 and 15,536, respectively.

Additional paid-in capital totaled ₱2.64 billion and ₱3.65 billion in 2024 and 2023, respectively, decreased by ₱1.01 billion or 27.79% mainly due to the net redemptions during the year.

Deficit decreased by ₱105.69 million or 44.45% from ₱237.80 million in 2023 to ₱132.11 million this year mainly due to the result of Fund's operation during the year.

Results of Operations (January 1– December 31, 2024 vs. January 1– December 31, 2023)

For the year ended December 31, 2024, the Fund incurred a net income of ₱75.48 million from a net loss of ₱10.14 million in 2023. The increase of ₱85.62 million or 844.24% is primarily due to higher trading and securities gains on sale of equity securities during the year.

The highlights of the results of operations for the year ended December 31, 2024 are as follows:

a. Trading and securities gains (losses)

For the year 2024, the Fund incurred trading and securities gain amounting to ₱134.21 million, ₱139.09 million higher than last year's loss of ₱4.88 million due to improvement in the equity shares prices during the year. This account represents realized gain from the sale and unrealized gain from the change in fair value of debt and equity securities held for trading during the year.

b. Dividend income

Dividend income is recognized when the Fund's right to receive payment is established. The decrease of ₱30.72 million or 26.84% from last year's ₱114.45 million to ₱83.73 million this year was mainly

due to lower cash dividends earned from shares of stocks held during the year.

c. Interest income

Interest income earned from cash and cash equivalents and financial assets at FVTPL investments declined by ₱8.70 million or 57.52% from ₱15.13 million to ₱6.43 million this year due to decrease in the financial assets at FVTPL investments during the year.

d. Miscellaneous Income

Miscellaneous income amounting to ₱0.90 million and ₱2.70 million for the year ended December 31, 2024 and 2023, respectively. The decrease of ₱1.80 million or 66.76% was mainly due to lower miscellaneous income recognized during the year.

e. Management and retainer's fee

This account includes management fees and retainer's fees of the Fund. This account decreased by ₱7.75 million or 8.89% from last year's ₱87.18 million to ₱79.43 million this year, due to decrease in daily average asset under management of the Fund this year.

f. Brokers' commission

Broker's commission amounting to ₱25.35 million and ₱33.10 million for the year ended December 31, 2024 and 2023, respectively. The decrease of ₱7.75 million or 23.41% was to lower volume of trades during the year.

g. Taxes and licenses

This account includes filing fees, local taxes and documentary stamp taxes which increased by ₱0.05 million from ₱1.48 million to ₱1.53 million this year due to higher DST paid during the year.

h. Fund accounting fee

This pertains to payment of the fund admin fee during the year. This account totaled ₱1.26 million and ₱1.97 million for the year ended December 31, 2024 and 2023, respectively. The decrease of ₱0.71 million or 35.92% was due to decrease in daily average asset under management of the Fund this year.

i. Transaction charges

This account pertains to the payment of stock trading and over-the-counter charges of the Fund. The increase of ₱0.82 million or 271.91% from ₱0.30 million to ₱1.12 million this year was mainly due to higher volume of sale of trades during the year.

j. Custodian and clearing fees

This account pertains to payment to the custodian of the Fund. This account decreased by ₱0.25 million or 21.37% from last year's ₱1.15 million to ₱0.90 million this year due to lower fees paid during the year.

k. Professional fees

This account represents audit fees and other professional fees incurred by the Fund. This account decreased by ₱0.03 million from last year's ₱0.66 million to ₱0.63 million this year mainly due to lower audit fees paid during the year.

l. Directors' and officers' fees

This account pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting. The increase of ₱0.05 million or 23.20% from ₱0.22 million in 2023 to ₱0.27 million in 2024 was due to a higher number of members attended the meetings held during the year.

m. Miscellaneous expense

Miscellaneous expenses consist of bank charges, insurance premiums, notarial fees and membership fees and dues. This account decreased by ₱0.07 million or 26.05% from ₱0.26 million to ₱0.19 million mainly due to lower other operating expenses incurred during the year.

2023

Financial Position (December 31, 2023 vs. December 31, 2022)

The total resources of the Fund increased by ₱0.11 billion from ₱4.26 billion in 2022 to ₱4.37 billion as of December 31, 2023. Liabilities went down by ₱2.52 million or 11.74% from ₱21.42 million in 2022 to ₱18.90 million in 2023.

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

a. Cash and cash equivalents

Cash and cash equivalents represent the Fund's savings, checking accounts and time deposits in local banks. This account increased by ₱221.28 million or 154.02% from ₱143.67 million in 2022 to ₱364.95 million in 2023 due to higher cash in banks and higher placements in time deposit this year.

Cash in banks earn interest at the respective bank deposit rates which remains at 0.13% to 0.50% in 2023 and 2022. Cash equivalents which consist of time deposits earns an annual interest rate ranging from 3.00% to 3.83% and nil in 2023 and 2022, respectively.

b. Financial assets at fair value through profit or loss (FVTPL)

This account consists of investment in equity securities. This account represents 91.54% and 95.28% of the total assets in 2023 and 2022, respectively. It declined by ₱0.06 billion from ₱4.06 billion in 2022 to ₱4.00 billion at the end of the year due to the sale of various securities.

Financial assets at FVTPL include unrealized fair value gain of ₱70.39 million and fair value loss of ₱115.62 million as of December 31, 2023 and 2022, respectively.

c. Financial assets at amortized cost

Financial assets at amortized cost consist of private debt securities amounting to ₱52.89 million as of December 31, 2022. This investment bears annual interest of 3.875% and matured in February 2023.

d. Receivables

Receivables amounted to ₱3.42 million and ₱2.90 million as of December 31, 2023 and 2022, respectively. The increase of ₱0.52 million or 17.97% was mainly due to the increase in dividends receivable from equity securities.

e. Other asset

Other asset decreased by ₱0.43 million or 22.78% from ₱1.91 million as of December 31, 2022 to ₱1.48 million as of December 31, 2023, respectively. This account pertains to prepaid creditable withholding tax of the Fund.

f. Accounts payable and accrued expenses

This account amounted to ₱18.90 million and ₱21.42 million as of December 31, 2023 and 2022, respectively. The decrease of ₱2.52 million or 11.74% was mainly due to the lower unsettled redemptions of clients.

This account includes accounts payable, payable to ATR FAMI, accrued expenses, withholding tax payable and documentary stamp tax payable.

g. Equity

Total stockholders' equity increased by ₱110.40 million mainly due to the net subscription and result of operations during the year.

Capital Stock

The Fund's authorized and issued capital stock follow:

	2023		2022	
	Shares	Amount	Shares	Amount
Par value - ₱1 Authorized	2,250,000,000	₱2,250,000,000	2,250,000,000	₱2,250,000,000
Issued and outstanding				
Balance at the beginning				
of the year	912,506,191	912,506,191	855,951,046	855,951,046
Subscription	135,805,826	135,805,826	144,145,046	144,145,046
Redemption	(108,021,680)	(108,021,680)	(87,589,901)	(87,589,901)
Balances at the end of the year	940,290,337	₱940,290,337	912,506,191	₱912,506,191

As of December 31, 2023 and 2022, the total number of holders of redeemable common shares is 15,536 and 16,329, respectively.

Additional paid-in capital totaled ₱3.65 billion and ₱3.58 billion in 2023 and 2022, respectively, increased by ₱0.07 billion mainly due to the net subscriptions during the year.

Deficit decreased by ₱8.84 million from ₱246.64 million in 2022 to ₱237.80 million this year mainly due to the result of Fund's operation during the year.

Results of Operations (January 1– December 31, 2023 vs. January 1– December 31, 2022)

For the year ended December 31, 2023, the Fund incurred a net loss of ₱10.14 million from a net loss of ₱348.55 million in 2022. The decrease of ₱338.41 million or 97.09% is primarily due to higher trading and securities gains on sale of equity securities and dividend income during the year.

The highlights of the results of operations for the year ended December 31, 2023 are as follows:

a. Trading and securities gains (losses)

For the year 2023, the Fund incurred trading and securities loss amounting to ₱4.88 million, 98.37% or ₱294.92 million lower than last year's loss of ₱299.80 million due to improvement in the equity shares prices during the year. This account represents realized loss from the sale and unrealized loss from the change in fair value of debt and equity securities held for trading during the year.

b. Dividend income

Dividend income is recognized when the Fund's right to receive payment is established. The increase of ₱27.34 million or 31.38% from last year's ₱87.11 million to ₱114.45 million this year was mainly due to higher cash dividends earned from shares of stocks held during the year.

c. Interest income

Interest income earned from cash and cash equivalents and financial assets at FVTPL investments rose by ₱6.72 million or 79.89% from ₱8.41 million to ₱15.13 million this year due to increase in the financial assets at FVTPL investments during the year.

d. Management and retainer's fee

This account includes management fees and retainer's fees of the Fund. This account decreased by ₱1.18 million from last year's ₱88.36 million to ₱87.18 million this year, due to decrease in daily average asset under management of the Fund this year.

e. Brokers' commission

Broker's commission amounting to ₱33.10 million and ₱25.30 million for the year ended December 31, 2023 and 2022, respectively. The increase of ₱7.80 million or 30.83% was to higher volume of trades during the year.

f. Fund accounting fee

This pertains to payment of the fund admin fee during the year. This account totaled ₱1.97 million and ₱1.19 million for the year ended December 31, 2023 and 2022, respectively. The increase of ₱0.78 million or 65.53% was due to higher fees paid in 2023 during the transition period to the new service provider.

g. Taxes and licenses

This account includes filing fees, local taxes and documentary stamp taxes which decreased by ₱0.02 million from ₱1.50 million to ₱1.48 million this year due to lower DST paid during the year.

h. Custodian and clearing fees

This account pertains to payment to the custodian of the Fund. This account decreased by ₱0.21 million or 15.71% from last year's ₱1.36 million to ₱1.15 million this year due to lower fees paid during the year.

i. Professional fees

This account represents audit fees and other professional fees incurred by the Fund. This account increased by ₱0.19 million or 41.21% from last year's ₱0.47 million to ₱0.66 million this year mainly due to higher audit fees paid during the year.

j. Transaction charges

This account pertains to the payment of stock trading and over-the-counter charges of the Fund. The decrease of ₱0.54 million or 64.15% from ₱0.84 million to ₱0.30 million this year was mainly due to lower volume of sale of trades during the year.

k. Directors' and officers' fees

This account pertains to per diem of the Fund's officers and directors during board meetings and annual stockholders' meeting. The decrease of ₱0.02 million or 8.64% from ₱0.24 million in 2022 to ₱0.22 million in 2023 was due to fewer members attended the meetings held during the year.

l. Miscellaneous expense

Miscellaneous expenses consist of bank charges, insurance premiums, notarial fees and membership fees and dues. This account decreased by ₱0.05 million or 16.21% from ₱0.31 million to ₱0.26 million mainly due to lower other operating expenses incurred during the year.

Plan of Action

ATR FAMI is licensed by SEC to act as Investment Company Adviser/Manager, Administrator and Principal Distributor of mutual funds.

Being the principal distributor of the Fund's shares of stock, it intends to increase its marketing network and accredit sub-dealers or agents to sell the Fund's share.

Subsequent Events

Following the execution of Deed of Absolute Sale between FMIC and ATR Financial Holdings, Inc. on December 18, 2024, SALEF's new set of Directors and Officers were elected and appointed during the Fund's board meeting held on February 11, 2025.

There were no material subsequent events that occurs after the period ended December 31, 2025.

Other Matters

The Fund Manager is not aware of any event and/or uncertainties that:

- will have a material impact on liquidity
- will trigger direct or contingent obligation that is material to the Fund including any default or acceleration of obligation
- will have an impact on all material off-balance sheet transactions, arrangement, obligations and other relationships of the Fund
- is a significant element of income or loss that did not arise from the Fund's continuing operations
- there are no material commitments for capital expenditures during the past year and in the subsequent year.

DISCUSSION OF KEY PERFORMANCE INDICATORS

The Fund, incorporated on May 27, 2005, is classified as an investment company with moderate risk. Its investment objective is to seek long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities.

The Fund has ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly "First Metro Asset Management, Inc.") as its Investment Company Adviser, Administrator and Principal Distributor.

The Fund started with an initial paid-up capitalization of ₱25.00 million, a small portion of the mutual fund industry (under the equity fund category).

SALEF has identified the following as its key performance indicators:

- *Net Asset Value Per Share* - Net Asset Value per share amounted to ₱4.3355 as of September 30, 2025, lower by 6.63% or ₱0.3079 from ₱4.6434 as of December 31, 2024. The Fund's net asset value decreased by ₱0.78 billion or 24.55% from ₱3.19 billion as of December 31, 2024 to ₱2.41 billion as of September 30, 2025.
- *Sales for the period* – The Fund's total sales of ₱94.89 million for the period ended September 30, 2025 was 84.23% or ₱506.68 million lower than ₱601.57 million sales for the same period last year.
- *Redemptions for the period* – The Fund's total redemptions of ₱0.70 billion for the period ended September 30, 2025 was 59.18% or ₱1.02 billion lower than ₱1.72 billion redemptions for the same period last year.
- *Net Income vs. Benchmark* - The Fund incurred a net loss of ₱177.11 million for the period ended September 30, 2025, lower by ₱576.84 million or 144.31% from same period last year's net income of ₱399.73 million.
- *Market Share vs. Benchmark* – As of September 30, 2025, the Fund garnered 4.56% share in the Equity Funds category while 1.19% share in terms of net assets. On the basis of account holders, the Fund has 15,487 account holders or 1.45% of the total accounts in the Equity Funds category.

FINANCIAL SOUNDNESS INDICATORS

Performance Indicators	As of		
	September 30, 2025	September 30, 2024	December 31, 2024
	(Unaudited)	(Unaudited)	(Audited)
Current Ratio ^{1/}	13295.78%	5143.68%	20139.45%
Acid Test Ratio ^{2/}	13295.78%	5143.68%	20139.45%
Solvency Ratio ^{3/}	0.75%	1.94%	0.50%
Debt-to-equity ratio ^{4/}	0.76%	1.98%	0.50%
Asset-to-equity ratio ^{5/}	100.76%	101.98%	100.50%
Interest Rate Coverage Ratio ^{6/}	N/A	N/A	N/A
Profitability ratios:			
Return on assets ^{7/}	(8.38%)	13.19%	1.99%
Return on Equity ^{8/}	(8.43%)	13.34%	2.00%

^{1/} Current Assets divided by Current Liabilities

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

^{3/} Total Liabilities divided by Total Assets

^{4/} Total Liabilities divided by Total Equity

^{5/} Total Assets divided by Total Equity

^{6/} Earnings Before Interest and Tax divided by Interest Expense

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

^{8/} Annualized Net Investment Income divided by Average Total Equity

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Audit and Audit-Related Fees

The aggregate fees paid for the professional services rendered by Sycip, Gorres, Velayo and Company (SGV & Co.) for the audit of our Financial Statements amounting to ₱631,893 and ₱601,216 for the years 2024 and 2023, 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 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 refer thereto in their respective reports on the financial statements for such years.

Tax Fees

There are no tax fees paid for the last 2 years for professional services rendered by SGV & Co. for tax accounting compliance, advice, planning and any other form of tax service.

All Other Fees

There are no other fees billed by the external auditor for any other products and services for the last two fiscal years.

The Fund's audit and compliance committee reviews the client service plan and service fee proposal presented by the external auditor and recommends such for the approval of the Board of Directors, if



found acceptable. Under the supervision of the Audit Committee, rules and procedures on financial reporting and internal control shall be formulated in accordance with the following guidelines: the Fund should consistently comply with the financial reporting requirements of the Commission; the external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Fund, should be changed with the same frequency; and amendments approved by the Board or as required by the Commission. A two-year cooling-off period shall be observed in the re-engagement of the same signing partner or individual auditor.

DIRECTORS AND OFFICERS OF THE FUND

The Board of Directors is responsible for conducting all the businesses of the Fund. It shall exercise general supervision over the duties performed by the Fund Manager, Principal Distributor, Transfer Agent and Custodian of the Fund. The number of directors of the corporation as stated in the Articles of Incorporation shall be five (5) who are to serve until their successors are elected and qualified as provided by the By-Laws.

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

NAME	CITIZENSHIP	AGE	POSITION
Bro. Manuel V. de Leon, FMS	Filipino	68	Chairman
Eduardo R. Carreon	Filipino	77	President
Manuel N. Tordesillas	Filipino	73	Director
Jose C. Nograles	Filipino	77	Independent Director
Winston Andrew L. Peckson	Filipino	74	Independent Director
Maria Avalen A. Dianco	Filipino	47	Treasurer
Ma. Alicia Picazo-San Juan	Filipino	55	Corporate Secretary
Sydney S. Reyes	Filipino	33	Compliance Officer

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

Bro. Manuel V. de Leon, FMS, 68, Filipino, term of office is one year.

Bro. De Leon has been serving as a member of the Board of Director of the following companies since 2005 and elected as Chairman of the Board on March 22, 2011, namely: First Metro Save and Learn Fixed-Income Fund, Inc. (2005 to Jan 2025), First Metro Save and Learn Equity Fund, Inc. (2005 to present), First Metro Save and Learn Balanced Fund, Inc. (2005 to Jan 2025), First Metro Save and Learn Dollar Bond Fund, Inc. (2008 to Jan 2025) and First Metro Asia Focus Equity Fund, Inc. (2010 to present). He was elected as Chairman of the Board for First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., and First Metro Save and Learn Philippine Index Fund (SALPHIN), Inc. effective February 11, 2025.

He is also a director of ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly “First Metro Asset Management, Inc.”) (2005 to present). He is the Founding President and CEO of SAGIP KA 2000 Foundation, Inc. (2000-present). He is the President of Notre Dame of Dadiangas University since May 2021- present. He was the Provincial Superior of Marist Brothers of the Schools - East Asia Province (from 2007 to 2013). He was an awardee of the Ten Outstanding Young Men (TOYM) in 1992.

Br. De Leon has Master’s and Doctorate degrees in Education from University of the Philippines.

Mr. Eduardo R. Carreon, 77, Filipino, term of office is one year.



Mr. Carreon has been serving as a member of the Board of Director and elected as Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013 to Jan 2025, First Metro Save and Learn Money Market Fund, Inc. since June 2018 to Jan 2025 and First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. since June 2022 to Jan 2025. He was elected as President for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save and Learn Philippine Index Fund (SALPHIN), Inc., First Metro Asia Focus Equity Fund, Inc., and First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.

He is also the President of Jempan Development Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise Financial Services (2003-2008). He was also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank – 1974-1979; and Pro Manager, Citibank from 1970-1973.

Mr. Carreon graduated from the Ateneo de Manila University in 1969 with a Bachelor of Arts degree. He is also an MBA candidate from the Ateneo Graduate School of Business.

Mr. Manuel N. Tordesillas, 73, Filipino, term of office is one year.

Mr. Tordesillas currently serves as the Chairman of ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly “First Metro Asset Management, Inc.”) since December 2024 and First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025. He was also elected to serve as Director for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc. First Metro Save and Learn Philippine Index Fund (SALPHIN), Inc. and First Metro Asia Focus Equity Fund, Inc. effective February 11, 2025.

Mr. Tordesillas is the current President and a Director of ATR Holdings, Inc. (since 1995). He is the Vice-Chairman and a Director of ATR Kim Eng AMG Holdings, Inc. (since 1995). He is the Chairman and a Director of MET Holdings, Inc. (since 1999). He is the Vice Chairman and a Director of ATR Asset Management, Inc. (since 2004) and ATRAM Investment Management Partners Corp. (since 2013) and currently Chairman and Director of ATRAM Trust Corporation (since 2021). He is a Director of Assist America of the Philippines, Inc. (since 2006). He is the President of MGNT Consultants Corp. (since 2011). He is a Board Trustee and Director of East Bay Condominium Corp. (since 2016). He is a member of the Investment Committee of De la Salle University (since 2018). He is a Director of Urbasolar Philippines Corporation (since 2018).

His past positions include having served as Chairman and President of AsianLife and General Assurance Corporation (from 2017 to 2019) and Senior Advisor and Director of Etiqa Life and General Assurance Philippines, Inc. (from 2019 to 2021). He served as Chairman of Maybank ATR Kim Eng Capital Partners, Inc. (from 2016 to 2018). He was the President and CEO of ATR Kim Eng Group of Companies (from 1998 to 2011). He was the President of the Investment House Association of the Philippines (from 2012 to 2018).

Mr. Tordesillas received his Bachelor of Science degree in Industrial Engineering from De La Salle University in 1975 and his MBA from Harvard University in 1982.

Mr. Jose C. Nograles, 77, Filipino, term of office is one year.

Mr. Nograles has been serving as the Independent Director for First Metro Save and Learn Balanced Fund, Inc. (June 2022 to Jan 2025), First Metro Philippine Equity Exchange Traded Fund, Inc. (June 2024 to Jan 2025), First Metro Asia Focus Equity Fund, Inc. since June 2022 and First Metro Save and Learn Philippine Index Fund (SALPHIN), Inc. since June 2024. He was elected to serve as Independent Director for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S.



Dynamic Fund, Inc. and First Metro Consumer Fund, Inc. effective February 11, 2025.

He was an Independent Director of First Metro Asset Management, Inc. since June 2011 up to June 2022. He was past President and Vice Chairman of the Board of Directors of the Philippine Deposit Insurance Corporation (Jan. 2008 to June 2011).

He held various key positions with the Land Bank of the Philippines from 1995 to 2007. Mr. Nograles was also concurrently the Vice Chairman and President of the Land Bank Insurance Brokerage Inc. (2000 to 2007), and Vice Chairman of the Executive Committee (2002 to 2007). He joined the UCPB Board in March 2008 to Jan. 2011 where he was appointed as Chairman of the Audit Committee and member of the Executive Committee. He was also the Chairman of the Audit Committee and member of the Executive Council of the International Association of Deposit Insurers (Oct. 2008 to May 2011). He's also an independent director of Bank of Commerce since April 2015 and Amalgamated Investment Bancorporation, Inc. since January 2019.

He pursued collegiate studies at the Ateneo de Manila University, earning an AB degree in Economics and graduating as Cum Laude. He also completed a Master's degree in Business Administration from the Asian Institute of Management. He is a government Career Executive Service Officer III; and was a Fellow of the Institute of Corporate Directors.

Mr. Winston Andrew L. Peckson, 74, Filipino, term of office is one year.

Mr. Peckson has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. (June 2013 to Jan 2025) and First Metro Save and Learn Philippine Index Fund (SALPHIN), Inc. since June 2021. He was elected to serve as Independent Director for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., and First Metro Asia Focus Equity Fund, Inc. effective February 11, 2025.

He has more than 40 years of experience in the banking industry. Among his past positions were Chief Risk Officer and subsequently Consultant for Sustainability with GT Capital Holdings Inc. until August 2023. He was the Head of Treasury Marketing of Philippine National Bank (PNB) from 2009-2010; Vice President and General Manager of the Manila Offshore Branch of ABN-AMRO NV from October 1999-2009; VP and Corporate Treasury Advisor of Bank of America- Manila Branch from 1996-1999; CEO and Director of Danamon Finance Company (HK) from 1991-1996 and Manager Corporate Banking of Lloyds Bank PLC (HK) from 1986-1991, and VP (Commercial) at the Manila Offshore Branch.

Mr. Peckson obtained a Master's Degree in Business Management from the Asian Institute of Management in 1977, and he graduated from the Ateneo De Manila University in 1972 with a Bachelor of Arts Degree, minor in Business Administration.

Ms. Maria Avalen A. Dianco, 47, Filipino, term of office is one year.

She is Vice President and Treasurer of ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly "First Metro Asset Management, Inc."). She also serves as the Treasurer of First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Save and Learn F.O.C.C.U.S Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save and Learn Philippine Index Fund, Inc. and First Metro Asia Focus Equity Fund, Inc. She is also the Treasurer of First Metro Insurance Agency, Inc.

She is a Certified Public Accountant and graduated cum laude with a degree of Bachelor of Science in Accountancy from Pamantasan ng Lungsod ng Maynila. She has also passed Level I of the CFA



Program.

Ms. Ma. Alicia Picazo-San Juan, 55, Filipino, term of office is one year.

Ms. Picazo-San Juan is a practicing lawyer and Partner of Picazo Buyco Tan Fider and Santos Law Offices and Corporate Secretary of more than 45 Philippine companies, including, SSI Group, Inc., Max's Group, Inc., The Real American Doughnut Co., Inc., Teriyaki Boy Group, Inc., Max's Kitchen, Inc., IBM Philippines, Inc., IBM Business Services, Inc., IBM Solutions Delivery, Inc., IBM Global Financing Philippines, Inc., AXA Asian Markets Services Philippines, Inc., ADA Digital Philippines, Inc., ATR Asset Management, Inc., First Metro Asset Management, Inc., ATR Financial Holdings, Inc., ATRAM Investment Management Partners Corp., Seedbox Technologies, Inc., Seedbox Securities, Inc., Solutions Exchange, Inc., and Cartera Interchange, Inc., and several mutual fund companies.

She graduated magna cum laude with the degree of Bachelor of Science in Management, Major in Legal Management, from the Ateneo de Manila University in 1992, and graduated cum laude with the degree of Bachelor of Laws from the University of the Philippines in 1996. She has over 28 years of experience in corporate, banking and securities law practice.

Ms. Sydney S. Reyes, 33, Filipino, term of office is one year.

Ms. Reyes currently serves as Compliance Officer of ATR Financial Advisory and Management Inc. (ATR FAMI) (Formerly "First Metro Asset Management, Inc."), effective March 27, 2025, First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save and Learn Philippine Index Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed-Income Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., and First Metro Save and Learn Dollar Bond Fund, Inc. effective February 11, 2025.

She also serves as Compliance Officer and Corporate Information Officer of First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.

She graduated from University of Makati with a degree in AB Political Science and is currently pursuing her Law Degree in Arellano University School of Law.

FAMILY RELATIONSHIPS

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

INCORPORATORS

The following are the incorporators of the Fund:

1. Roberto Juanchito T. Dispo
2. Francisco G. Co
3. Eduardo A. Mendoza
4. Edwin B. Valeroso
5. Nimfa B. Pastrana

SIGNIFICANT EMPLOYEE

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

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of any event that occurred during the year that is material to an evaluation of the ability or integrity of any of its directors, any nominees for election as directors or executive officers for the past five (5) years.

The Company has no material pending legal proceedings to which the registrant or any of its common affiliates is a party. No member of the Board of Directors is:

1. 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;
2. 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;
3. 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
4. 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.

EXECUTIVE COMPENSATION

Per Diem payments to directors and officers, estimated for the year 2026 and actual for the years ended December 31, 2025, 2024 and 2023, are as follows:

	Estimate for 2026	2025	2024	2023
Directors	244,000	201,000	₱244,000	₱190,000
Executive Officers	32,000	24,000	29,500	32,000
Aggregate Annual Per Diem	276,000	225,000	₱273,500	₱222,000

Per diem of Directors, Corporate Secretary and Officers of the Fund amounting to ₱10,000, ₱3,000 and ₱2,500, respectively, are given during their Annual Stockholders' and regular meeting.

COMPENSATION OF DIRECTORS

The Fund's directors are compensated pursuant to standard arrangements approved by the Board. These arrangements include regular director fees for services rendered, as well as any additional amounts payable for committee participation or special assignments. For the last completed fiscal year and the ensuing fiscal year, no director received or is expected to receive compensation outside these standard compensation structures.

There are no other arrangements, whether contractual or otherwise, including consulting or advisory agreements, under which any director was compensated, or is to be compensated, directly or indirectly, for services rendered as a director during the last completed fiscal year or the ensuing fiscal year. No director received special or non-standard compensation requiring separate disclosures.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS.

There are no existing employment contracts between the Fund and the following executive officers. Further, there are no compensatory plans or arrangements, whether contractual or otherwise, that would result in payments exceeding ₱2,500,000 to any named executive officer in the event of resignation, retirement, termination of employment, a change-in-control of the registrant, or a material change in the executive officer's responsibilities following a change-in-control. No named executive officer received or is entitled to receive any such payments during the last completed fiscal year or the ensuing fiscal year.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

The following stockholders own more than 5% of the common voting securities as of December 31, 2025:

Title of Class	Name and Address of Owner*	Name of Beneficial Owner	Citizenship	No. of Shares Held	% of Holdings
Common Shares	Client Account No. 66717/ Stockholder/ Quezon City	Same	Filipino	66,900,947	12.17%

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

The respective registered owner(s) of the shares above has/have the right to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation.

SECURITY OWNERSHIP OF MANAGEMENT

The following are the securities owned by directors and officers of the Fund as of December 31, 2025:

Title of Class	Name of Beneficial Owners	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common shares	Bro. Manuel V. De Leon, FMS	1	Filipino	0.00%
Common shares	Eduardo R. Carreon	1	Filipino	0.00%
Common shares	Manuel N. Tordesillas	1	Filipino	0.00%
Common shares	Jose C. Nograles*	1	Filipino	0.00%
Common shares	Winston Andrew L. Peckson*	1	Filipino	0.00%

**Independent Director*

None of its named executive officers, beneficially owns any shares of the Fund as of the date of this Registration Statement. Accordingly, there are no shares beneficially owned, whether directly or indirectly, nor any shares that such persons have the right to acquire.

VOTING TRUST

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



CHANGE OF CONTROL

There has been no change in control of the Fund since the beginning of the last fiscal year. There is no arrangement which may result in a change in control of the Fund.

DELEGATION OF FUND MANAGEMENT OR CUSTODY OF ASSETS

Under the Management and Distribution Agreement between the Fund and ATR Financial Advisory and Management Inc. (Formerly First Metro Asset Management, Inc.) (“ATR FAMI”), in its capacity as Investment Manager and Principal Distributor, ATR FAMI is responsible for the overall management, administration, and operation of the Fund. ATR FAMI is likewise authorized to establish and maintain a marketing network and to accredit sub dealers and agents for the distribution and sale of the Fund’s shares.

Pursuant to a Memorandum of Agreement between ATR FAMI and First Metro Investment Corporation (“First Metro”), ATR FAMI previously engaged First Metro to provide research support and technical advisory services in connection with the implementation, monitoring, and oversight of the Investment Guidelines set forth in the Fund’s Prospectus.

In December 2024, ATR FAMI terminated its Research and Advisory Agreement with First Metro. Thereafter, ATR FAMI appointed ATR Asset Management, Inc. (“ATRAM”) as Sub Fund Manager, effective February 2025. As Sub Fund Manager, ATRAM is delegated authority to perform the daily investment, research, and statistical functions all in accordance with the Fund’s Investment Guidelines.

This delegation of functions is undertaken in compliance with Rule 5.1.6 of the Implementing Rules and Regulations of the Investment Company Act (ICA IRR), which permits the engagement of qualified third parties to perform investment-related services, subject to the continuing oversight and accountability of the Investment Manager.

The custodian bank, Deutsche Bank AG Manila (DB Manila), does not delegate any of its custody functions. All of the Fund’s assets continue to be held and safeguarded solely by the duly appointed Custodian in accordance with applicable regulations.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

Related party transactions consist mainly of management and other fees paid in accordance with the management agreement with ATR FAMI as Fund Manager.

RULES AND REGULATIONS GOVERNING INVESTMENT COMPANIES

INVESTMENT COMPANY ACT OF 1960

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



Act including its amendments, as well as other SEC issuances and BSP regulations as applicable.

The Risk and Compliance Unit of the Fund Manager is responsible for compliance with the requirements of the SEC/PSE, SRC, the ICA, the AMLA regulations, the Data Privacy Act and other relevant rules and regulations. The Risk and Compliance unit is led by the Risk and Compliance Officer.

PREVENTION OF MONEY-LAUNDERING AND TERRORIST FINANCING

As part of the Fund's responsibility for the prevention of money-laundering under the Anti-Money Laundering Act of 2001 (AMLC), R.A. 9160, as amended, the Terrorism Financing Prevention and Suppression Act of 2012 (R.A. 10168) and other relevant rules and regulations, the Fund or an entity acting on its behalf shall require evidence verifying the identity of a prospective purchaser of shares and the source of the relevant funds. The nature and extent of such evidence will depend on the particular circumstances. The Fund and any entity acting on its behalf reserve the right to request such information as considered necessary to verify the identity of a proposed purchaser of shares in each case, and the Fund has absolute discretion to refuse to accept a subscription for shares in the event of delay or failure in the provision of any such information required. The Fund and/or relevant government agencies shall immediately preserve the subject property or funds upon receipt of the notice of a freeze order, in accordance with the order of the court of competent jurisdiction or the AMLC. The owner or holder of the property or funds shall be given a copy of the notice of the freeze order.

COMPLIANCE WITH DATA PRIVACY ACT OF 2012 (REPUBLIC ACT NO. 10173)

To enable the Fund to comply with the requirements of the Data Privacy Act of 2012 (Republic Act No. 10173), the Fund requires all investors to expressly authorize the Fund to collect, process, use, destroy his/her personal and sensitive personal information and any information related to him/her and his/her account as well as its sharing, transfer and/or disclosure to any of the Fund's branches, subsidiaries, affiliates, agents and representatives, industry associations and third parties such as but not limited to outsourced service providers, external auditors, and local and foreign regulatory authorities in relation to any matter including but not limited to those involving anti-money laundering and tax monitoring, review and reporting, statistical and risk analysis, provision of any products, service, or offers made through mail/email/fax/SMS/telephone, customer satisfaction surveys; compliance with court and other lawful orders and requirements. The Fund further requires the investors to hold the Funds and ATR FAMI free and harmless from any liability that may arise from any transfer, disclosure, processing, collection, use, storage or destruction of said information.

COMPLIANCE WITH FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

For purposes of compliance with the Foreign Account Tax Compliance Act (FATCA or Chapter 4 of the US Internal Revenue Code) particularly, Change in Circumstances (in compliance with the Foreign Account Tax Compliance Act also known as FATCA or Chapter 4 of the US Internal Revenue Code), the Fund requires the investors to notify the Funds in writing and provide the required details or documents within 30 days from a change of your circumstances.

Failure to accomplish the foregoing gives the Fund the right to exercise any of the following: a) continue the account on the same terms and conditions; b) continue the investment on the same terms and conditions and deduct from it any amounts that the Fund has to withhold under the applicable laws; or c) terminate your account. The right to terminate the account will only be exercised after the investor has failed to provide the required information within 30 days from written notice from the Fund and only after the Fund is unable to transfer your policy or take any steps other than termination in order to comply with applicable laws.

CORPORATE GOVERNANCE



All of the directors and officers of the Fund have attended seminars on corporate governance given by an SEC-accredited provider. The Board reviews and updates its Manual on Corporate Governance (“Manual”) at least annually to ensure that it is kept abreast of global leading practices and principles on good corporate governance. At least annually, the directors complete a Board Effectiveness Questionnaire to determine their level of compliance, as well as top management’s. There have been no deviations from the manual. The Board recently amended the Corporate Governance manual to incorporate provisions requiring the annual performance evaluation of the BOD members and the executive management. The Fund has adopted self-rating sheets which are being accomplished by the directors and senior officers. Charters of all board-level committees were also updated to incorporate this corporate governance scorecard.

The Fund Manager has put in place a Code of Ethics governing the conduct and behavior of its employees, directors and suppliers/customers.

The Board formed the Related Party Transactions Committee (RPTCOM) to handle potential conflicts of interest with related parties. The Fund Manager shall avoid any situation or engagement which may lead to conflict of interest and shall refrain from engaging in any other business, transaction or activity which will be prejudicial to the interest of the Company. All related party transactions (RPTs) regardless of amount must be approved by the RPTCOM of the Board. Before elevating to the RPTCOM for approval, any proposed RPT is coursed through the Compliance Officer who reviews the proposed transaction as to whether it is arms-length basis, and the terms of the transaction or relationship are no less favorable to the company. Thereafter, RPTCOM submits the approved RPT for Board confirmation and the Compliance Officer monitors the implementation of the approved RPT.

The RPT policy also requires all directors and senior officers with the rank of VP and up to disclose to the company if they and their immediate family members have transactions with the company. Upon the election of the directors or appointment/promotion of senior officers with the rank of VP and up, and at the beginning of the year, the Compliance Officer would request them to fill up an Information Statement Questionnaire (ISQ). The Compliance Officer reviews the ISQs and reports the results thereof to the Board.

EFFECT OF EXISTING GOVERNMENTAL REGULATION

The Fund is governed by the provisions in its prospectus that incorporated relevant investment rules and regulations by regulators such as the Investment Company Act and the SEC, among others.

The Fund holds medium risk investments that consist mainly of governmental securities, commercial paper, corporate bonds, promissory notes and other debt instruments of varying tenor.

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 must not exceed 15% 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 10% of the outstanding securities of any one investee company.
- b. The Fund must not invest, in aggregate, more than 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 20% of its net assets in a single bank/non-bank with a 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 5% of its net assets and shall not exceed 10% in aggregate amount.
- d. Investments in foreign government debt securities or money markets where the issuer or the guarantor is a government, sovereign or central bank with an international long-term issuer rating



of investment grade may be increased to 35% of the NAV, but only 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:
 - i. Total exposure should not exceed 10% of the net assets or 5% if the derivatives are not investment grade, unless used for efficient portfolio management which the aggregate shall not be more than 20%;
 - ii. 5% of the NAV shall be invested in liquid assets to meet all payment and delivery obligations;
 - iii. 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 Collective Investment Scheme bills into law will benefit the mutual fund industry.

TAXATION

Investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding, and redeeming shares of the Fund. Tax related laws, rules and regulations are factors that are subject to rapid change and which could affect the performance of the Fund.

Gains realized by investors upon redemption of their shares in a mutual fund shall not be included in gross income and shall be exempt from taxation as stated in Sec. 32 (B) (7) (h) of R.A. No. 8424 or National Internal Revenue Code (NIRC) as amended.

Dividends received from a domestic corporation by individual investors who are citizens and residents of the Philippines are subject to withholding tax of 10%. Dividends received from a domestic corporation by domestic corporations are not subject to income tax.

Income derived from doing business in the Philippines, net of allowable deductions, is subject to tax at the rate of 25% effective July 1, 2020 as amended by the Comprehensive Recovery and Tax Incentives for Enterprises (CREATE) Act (Republic Act 11534).

PARTIES INVOLVED IN THE FUND

INVESTMENT MANAGER AND PRINCIPAL DISTRIBUTOR

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

The Audit Committee of the Board of Directors was designated and authorized as the Independent Oversight entity (IOE). It performs oversight on the transactions and functions of the Fund Manager to ensure compliance with the requirements of the Registration Statement, other requirements of the SRC, ICA and their implementing rules and regulations. It also has oversight on the processing of subscription and redemption transactions being performed by the Fund Manager.



Under the Agreement, ATR FAMI as principal distributor agrees that it will use its best efforts to sell shares of the Fund. ATR FAMI shall formulate and implement the investment strategy, provide and render management, technical, and administrative services, authorized to purchase and sell investment securities for the account of the Fund. ATR FAMI shall provide services to the Funds such as: coordination of the activities; preparation of reports, circulars, notices and other information as may be required from time to time; representation with government offices; and other administrative services; and other roles stated in the Management and Distribution Agreement or as approved by the Commission. Such agreement shall not contain any provision which protects or purports to protect any director or officer of such Fund Manager against any liability to the Investment Company or to its security holders to which it would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of its office. The agreement is presented annually to the Board of Directors for its approval.

The Fund agrees to pay ATR FAMI, as compensation for the services and facilities provided by ATR FAMI, a monthly fee equivalent up to 1.875% per annum of the average net asset value of the Fund's assets. In addition, as Investment Manager, ATR FAMI shall be paid an incentive fee equivalent to 10% of the realized appreciation in the value of the fund's net assets in excess of the benchmark or any of its prior years' highest performance, whichever is higher.

CUSTODIAN BANK AND FUND ACCOUNTANT

The Custodian Bank of the Company is Deutsche Bank AG Manila (DB Manila). All proceeds from the sale of shares/securities, including the original subscription/payments at the time of incorporation constituting the paid-in capital of the Fund shall be in custody/held by the designated custodian banks. In consideration of the services to be rendered by the custodians, the Fund shall pay the custodians all fees, charges and obligations incurred from time to time for services rendered pursuant to the Direct Custodial Services Agreements between each registrant and custodian with the terms of the fees schedule specified from time to time by the custodian, upon prior notice to the registrants. The designated custodian and fund accounting charge 1bps and 3bps of total AUM as of month-end, respectively. DB Manila is the independent entity responsible for the calculation and cross-checking of the Fund's net asset value.

DB Manila is also the fund accountant. Under the agreement, DB Manila shall calculate the Net Asset Value, maintain the Fund's books and records solely to facilitate NAV calculation, reconcile all custodial and/or broker/clearer statements, periodically provide portfolio and shareholder reports, including NAV reports, transaction reports, trial balances, and such other reports as may be agreed, and other roles stated in the Agreement or as approved by the Commission.

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

TRANSFER AGENT

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

Under this agreement, the Stock and Transfer Agent shall provide certain services such as: filing of reports as may be required by the Commission; preparing of list of stockholders for all regular or special meetings; preparing and mailing out all notices, reports, and circulars to all stockholders; preparing and



mailing dividend checks; preparing and issuing stock certificates; and registering all liens constituted on the shares of stock of the Fund.

EXTERNAL AUDITOR

The external auditor of the Fund is the accounting firm of Sycip, Gorres, Velayo and Company (SGV & Co.). SGV & Co. will continue being the external auditors for the Fund. The auditor will not have any direct or indirect interest in the Fund or in any securities thereof (including options, warrants or rights thereto) nor has it acted at any time as promoter, underwriter, voting trustee, director, officer or employee of the Fund.

The auditors' objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. As part of an audit in accordance with PSAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. They also 1) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion; 2) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control; 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management; and 4) concludes on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern.

For 2024 and 2023, aggregate fees billed for professional services rendered by the external auditor for the audit of the Fund's annual financial statements amounted to ₱631,893 and ₱601,216, respectively.

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. A two-year cooling-off period shall be observed in the re-engagement of the same signing partner or individual auditor. Redgienald G. Radam signed the independent auditors' reports for the years 2024, 2023 and 2022. The reports of auditors on the financial statements of the company for the years ended December 31, 2024, 2023 and 2022 contained unqualified opinions.