

FINAL PROSPECTUS

FIRST METRO CONSUMER FUND ON MSCI PHILIPPINES IMI, INC.

Formerly Paradigm Global Growth Fund, Inc.

(An open-end investment company incorporated in the Republic of the Philippines)

Offer of 200,000,000 Common Shares

The shares to be offered are unlisted and will be traded through the over-the-counter market, at the current net asset value per share (NAVPS).

***Investment Company Adviser, Fund Administrator,
and Principal Distributor***



This Prospectus is dated February 19, 2018

First Metro Consumer Fund on MSCI Philippines IMI Inc.
18th Floor, PS Bank Center,
777 Paseo de Roxas Ave. corner Sedeño St.,
Makati City, Philippines
Tel. No. +(63 2) [891-2860]

This Prospectus relates to the registration and offer of up to 200,000,000 common shares (the “Offer”), inclusive of what has been subscribed upon incorporation. Out of the authorized capital stock of Two Hundred Million (200,000,000) shares at a par value of One Centavo (₱ 0.01) per share, the number of shares to be offered by First Metro Consumer Fund on MSCI Philippines IMI, Inc. (“FMC FM”, the “Issuer” or the “Fund”) is Two Hundred Million (200,000,000) shares (the “Offer”).

The Issuer is a domestic corporation, incorporated on the 28th of April 2010 as Paradigm Global Growth Fund, Inc. (“PGGFI”). The principal business address of the Fund is at the 18th Floor, PS Bank Center, 777 Paseo de Roxas Ave. corner Sedeño St., Makati City, with contact numbers (63-2) [891-2860].

Following the purchase by First Metro Asset Management (“FAMI”) of PGGFI, the Fund has been renamed First Metro Consumer Fund on MSCI Philippines IMI, Inc. (“FMC FM”). The new board and the stockholders approved the amendments to its Articles of Incorporation, in separate meetings held on 9 June 2017, and 30 June 2017, respectively. The Application for Amendment of Articles of Incorporation is currently under process by the Corporate and Registration Monitoring Department of the SEC.

The Issuer is engaged primarily in the business of investing, reinvesting, and trading in securities and the sale of its shares of stock. As a licensed mutual fund, it offers to the public, on a continuous basis, redeemable shares of stock, at a price computed on a daily basis plus a front end sales load.

The Fund seeks long-term return from the historical outperformance of listed Philippine consumer equities versus several economic benchmarks which may include the main market index of the Philippine equities market, PSEi.

The Fund is an open-ended mutual fund designed to provide total returns consisting of dividend income and long-term capital appreciation through investment in equity securities of a consumer index, specifically the First Metro Index on MSCI¹ Philippines, IMI². The Fund will invest almost 100% of its assets in equities. Its investment objective is classified as a pure equity risk. It shall employ a “passive” or indexing approach to try to achieve the Fund’s investment objective (see page 9).

The gross proceeds from the sale of the shares of stock of the fund using the absolute value of the Net Asset Value per share of P1.2435 as of December 31, 2016, estimated at Two Hundred Forty Eight Million, Seven Hundred Thousand Pesos (Php248,700,000.00), shall be held by the Issuer’s custodian bank, The Hong Kong Shanghai Banking Corporation (“HSBC”). The proceeds from the Offer will be invested in equities included in the constructed consumer index, and, all of these are valued on a marked-to-market valuation basis. The investment objective of the Fund is classified as moderate, pure equity risk. The assets of the Fund shall be structured based on the weights of such constructed consumer index

The Fund’s investment objective is classified as moderate pure equity risk. While the Fund aims to provide total returns consisting of current income and capital appreciation, various risk factors can affect the market value of the assets of the Fund and cause the Fund’s net asset value to vary. Consequently, there can be instances where the redemption prices of redeemed shares will be less than the prices at which the shares were originally purchased. Investors who redeem their shares during this time may not recover the full cost of their investment.

¹ Morgan Stanley Capital International

² Investable Marketing Indexes

FAMI is the Investment Manager, Fund Administrator and Principal Distributor of the Fund.

The shares issued by the Fund have not been publicly offered. Once the shares of stock issued by the Fund are offered to the public, the Fund intends to invest the proceeds from the sale of the shares of stock in a portfolio of carefully selected equity securities. The Fund's investments shall be guided by Investment Guidelines and Restrictions, which are set out in detail in the body of this Prospectus (See discussion under "Investment Guidelines and Restrictions" on p. 29).

The total fee payable to FAMI is a monthly fee equivalent up to one-and-seven-five percent (1.75%) per annum of the average net asset value of the Fund's assets, computed on a daily basis. The "net asset value" shall be determined by computing the total value of the Fund's assets less its liabilities divided by the number of outstanding shares in accordance with the procedure used in computing the net asset value of each share of the Fund. FAMI will also receive from the Fund a maximum sales load fee of five percent (5.0%) of the value of investment made at any one time by an investor

The Fund is authorized under its By-Laws to issue cash, property and stock dividends out of its unrestricted retained earnings whenever the condition of the Fund's finances will render it expedient to declare said dividends. If ever dividends are declared, the computation and distribution shall be proportionate to the holdings or ownership of each of the stockholders.

As provided for in the Issuer's By-laws, the Board of Directors may make arrangements with its stockholders whereby dividends and/or other distributions may be reinvested in the Fund's securities in lieu of cash to be paid to the stockholders. The arrangement with 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.

An investment in the Fund is not insured or guaranteed by the Philippine Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of its investments, it is possible to lose money by investing in the Fund. The Fund's return will change as a result of movements in the stock market and other macroeconomic factors. No single fund is intended to be a complete investment program, but individual funds, such as this Fund, can be an important part of a balanced and diversified investment program. Before making an investment decision, investors should carefully consider the risks associated with an investment in the Shares. These risks include:

- Market risk;
- Index risk;
- Liquidity risk;
- Tracking error risk;
- Trading halt risk;
- Trading risk;
- Interest Rate risk
- Manager risk;
- Credit Risk;
- Inflation risk;
- Passive investment risk;
- Absence of operating history;
- Risks relating to the Philippines;
- Dependence on the services of third parties;
- Adoption of PAS 39.

Please refer to the section entitled “Risk Factors” beginning on p. 11 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Shares.

No dealer, selling agent, or any other person has been authorized to give information or make any representation not contained in this Prospectus. This Prospectus does not constitute an offer to sell or a solicitation of an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction or to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The delivery of this Prospectus at any time does not imply that the information herein contained is correct as of any time subsequent to this date.

The information contained in this Prospectus relating to the Fund, has been supplied by the Fund, unless otherwise stated herein. To the best of its knowledge and belief, the Fund confirms that the information contained in this Prospectus relating to it, is true, accurate and correct, and that there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading, inaccurate or false in any material respect and that the Fund hereby accepts full and sole responsibility for the accuracy of the information contained in this Prospectus with respect to the same. The Principal Distributor has exerted reasonable efforts to verify the information herein and does not make any representations or warranties as to the accuracy, truthfulness or completeness of the materials contained herein. The Principal Distributor assumes no liability for any information supplied by the Fund in relation to this Prospectus. Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus. 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 or that there has been no change in the affairs of the Fund since such date.

This Prospectus includes forward-looking statements. The Fund has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business. Words including, but not limited to, “believes,” “may,” “will,” “estimates,” “continues,” “anticipates,” “intends,” “expects” and similar words are intended to identify forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this prospectus might not occur. The Fund’s actual results could differ substantially from those anticipated in the Fund’s forward-looking statements.

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

Robert T. Yu
President

Summary of Financial Information

Statements of Financial Position

	As of		Increase (Decrease)	
	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)	Amount	%
ASSETS				
Cash	₱50,001	₱1	₱50,000	50,000.0%
LIABILITIES				
Accrued expenses and other liabilities	₱946,649	₱621,755	₱324,894	52.3%
EQUITY				
Capital stock	5,000	5,000	–	0.0%
Deficit	(901,648)	(626,754)	(274,894)	43.9%
	(896,648)	(621,754)	(274,894)	44.2%
	₱50,001	₱1	₱50,000	5,000,000.0%

Statements of Comprehensive Income*

	For the Period Ended September 30		Increase (Decrease)	
	2017 (Unaudited)	2016 (Unaudited)	Amount	%
EXPENSES				
Directors' and officers' fees	₱176,500	₱174,500	₱2,000	1.1%
Professional fees	73,678	41,580	32,098	77.2%
Taxes and licenses	12,620	5,550	7,070	127.4%
Miscellaneous	12,096	8,635	3,461	40.1%
	274,894	230,265	44,629	19.4%
LOSS BEFORE FINAL TAX	(274,894)	(230,265)	(44,629)	(19.4%)
PROVISION FOR FINAL TAX	–	–	–	0.0%
TOTAL COMPREHENSIVE INCOME (LOSS)*	(₱274,894)	(₱230,265)	(₱44,629)	(19.4%)

*There are no other comprehensive income items as of September 30, 2017 and 2016.

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Glossary of Terms

The following words or expressions used in this Prospectus, unless the context otherwise requires, shall have the corresponding meanings:

Act	Investment Company Act, Republic Act No. 2629
AUM	Assets Under Management
BIR	Bureau of Internal Revenue
BSP	Bangko Sentral ng Pilipinas
Close-ended Company	An investment company other than an open-ended company
Company	First Metro Consumer Fund on MSCI Philippines IMI, INC. (FMC FM, the Fund, or the Issuer)
Custodian Bank	The Hongkong and Shanghai Banking Corp. Ltd. (HSBC)
Cut-Off Time	12:00 noon cut-off for over-the-counter (cash and check), while 1:30 p.m. cut-off for online and bills payment (cash and check) of each Trading Day, for purposes of receiving applications or redemption orders for Shares of the Fund.
Fund Administrator, Investment Manager, and Principal Distributor	First Metro Asset Management, Inc. or (FAMI)
GDP	Gross Domestic Product
Index or Underlying Index	Morgan Stanley Capital International – First Metro Investment Corporation MSCI-FMIC Consumer Stock Index
Index Provider	Morgan Stanley Capital International (MSCI)
Investment Company	Any issuer which is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, re-investing or trading in securities, as defined in Section 4 of the Act.
Investor	Any person, association, or corporation with the intention of investing in the shares of the Fund.
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
Open-ended Company	An investment company which is offering for sale, or has outstanding, any redeemable security, of which it is the issuer.
₱ or Php or Pesos	Philippine Pesos, lawful currency of the Republic of the Philippines
PCE	Personal consumption expenditures
Philippine National	As defined under the Republic Act No. 7042, as amended, or the Philippine Foreign Investments Act of 1992, means a citizen of the Philippines, or a domestic partnership or association wholly-owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a

	Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.
PSE or Stock Exchange or the Exchange	The Philippine Stock Exchange, Inc.
R.A. 2629	Republic Act No. 2629 or the Investment Company Act of 1960
SEC	Securities and Exchange Commission
Shareholder or Stockholder	Any natural or juridical person who has subscribed to the shares of the Fund.
Transfer Agent	Metrobank Trust Banking Group
VAT	Value Added Tax

Summary

The following summary is qualified in its entirety by, and is subject to, the detailed information presented in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Prospectus carefully including the section entitled "Risk Factors"

Overview

The Fund, First Metro Consumer Fund on MSCI Philippines, IMI ("FMC FM") is a domestic corporation, incorporated on the 28th of April 2010 as Paradigm Global Growth Fund, Inc. The principal business address of the Fund is at the 18th Floor, PS Bank Center, 777 Paseo de Roxas Ave. corner Sedeño St., Makati City, with contact numbers (632) [891-2860].

FMC FM is an open-ended investment company engaged primarily in the business of investing, reinvesting, and trading in securities and the sale of its shares of stock. As a licensed Mutual Fund, it offers to the public, on a continuous basis, redeemable shares of stock, at a price computed on a daily basis plus a front end sales load.

The Offer

The Offer shall consist of 200,000,000 common shares with a par value of ₱0.01 per share.

Offering Price

Offer price shall be computed based on the Net Asset Value (NAV) per share for the banking day, if payment is made within the daily cut-off time. If payment is received after the cut-off time, the NAV per share for the following banking day shall be used.

Use of Proceeds

The proceeds will be invested in listed securities included in the MSCI-FMIC Consumer Index.

Expenses to be deducted from the Gross Proceeds

The following are expenses normally deducted from the gross proceeds of shares sold:

1. Allowances of independent directors for every shareholders' and board meeting held;
2. Audit and legal fees;
3. Fees of custodian bank;
4. cost of printing and delivering notices, reports, proxies and other communication material for existing shareholder;
5. Fees of transfer agent;
6. Taxes, including income taxes, documentary stamp taxes and license fees as may be required by law or by the rules and regulations of the SEC; and
7. Management, distribution and administration fees computed in accordance with the Management, Distribution and Administration Agreement between the Fund and the Investment Company Adviser.
8. Licensing fees.

Investment Objective, Policy and Restrictions

The Fund seeks long-term return from the historical outperformance of listed Philippine consumer equities versus several economic benchmarks which may include the main market index of the Philippine equities market, PSEi. Its investment objective is classified as a moderate pure equity risk.

The Fund is an open-ended mutual fund designed to provide total returns consisting of dividend income and long-term capital appreciation through investment in equity securities of a consumer index. The Fund will invest almost 100% of its assets in equities. Its investment objective is classified as a moderate pure equity risk. It shall employ a “passive” or indexing approach to try to achieve the Fund’s investment objective (see page 29).

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 subject to the provisions of Republic Act No. 7042, as amended by Republic Act No. 8179, otherwise known as the Foreign Investments Act.

Purchase of the shares of the Fund may be restricted by law in certain jurisdictions. 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.

Minimum Investment

The minimum initial investment shall be Five Thousand Pesos (₱5,000.00) and the minimum additional investments shall be One Thousand Pesos (₱1,000.00). All sales shall be on cash basis and installment sales are prohibited.

NAV and NAVps

The NAV and the NAVps of the Fund are computed daily at the end of each business day. The NAV is the aggregate value of the Fund as determined by the market value of its underlying securities holdings, including any cash in the portfolio, interest receivables, dividend receivables, less liabilities such as taxes, accrued fees and expenses. The NAVps is determined by dividing the NAV by the total number of its outstanding shares. The NAV and NAVps of the Fund will be published on the website of the Fund the following business day.

Redemption Price

The price of securities surrendered for redemption within the daily cut-off time shall be the NAV per share (“NAVPS”) of the same banking day while those surrendered after the daily cut-off time shall be deemed to have been received on the next banking day and will be processed accordingly. Payment shall be made no later than seven (7) banking days from receipt of redemption request.

Daily Cut-Off Time

The daily cut-off time for the reckoning of the date of submission of the subscription application or redemption shall be 12:00 noon cut-off for over-the-counter (cash and check), while 1:30 p.m. cut-off for online and bills payment (cash and check). If the application is received on or before the said cut-off time, the shares shall be valued based on the NAVPS for the same banking day. For applications received after the cut-off time, they shall be deemed to have been received the following banking day and shall be valued based on the NAVPS of that day.

Sales Load Fee

The sales load fee shall be a maximum of five percent (5.0%) of the value of investment made at any one time by an investor.

Redemption Charge

Retention Period	Fee
Less than 6 months	1.0%
6 months and beyond	nil

Risks of Investing

An investment in the Fund is not insured or guaranteed by the Philippine Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of its investments, it is possible to lose money by investing in the Fund. The Fund's return will change as a result of movements in the market and other macroeconomic factors. No single fund is intended to be a complete investment program, but individual funds, such as this Fund, can be an important part of a balanced and diversified investment program. Mutual funds have the following general risks: returns may vary, the investor may lose money, and the investor cannot be certain that the Fund will achieve its investment objective. The Company has enumerated the general risks under "Risk Factors" on page 12.

Risk Factors

Various risk factors can affect the market value of the assets of the Fund and cause the Fund's net asset value to vary. Consequently, there are instances where redemption prices of redeemed shares may be less than the prices at which the shares were originally purchased. Investors who redeem their shares during this time may not recover the full cost of their investment.

The following are the risks factors in the order of importance:

General Risk Warning

- The price of securities can and does fluctuate,
- Any individual security may experience upward or downward movements, and may approach valueless levels. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- Past performance does not guarantee to future returns.
- There is an extra risk of losing money when securities are bought from smaller companies. There may be a big difference between the buying and selling price of these securities.
- An investor deals in a range of investments of each of which may carry a different level of risk.

Prudence Required

The risk disclosure does not purport to disclose all the risks and other significant aspects 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 the issuer thereof from the Commission which are available to the public.

Professional Advice

An 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 specially those high risk securities.

Market Risk

The Fund's investments in equity securities may decline in value due to factors affecting securities markets generally, or particular countries, segments, economic sectors, industries, or companies within those markets.

The value of a security may decline due to general economic and market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions or changes in interest or currency rates or political or peace and order situations. Downward fluctuations in the value of securities in which the Fund invests will cause the NAV of the Fund to decline. Historically, the markets have moved in cycles and the value of the Fund's securities and other financial instruments may move drastically up or down from day to day.

To mitigate this risk, the fund manager will endeavor to maintain a high Sharpe ratio which will be in keeping with the objective of being faithful to the tracked index. The Sharpe ratio is calculated as follows:

$$\text{Sharpe ratio} = (\text{Mean portfolio return} - \text{Risk-free rate}) / \text{Standard deviation of portfolio return}$$

The Sharpe ratio guides the portfolio manager from taking more risk. A low ratio indicates that the portfolio is exposed to higher risk.

The fund manager shall periodically simulate an ex-ante Sharpe ratio using expected returns to give guidance on future portfolio movements. The fund manager shall also routinely calculate the historical Sharpe ratio using realized returns.

Index Risk

The Fund is subject to the risk that the Underlying Index may underperform vis-à-vis the other segments of the equity market or the equity market as a whole.

The Index shall be evaluated for rebalancing every three (3) months. The returns of the Fund may be affected by such rebalancing. Investors must be aware that the index we are following is different from the PSEi and performance may not be the same. This is a risk that the investor must take since it is the choice of the investor to participate in tracking this index.

Liquidity Risk

Although the Index shall be comprised of securities included in the main board of the PSE, and has been screened based on market capitalization and liquidity criteria, in certain circumstances, it may be difficult for the Fund to purchase and sell particular investments within a reasonable time at a fair price. In addition, the ability to assign an accurate daily value to certain investments may sometimes be difficult, and the Fund Manager may be required to fair value the investments.

However, since one of the criteria for selection is that a constituent stock must have a history of above average trading volume over the prior three months, any liquidity risk will be mitigated in every three month period.

Tracking Error Risk

Tracking error is the divergence of the Fund's performance from that of the index it tracks. Tracking error may occur due to the differences between the securities held in the Fund's portfolio and those included in the index, pricing differences, transaction costs, the Fund's holding of cash, differences in timing of the accrual of dividends, changes to the Underlying Index or the need to meet various new or existing regulatory requirements. This risk may be heightened during times of increases market volatility or other unusual market conditions. Tracking error may also result due to the fees and expenses which are incurred by the Fund.

FAMI has had a strong track record of securing a very low tracking error through the FMETF which enjoyed a tracking error of 0.15% to 0.04% since inception in December 2013. Tracking error risk is fully mitigated by daily calculations and daily potential adjustments. However, in order not to increase expense ratios, portfolio movements will be executed only when tracking error threatens to widen significantly.

Trading Halt Risk

Trading of the shares included in the Underlying Index may be halted or suspended by the PSE because of market conditions or other reasons. If a trading halt or suspension occurs, a shareholder may still redeem shares of the fund on the same day based on latest valuation. Essentially, there is no risk to the investor in this case since investors will be able to redeem shares at NAVPS.

Manager risk

Being an index fund, the performance indicator of the Fund Manager is the ability to track the particular index with as little tracking error as possible. The board of directors of the issuer will see to it that the all investment policies and restrictions enumerated in this prospectus are strictly followed. The board will meet more often to continually monitor the investment manager's performance in this area.

No single fund is intended to be a complete investment program, but individual funds, such as this Fund, can be an important part of a diversified investment program. Mutual funds have the following general risks: returns may vary, the investor may lose money, and the investor cannot be certain that the Fund will achieve its investment objective. However, daily monitoring of the portfolio's tracking error can mitigate manager risk since any divergence from the tracked index can be responded to very quickly.

Interest rate risk

The fund is indirectly exposed to interest rate risk only to the extent that the interest rate outlook affects the forward valuation of the stocks in the portfolio. The fund does not at all invest in long-term bonds or long-term fixed income instruments, and any interest rate risk is merely coincidental and have no direct correlation with the behavior of the portfolio.

Credit risk

Credit risk (also called default risk) is the risk that the issuer of the security will not be able to make principal and interest payment on a debt issue. Given that this is an index fund, it will only invest in the constituent stocks of the index. It will not invest in debt instruments, and therefore, has no direct credit risk.

Non-Diversification Risk

Being an index fund which is required to invest in a minimum variety of stocks numbering at least eighteen (18) issues as seen in the description of the consumer index, the fund is automatically diversified into the required number of issues.

Passive Investment Risk

The Fund is not actively managed and the Fund Manager may not attempt to take defensive positions in declining markets. Therefore, the Fund may be subject to greater losses in a declining market compared to a fund that is actively managed. This, however, is the nature of a tracker fund. Investors need to understand that the fund manager will do as best as he can to track the behavior of the index.

Absence of Operating History

The Fund is a start-up company and may also be affected by risks associated with companies that do not have operating histories. However, people and companies behind the Fund have actual experience and track record in mutual funds and other financial institutions. The fund managers were awarded the best performing equity fund for the ten-year period ending 2015.

The investors should be aware that their investment in mutual funds is not guaranteed by the Philippine Deposit Insurance Corporation. The Fund Manager is also not permitted by law to guarantee any yield to the investors of the Fund.

Risks Relating to the Philippines

Substantially all of the Fund's component securities are shares of companies based in the Philippines, which exposes the Fund to risks associated with the country, including the performance of the Philippine economy. Factors that may adversely affect the Philippine economy include: 1) decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally; 2) scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally; 3) exchange rate fluctuations; 4) inflation or increases in interest rates; 5) levels of employment, consumer confidence and income; 6) changes in the Philippine government's fiscal and regulatory policies; 7) re-emergence of Severe Acute Respiratory Syndrome (SARS) or avian influenza (bird flu), Middle East respiratory syndrome coronavirus (commonly known as MERS-CoV) or the emergence of another similar disease in the Philippines or in other countries in Southeast Asia such as the Zika virus; 8) natural disasters, including but not limited to, tsunamis, typhoons, earthquakes, floods, fires, and similar events; 9) political instability, terrorism, or military conflict in the Philippines, other countries in the region or globally; 10) other regulatory, political, or economic developments in or affecting the Philippines. There can be no assurance that the Philippines will achieve strong economic fundamentals in the future. Changes in the conditions of the Philippine economy could materially and adversely affect the performance of the Fund.

Adoption of PAS 39

Mark-to-market method in the valuation of marketable securities requires that the market price for all issues in the portfolio booked in the net assets of the Fund so that any profit or loss is reflected in the value of the Fund; hence the net asset value per share is always affected.

An index fund has the luxury of being automatically diversified across different issuers that are constituents of the index.

Prospective investors should carefully evaluate these risks as well as and in connection with the other information contained in this prospectus.

The Fund

Background and Purpose

The Issuer is a domestic corporation, incorporated on the 28th of April 2010 as Paradigm Global Growth Fund, Inc. The principal business address of the Fund is at the 18th Floor, PS Bank Center, 777 Paseo de Roxas Ave. corner Sedeño St., Makati City, with contact numbers (63-2) [891-2860].

Following the purchase by FAMI of PGGFI, the Fund has been renamed First Metro Consumer Fund on MSCI Philippines IMI, Inc. The new board and the stockholders approved the amendments to its Articles of Incorporation, in separate meetings held on 9 June 2017, and 30 June 2017, respectively. The Application for Amendment of Articles of Incorporation is currently under process by the Corporate and Registration Monitoring Department of the SEC.

The Fund seeks long-term return from the historical outperformance of listed Philippine consumer equities versus several economic benchmarks including the main market index of the Philippine equities market, PSEi. The Fund uses a “passive” or indexing approach to try to achieve the Fund’s investment objective.

Investment Motivation and Philosophy

The Fund is both a sector and a thematic fund. It is a sector fund because it allows investors exposure to the benefits of the biggest pillar and a key engine of Philippine economic growth: the Philippines’ personal consumption expenditures (“PCE”). Contributing to three-quarters of the Gross Domestic Product (“GDP”) and growing by more than 5% annually in the last decade, the vastness of PCE has created a so-called Philippine consumer sector where leading industries and the country’s most profitable listed companies are found. The Fund is also a theme play as it takes advantage of the wealth effect filtering into consumption spending of the country’s Philippines’ new economic plan: President Duterte’s Ten-Point Socio-economic Program.

Investment Strategy

To maximize returns and achieve a well-focused consumer sector exposure, the Fund’s investment allocation will track an Underlying Index to be known as the “MSCI-FMIC Consumer Stock Index” that was especially constructed to filter the most fundamentally-sound and liquid consumer equities in the local bourse in partnership with MSCI, a globally-renowned index provider. Because the index is market capitalization weighted and free-float adjusted, it represents a measure of the performance of Philippine-traded stocks of consumer-related companies in the Philippines. The components of the Underlying Index, and the degree to which these components represent certain industries, are likely to change over time. Weights of individual stocks in the Underlying Index will reflect market conditions as they are driven primarily by free-float adjusted market capitalization and other factors embodied by the MSCI index calculation methodology. The Fund will have flexibility in determining individual stock weightings as it deems fit but will maintain a tracking error to ensure it closely follows the index performance.

Indexing Strategy

The Fund’s indexing strategy would be that of representative sampling which involves investing in a representative sample of securities that mirror the Philippine industries driven by the consumer sector which shall be termed as the Philippine Consumer Sector. The portfolio will have an investment profile that aims to reflect the performance of the Underlying Index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as percentages of consumer revenue exposure for non-banks and consumer loan exposure for banks) and liquidity measures (free-float, average daily value traded and annual traded value ratio) that comply to the requirements of the Underlying Index.

Advantages of the Indexing Approach

The advantage of indexing is that it reduces some of the risks of active management of a fund, such as poor security selection and investing only in index constituents with proven historical performance based on long-term back tested results. Indexing is also seen to achieve lower costs and better after-tax performance by keeping portfolio turnover low in comparison to actively-managed investment companies.

Index Composition

The Underlying Index comprise eighteen (18) stocks which include listed Philippine equity securities that have revenue exposure to key Philippine industry sectors, benefitting from the structure of Philippine family consumption expenditures. It may include large-, mid-, or small-capitalization companies that are members or non-members of the PSEi. As such, the index comprises companies in the following industry categories: banking, food and beverage, utilities such as electricity and water distribution, property development, retail leasing, and food service. Some of these companies are conglomerates that have business across several industries, operating subsidiaries of diversified conglomerates and utilities that have linkages to power generation subsidiaries. The same constituent stocks have a total market cap weight equal to one half of the PSEi, which makes it highly differentiated from the PSEi and as such has potential for outperformance vs the PSEi.

Index Construction

In creating the Underlying Index, First Metro partnered with globally-renowned index provider, MSCI, whose universe of forty-four (44) stocks comprising the MSCI Philippine Investable Market Index (MSCI IMI) was the starting point of the consumer stock selection (see Table 1). The broadest stock classifications are *consumer discretionary* and *consumer staple* stocks. Consumer discretionary companies are those whose products are bought by consumers outside of their basic needs and whose demand are driven by wealth effects or that part of disposable income that is over and above expenses allocated for basic necessities. On the other hand, consumer staples are those companies whose products and services form part of the basic necessities and thus, their consumption are immediate and not postponable. From the 44 IMI stocks of the MSCI, stock exclusions were made based on a set of criteria that includes percentage of revenues driven by the basic family consumption expenditure structure which is at least 30% of total revenues for non-banks and at least a 20% share for the banks' consumer loan portfolio to their total loan portfolio.

The stock screening yielded two sets of consumer-oriented company types: the *pure* consumer companies and the *hybrid* consumer companies. Pure consumer companies have revenue streams that come purely 100% from consumption, i.e., total revenue = consumer revenue. On the other hand, hybrid companies have consumer revenues making up only the abovementioned minimum revenue exposure. They may thus have a more diluted mix of revenues from various industry exposures that are not necessarily consumer-driven.

The index carries the free-float adjusted market cap weighting of the constituent stocks.

Index Weighting

For the index weighting, pure stocks' fund weight is according to its free-float adjusted market cap

On the other hand, weight of hybrid stocks is market cap adjusted according to: 1) Consumer portion of entire revenue, and; 2) Free-float %. (see table below for final weighting).

MSCI-FMIC Consumer Stock Index Components

	Company Name	Ticker	PSEi / Non-PSEi	Sector	Index Weight
1	Ayala Corporation	AC	PSEi	Financials	10.0%
2	Ayala Land, Inc.	ALI	PSEi	Real Estate	13.3%
3	Bank of the Philippine Islands	BPI	PSEi	Financials	10.7%
4	BDO Unibank	BDO	PSEi	Financials	7.3%
5	D&L Industries	DNL	PSEi	Materials	1.2%
6	Globe Telecom	GLO	PSEi	Services	2.5%
7	GT Capital Holdings	GTCAP	PSEi	Financials	5.2%
8	Jollibee Foods Corporation	JFC	PSEi	Consumer Discretionary	5.3%
9	Megaworld Corporation	MEG	PSEi	Real Estate	2.1%
10	Metro Pacific Investment	MPI	PSEi	Financials	4.5%
11	Metropolitan Bank & Trust Company	MBT	PSEi	Financials	6.8%
12	PLDT	TEL	PSEi	Services	7.3%
13	Robinsons Land Corporation	RLC	PSEi	Real Estate	2.2%
14	SM Prime Holdings	SMPH	PSEi	Real Estate	11.8%
15	Universal Robina Corporation	URC	PSEi	Consumer Staples	8.3%
16	Cebu Air	CEB	Non-PSEi	Industrials	1.0%
17	Century Pacific Food	CNPF	Non-PSEi	Consumer Staples	0.6%
18	Security Bank Corporation	SECB	Non-PSEi	Financials	0.6%
	TOTAL				100.7%

Index Back-testing and Rebalancing

For performance analysis, stock performances of PSE-listed stocks over a 5-yr and a 10-yr period were examined. The portfolio was back-tested from 2012 and 2007, respectively, to November 11, 2016, and rebalanced annually starting end-2006 and end-2011.

The Underlying Index will then be rebalanced quarterly for stock exclusions and inclusions. These will only involve names confined to the 44 MSCI IMI members, which by virtue of its being an index owned and maintained by MSCI, in itself, is subject to a quarterly review. Thus the 44 stock universe could change over time as well. Events materially affecting constituent stocks and companies in terms of their liquidity, market cap weighting, foreign ownership --in general their global investibility -- will be factored in the screening during each rebalancing. The Index Provider determines the composition and relative weightings of the securities in the Underlying Index and publishes information regarding the market value of the Underlying Index.

Shown below is the fund's total returns compared to the Philippine Stock Exchange index (PSEi), the Philippine's GDP growth, inflation, peso-dollar exchange, and OFW remittances growth for the 5-yr period starting 2012.

Note that the Consumer Index's total returns for the five (5) year period significantly (2012 – 2016) outpaced the PSEi's total returns at 160% to 83%, respectively. In the sample period of ten (10) years (2007-2016), the index outperformed the PSEi, at 342% to 217%

Capitalization and Ownership

The Fund's authorized capital is Two Million Pesos (Php2,000,000.00), composed of Two Hundred Million (200,000,000) common shares with a par value of Php0.01 per share.

Initially, the Company had an initial paid-up capital of Five Hundred Thousand Pesos (Php500,000.00), which was subscribed by the following:

Name	Nationality	Number of shares subscribed	Amount subscribed (in Php)	Ownership in Percentage (%)
Paradigm Investment Management Limited	Hong Kong	49,999,100	499,991	99.998%
Lorna G. Rapi	Filipino	100	99	0.020%
Myrna F. Limpin	Filipino	100	99	0.020%
Rodolfo I. Bernabe	Filipino	100	99	0.020%
Ruben L. Ilagan	Filipino	100	99	0.020%
Stephen P. Herrera	Filipino	100	99	0.020%
Rolando R. Peña, Jr.	Filipino	100	99	0.020%
Michael V. Bernabe	Filipino	100	99	0.020%
Wenifreda T. Efe	Filipino	100	99	0.020%
Kathrine D. Aguilar	Filipino	100	99	0.020%
TOTAL		50,000,000	500,000	100.000%

Each share of stock of the Fund is a voting stock with voting rights equal to every other outstanding share of stock and subject to the following:

- **Right of Redemption** – The holder of any shares of stock of the Fund, upon presentation to the Fund or to any of the Fund's duly authorized representatives of the Confirmation Receipt or stock certificate, and upon filing 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. The Fund's Articles of Incorporation further provide that any part of such stock or other securities may at any time be issued, optioned for sale, and sold or disposed of by the Fund pursuant to the resolution of its Board of Directors, to such persons and upon such terms as the Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders.
- **Restrictions on Transfer** – No transfer of stock of the Fund's stock, which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the books of the Fund.
- **Distribution of Dividends** - The Board of Directors of the Fund may decide to declare dividends from the unrestricted retained earnings of the Fund at a time and percentage as the same Board may deem proper and in accordance with the Law.

The Fund may declare or pay dividends but limit those dividends to come from the Fund's accumulated undistributed net income, determined in accordance with PFRS and including profits or losses realized upon the sale of securities from the Fund's earned surplus so determined for the current or preceding fiscal year.

As provided for in the Fund's By-Laws, the Board of Directors may make arrangements with its stockholders whereby the amount of unrestricted retained earnings not declared as cash dividends and/or other distributions may be reinvested in the Fund's basket of securities in lieu of cash dividends to be paid to the stockholders. The arrangement with shareholders shall be such that the aforementioned amount of unrestricted retained earnings of dividends to be reinvested in the Fund's basket of securities shall be declared as stock dividends in accordance with the law and value at the NAVps of the Fund at the time said stock dividends are paid.

The Board of Directors of the Fund intends to declare as cash dividends a minimum of ten percent (10%) of the amount of the unrestricted retained earnings of the Fund based on the latest audited financial statement of the Fund; Provided, that the Board shall pass the appropriate Board resolution covering any dividend declaration, and such dividend declaration shall be disclosed to the SEC and the Fund's website.

Properties

The issuer does not own any properties (such as real estate, plant and equipment, mines, patents, etc.).

Market Information

There is no principal market where the Fund's shares will be traded, not even in the Philippine Stock Exchange due to its nature as an open-end investment company. The Fund's shares shall be sold through its appointed Principal Distributor and sub-distributors.

Market Price

Below is the list of Net Asset Value per Share (NAVPS) of the Fund for the years 2014 to 2017.

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2017	Highest	(1.2494)	(1.4140)	(1.5557)	
	Lowest	(1.4088)	(1.5502)	(1.7933)	
2016	Highest	(0.6404)	(0.8233)	(0.9713)	(1.1057)
	Lowest	(0.7652)	(0.9660)	(1.1006)	(1.2435)
2015	Highest	(0.0123)	(0.0123)	(0.0123)	(0.0197)
	Lowest	(0.0123)	(0.0123)	(0.0172)	(0.6400)
2014	Highest				(0.0123)
	Lowest				(0.0123)

Holders

As of September 30, 2017, there are six shareholders of the Fund's common stock. Shown below are the list of shareholders, including the number of shares and percentage of ownership held by each.

NO.	NAME	NO. OF SHARES	PERCENTAGE OF OWNERSHIP
1	First Metro Asset Management, Inc.	499,995	99.9990%
2	Bro. Manuel V. De Leon	1	0.0002%
3	Eduardo S. Mendiola	1	0.0002%
4	Bernadette M. Nepomuceno	1	0.0002%
5	Amb. Romualdo A. Ong	1	0.0002%
6	Fr. Roderick C. Salazar	1	0.0002%

**Computed based on outstanding shares*

Affiliated Companies

First Metro Asset Management, Inc. (FAMI) is the majority shareholder, and is also the Investment Manager, Administrator, and Principal Distributor of other investment companies (namely: First Metro Save & Learn Equity Fund, First Metro Save & Learn Fixed-Income Fund, First Metro Save & Learn Balanced Fund, First Metro Save & Learn Dollar Bond Fund, and First Metro Asia Focus Equity);

Dividend Policy

The Corporation Code generally requires a Philippine corporation with surplus profits in excess of 100% of its paid-up capital to declare and distribute such surplus to its shareholders in the form of dividends. Notwithstanding this general requirement, 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 probably contingencies.

The Board of Directors of the Fund has adopted a policy, consistent with the Fund's objective of capital appreciation, to retain the surplus profits of the Fund in the retained earnings account. Such accumulation is reflected in the computation of the net asset value per share. Shareholders realize their gains when shares are redeemed. To date, there have been no distributions of dividends to shareholders. The Board of Directors of the Fund may amend the dividend policy as conditions warrant. In said event, the declaration of cash dividends is subject to the restriction that no dividends will be declared that will impair the capital stock of the company.

The Board of Directors of the Fund may decide to declare dividends from the unrestricted retained earnings of the Fund at a time and percentage as the same Board may deem proper and in accordance with law. If dividends are to be declared, the computation and distribution shall be proportionate to the holdings or ownership of each of the stockholders.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements of Financial Position

	As of		Increase (Decrease)	
	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)	Amount	%
ASSETS				
Cash	₱50,001	₱1	₱50,000	50,000.0%
LIABILITIES				
Accrued expenses and other liabilities	₱946,649	₱621,755	₱324,894	52.3%
EQUITY				
Capital stock	5,000	5,000	–	0.0%
Deficit	(901,648)	(626,754)	(274,894)	43.9%
	(896,648)	(621,754)	(274,894)	44.2%
	₱50,001	₱1	₱50,000	5,000,000.0%

Statements of Comprehensive Income

	For the Period Ended September 30		Increase (Decrease)	
	2017 (Unaudited)	2016 (Unaudited)	Amount	%
EXPENSES				
Directors' and officers' fees	₱176,500	₱174,500	₱2,000	1.1%
Professional fees	73,678	41,580	32,098	77.2%
Taxes and licenses	12,620	5,550	7,070	127.4%
Miscellaneous	12,096	8,635	3,461	40.1%
	274,894	230,265	44,629	19.4%
LOSS BEFORE FINAL TAX	(274,894)	(230,265)	(44,629)	(19.4%)
PROVISION FOR FINAL TAX	–	–	–	0.0%
TOTAL COMPREHENSIVE INCOME (LOSS)*	(₱274,894)	(₱230,265)	(₱44,629)	(19.4%)

*There are no other comprehensive income items as of September 30, 2017 and 2016.

Financial Position (September 30, 2017 vs. December 31, 2016)

Cash

This account consists of cash on hand amounting to ₱50,001 and ₱1 as of September 30, 2017 and December 31, 2016.

Accrued expenses and other liabilities

Accrued expenses and other liabilities increased by 52.3% or ₱324,894 from ₱621,755 to ₱946,649 as of December 31, 2016 and September 30, 2017, respectively. The change in the account was due to the accrual of professional fees for annual statutory audit, and payable to FAMI for the operating expenses incurred by the Fund.

Equity Capital Stock

The Fund's authorized and issued capital stock follow:

	September 30, 2017		December 31, 2016	
	Shares	Amount	Shares	Amount
Common - ₱0.01 par value				
Authorized	200,000,000	₱2,000,000	200,000,000	₱2,000,000
Issued and outstanding	500,000	5,000	500,000	5,000

The Fund considers total equity as capital. Its objectives for managing capital are: (a) to invest the capital in investments meeting the description risk exposure indicated in its prospectus; (b) to achieve consistent returns while safeguarding capital; and (c) to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.

NAV per Share

	September 30, 2017	December 31, 2016
NAV attributable to holders of redeemable shares	(₱896,648)	(₱621,754)
Number of redeemable shares	500,000	500,000
Balance at end of the year	(₱1.7933)	(₱1.2435)

Deficit went up by ₱274,894 as a result of the loss incurred for the period ended September 30, 2017.

Results of Operations (January 1– September 30, 2017 vs. January 1– September 30, 2016)

The Fund realized a net loss of ₱274,894 for the period ended September 30, 2017.

The details of the expenses incurred are as follows:

Directors' and officers' fees

Directors and officers fees amounting to ₱176,500 consist of per diems paid to directors and officers for their attendance in quarterly and annual meetings.

Professional fees

This account pertains to audit fee accrued for the period.

Taxes and licenses

This account pertains to BIR registration fee and payment for the amendment of registration statement or prospectus of the Fund.

Miscellaneous expense

Miscellaneous expense includes notarial fess and transportation allowances of directors.

Key Performance Indicators

Net Asset Value Per Share - Net Asset Value per share amounted to (₱1.7933) and (₱1.2435) as of September 30, 2017 and December 31, 2016, respectively.

Sales for the period - The Fund had no sales for the period ended September 30, 2017.

Redemptions for the period - The Fund had no redemption for the period ended September 30, 2017.

Net Income vs. Benchmark – The Fund incurred a net loss of ₱274,894 and ₱230,265 for the periods ended September 30, 2017 and December 31, 2016, respectively.

Market Share vs. Benchmark – As of September 30, 2017, the Fund held no share in the Index Fund Local Currency denominated category and among all mutual funds in terms of net assets. On the basis of account holders, the Fund has six outstanding accounts.

Discussion and analysis of material events and/or uncertainties

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.

Financial Soundness Indicators

The following basic ratios measure the financial performance of the Company for the periods ended September 30, 2017 and December 31, 2016.

Performance Indicators	September 30, 2017	December 31, 2016
Return on Assets ^{1/}	n.a.	n.a.
Return on Equity ^{2/}	n.a.	n.a.
Cost to Income Ratio ^{3/}	n.a.	n.a.
Net Asset Value Per Unit ^{4/}	(₱1.7933)	(₱1.2435)
Earnings Per Share ^{5/}	n.a.	n.a.

^{1/} Net Income over average assets. Average assets for year ended September 30 were computed based on the average of the beginning and ending balances.

^{2/} Net Income over average equity. Average equity for year ended September 30 was computed based on the average of the beginning and ending balances.

^{3/} Operating expenses for the cost-to-income ratios do not include provision for probable losses and provision for income taxes.

^{4/} Net asset value per unit by deducting total liabilities from total assets to come up with the Net Assets and dividing with the outstanding number of shares for the year.

^{5/} Net income divided by weighted average number of common shares

Directors and Officers of the Fund

Currently, the Board of Directors of the Fund consists of five (5) members, of which (2) are independent directors. The table below presents certain information pertaining to the members of the Board and senior management.

Name	Age	Position
Robert T. Yu*	71	Director/President
Eduardo S. Mendiola	60	Director/Chairman
Augusto M. Cosio*	65	Director
Bernadette M. Nepomuceno	64	Independent Director
Victor G. Garlitos	68	Independent Director

*Elected June 30, 2017.

The table below presents certain information pertaining to the Fund's executive officers.

Name	Age	Position
Edwin B. Valeroso	53	Vice President
Jonathan T. Tabac	62	Compliance Officer
Nimfa B. Pastrana	55	Corporate Secretary
Marie Arabella D. Veron	56	Treasurer
Rey DC Erlano	54	Asst. Treasurer

Robert T. Yu, 71, Filipino, President. Term of office is one year. Robert Yu is the Vice Chairman of First Metro Securities Brokerage Corporation. He was also appointed as Director in 2011 after his stint as the company's President in 2010. He concurrently serves as Director and Vice Chairman of Charter Ping An Insurance Corporation, and Executive Director of PG Progress Marketing Corporation. He previously served at the Senior Management level in various industrial corporations. Robert Yu has a Bachelor's degree in Commerce from the University of the East.

Eduardo S. Mendiola, 60, Filipino, Chairman. Term of office is one year. Mr. Mendiola has been serving as a member of the Board of Director and President of the following companies since June 2015 to the present: First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc. and Paradigm Global Growth Fund, Inc. He is a career Executive Service officer II and held the position of Deputy Treasurer of the Philippines from 1994 to 2013. Prior to his appointment as Deputy Treasurer, he held various positions in the Bureau of the Treasury from 1982-1993. He attended various trainings and conferences abroad on capital markets, development of financial system in the ASEAN, financial market analysis, and fiscal discipline among others.

Mr. Mendiola received the Most Outstanding "Dangal ng Trinity Award for Financial Administration" by Trinity University of Asia in 2009, and Distinguished Alumnus of Pamantasan ng Lungsod ng Maynila in 2005.

He finished his BS Statistics at the University of the East. He also completed a Master's in Business Administration from Pamantasan ng Lungsod ng Maynila.

Augusto M. Cosio, 65, Filipino. Director. Mr. Cosio assumed his position as Director in June 2017. Term of office is one (1) year. He has been a member of the First Metro Investment Corporation (FMIC) Investment committee since 2008. In FMIC he held the position of Vice President from September 2006-2008.

Mr. Cosio has had extensive experience in investments and the capital markets both locally and internationally. He served as consultant to the Mutual Fund Company of the Philippines (Kabuhayan Fund) from 2005 to 2006 and with the GSIS Mutual Fund (Kinabukasan Fund) from 2003 to 2003. He was Vice President at Bank Austria Private Banking in Hong Kong from 2000 to 2001 managing portfolios for private clients. He was previously, President of PNB Securities Inc. (1997 to 2000), a nominee and a member of the board of the Philippine Stock Exchange (1999).

He had been an international capital markets practitioner from 1977 to 1994 having been connected with Banque Nationale de Paris (1977 to 1981) and Banque Paribas (1984 to 1994), the predecessors of the present BNP Paribas. Gus worked in Hong Kong and Singapore for the Paribas capital markets group.

He is also a resource speaker for fixed income courses at the Ateneo Center for Continuing Education and the University of Asia and the Pacific as well as for the PSE Certified Securities Specialist Course. He pursued his course of AB Social science at the University of the Philippines finishing in 1974. He received further training in international capital markets through seminars and courses conducted by BNP and Banque Paribas in London, Paris, Tokyo in New York.

Bernadette M. Nepomuceno, 64 years old, Filipino, Independent Director. Term of office is one year. Ms. Nepomuceno is also an Independent Director First Metro Save & Learn Fixed-Income Fund, Inc. (since August 2012 - Present), First Metro Save and Learn Balanced Fund, Inc. (since August 2012 -Present), First Metro Save and Learn Dollar Bond Fund, Inc. (since August 2012 - Present), First Metro Asia Focus Equity Fund, Inc. (since August 2012). Ms. Nepomuceno is the President of Private Education Retirement Annuity Association (PERAA) (from 2007-present). Among her past positions during the last five years, she was the President of Holy Angel University (1994-August 2006); Board of Directors, Philippine Association of Colleges and Universities (1995-2006); Board of Directors, Coordinating Council of Private Education Association (2003-2006), among her other affiliations, includes: President, Sophia (Association of Women Presidents/Chancellors of Private Colleges & Universities, Inc.); Member, Technical Working Group on Management Development Program; CHED, Member, Ethics Committee, Lung Center of the Philippines; Board of Trustees, Private Education Retirement Annuity Association, Accreditor, Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU), Founding member, Friends of Jung. She is also a Psychotherapist in a Private Practice (2001-present). Ms. Nepomuceno has a Bachelor of Arts degree in Psychology from the University of the Philippines (1972). She also has a Masters in Psychology, major in Social Psychology, Ateneo de Manila University (1998) (cand.). She took up Hypnotherapy, Psychology of Carl Jung.

Victor G. Garlitos, 68 years old, Filipino, Independent Director. Term of office is one year. He took up BSC-Economics in San Beda College from 1968 to 1972 and took up his M.A. in Economics (Candidate) in University of the East from 1976 to 1980. He was with Fund Managers Association of the Philippines from 2000 to 2014. He was also an Executive Officer of the BSP Provident Fund Board of Trustees from 1994 to 2001, and a Member of the BSP Provident Fund Board of Trustees in 1993-1994, and 2002-2014. Mr. Garlitos spent many years in Government Service and has the following Civil Service eligibilities: Economist (1973), First Grade (1975), and CESO (1998).

Executive Officers

Atty. Nimfa B. Pastrana - 55 years old, Filipino, Corporate Secretary. Term of office is for one year. She is First Vice President, General Counsel, and Asst. Corporate Secretary of First Metro Investment Corporation (2001 to present). She is also the Corporate Secretary of First Metro Save & Learn Fixed Income Fund, Inc., (from May 2005 to present) First Metro Save & Learn Dollar Bond Fund, Inc. (from 2008 to present) First Metro Asia Focus Equity Fund, Inc. (from 2010 to present), First Metro Securities Brokerage Corporation (2004 to present), PBC Capital Investment Corporation (2004 to present), Prima Ventures Development Corporation and First Metro Asset Management Inc. She graduated from the University of the Philippines with a degree A.B. Philosophy and from San Beda College of Law with a Bachelor of Laws degree.

Mr. Jonathan T. Tabac - 62 years old, Filipino, Compliance Officer. Term of office is one year and has served as such since 2015. He is also the Compliance Officer of First Metro Investment Corporation, First

Metro Securities Brokerage Corporation, First Metro Save & Learn Fixed Income Fund, First Metro Save & Learn Equity Fund, and First Metro Asset Management, Inc (from May 2005 to present). He was AVP & Compliance Officer of Citystate Savings Bank (2002-2003), Vice President of Maybank Philippines (formerly PNB Republic Planters Bank)-1997-2001 and Chairman of the Board of RPB Provident Fund, Inc.(1997-2001) Mr. Tabac finished BSC-Accounting from University of Baguio and MBA units from the University of Santo Tomas. He is a Certified Public Accountant.

Ms. Marie Arabella D. Veron – 56 years old, Filipino, Treasurer. Term of office is one year and has served as such since 2015. Since July 2016, she serves as First Vice President and Head of Corporate Services and Finance Group/Director of First Metro Asset Management, Inc., She served as Controller and First Vice President of First Metro Investment Corporation up to from 1990-2016, Treasurer/Director of SBC Properties, Inc. (2003-2016), Treasurer of First Metro Save & Learn Fixed Income Fund, Inc., First Metro Save & Learn Equity Fund, First Metro Save and Learn Balanced Fund, Inc., First Metro Save & Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc. , Treasurer of PBC Capital Investment Corporation (2006-2016). She was formerly a manager of Metrobank Domestic Subsidiaries, held positions as Senior Auditor of Joaquin Cunanan & Co./Price Waterhouse (1980-1985) and of Philippine International Trading Corporation (1985-1990). Ms. Veron finished her Bachelor of Science Degree in Business Administration, major in Accounting from University of the East. She is a Certified Public Accountant and a Certified Management Accountant.

Dr. Edwin B. Valeroso - 53 years old, Filipino, Asst. Treasurer. Term of office is one year. He is First Vice President of First Metro Asset Management, Inc (from 2005-Present). He was the President of First Metro Save & Learn Balanced Fund (Jan 2007 to June 2011), First Metro Save & Learn Fixed Income Fund and First Metro Save & Learn Equity Fund (from May 2005 to June 2011), and President of First Metro Save and Learn Money Market Fund, Inc. (2008 to 2011). He is Vice President/Trustee/Corporate Secretary of Philippine Investment Funds Association, Inc. (2006-present) and an Associate Professorial Guest Lecturer at De La Salle University-Graduate School of Business (2000-2009). He was a Mutual Fund Strategist/Consultant at First Metro Investment Corp. (2004-2005). Mr. Valeroso has a BS Actuarial Mathematics degree from University of Santo Tomas, a Master's degree in Applied Mathematics from University of the Philippines, and a Doctor of Business Administration degree from De La Salle University-Manila. He is also an alumnus of the Trust Institute Foundation of the Philippines.

Mr. Rey DC. Erlano, 54 years old, Filipino. Term of office is one year. Since 2014 to date, he is the Assistant Treasurer of First Metro Save and Learn Equity Fund Inc., First Metro Save & Learn Fixed-Income Fund Inc., First Metro Save and Learn Balanced Fund Inc., First Metro Asia Focus Equity Fund Inc. and One Wealthy Nation, Inc. From 2014 to the present, he is the First Vice President and Chief Marketing Officer of First Metro Asset Management, Inc. He is an Assistant Treasurer for One Wealthy Nation, Inc (2014-Present). He served as Managing Partner of New York Life Philippines (2002-2005), Business Development Director/Manager of Generali Pilipinas Insurance Company (2005-2008) and Assistant Vice President – Agency Director of Manulife Philippines (2008-2014). He has a Bachelor of Science Degree in Mechanical Engineering from the University of the Philippines.

Significant Employee

There is no significant employee who is expected by the registrant to make a significant contribution to the business.

Family Relationship

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

Executive Compensation

Compensation of Directors and Officers

	Per Diem		
	2017 (est)	2016	2015
Directors	235,000	190,000	-
Executive Officers	82,000	47,500	-
Aggregate Annual Per Diem	317,000	237,500	-

The members of the Board of Directors of the Fund shall receive per diem for their attendance in regular or special meetings of the Board in the amount of ₱10,000 per Director for every actual meeting attended. The total amount of per diem for the year 2016 is ₱237,500 and nil in 2015 and 2014. The compensation for 2016 is composed of ₱190,000 and ₱47,500 for Directors and Executive Officers, respectively.

There is no employment contract between the Registrant and a named executive officer. There is no compensatory plan or arrangement, including payments to be received from the Registrant, with respect to a named executive officer in the event of resignation, retirement or any other termination of such officer's employment with the Registrant and its subsidiaries.

Legal Proceedings

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

- involved in any legal proceeding the past five (5) years that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or control person of the Registrant;
- involved in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- involved in or convicted by final judgment in any criminal proceeding, domestic or foreign, or subject to a pending criminal proceeding, foreign or domestic, excluding traffic violations and other minor offenses;
- subject to any order, judgment, or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the said judgment has not been reversed, suspended or vacated.

Security Ownership of Certain Record and Beneficial Owners

The following stockholder owns more than 5% of the common voting securities as of September 30, 2017:

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	% of Holdings
Common Shares	First Metro Asset Management, Inc. ¹ /Stockholder /18F PSBank Center 777 Paseo de Roxas cor. Sedeno St. Salcedo Village, Makati City	Same	Filipino	499,995	99.99%

^{1/} FAMI, is the registered owner of the shares in the books of the Company. The Board of Directors of FAMI has the right to appoint actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of FAMI is Mr. Augusto M. Cosio, Jr. or any other officer/s appointed by the Board. FAMI is the new owner of the fund pursuant to a Share Purchase Agreement consummated on February 2, 2015 with the exchange of consideration.

Security Ownership of Management

The security ownership of management as of (September 30, 2017) is as follows:

Title of Class	Name of Beneficial Owners	No. of shares held	Citizenship	Percent to Outstanding Shares
Common shares	First Metro Asset Management	499,995	Filipino	99.99%
Common shares	Bro. Manuel V. De Leon	1	Filipino	0.00%
Common shares	Eduardo S. Mendiola	1	Filipino	0.00%
Common shares	Bernadette M. Nepomuceno	1	Filipino	0.00%
Common shares	Amb. Romualdo A. Ong	1	Filipino	0.00%
Common shares	Fr. Roderick C. Salazar	1	Filipino	0.00%

Only FAMI owns more than 5% of the securities in the fund, as indicated above.

Mr. Augusto Cosio, as President of FAMI will vote on behalf of FAMI during the stockholder's meeting.

Certain Relationships and Related Transactions

FAMI, which is the Fund's majority shareholder as of date, is also its investment manager.

There are no material transactions with or involving the Fund or any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of the total outstanding shares, and any member of their immediate family had or is to have a direct or indirect material interest.

There are no transactions during the last two (2) years or proposed transactions, to which the Registrant was or is to be a party in which any of the Fund's directors, executive officers or stockholders had or is to have a direct or indirect material interest.

There are no transactions by any security holder named in response to Part IV, paragraph C of the Securities Regulation Code.

There are no transactions with promoters and there are no transactions that involve the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter, directly or indirectly, from the Issuer and the nature and amount of any assets, services or other consideration received or to be received by the Registrant. There are no transactions as to any acquired or to be acquired from a promoter.

Interest of Named Experts and Independent Counsel. Direct or Indirect Interest in Registrant

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

Compliance with the Investment Company Act

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 the members of the Board of Directors of the Fund are Filipino citizens and all shares of its capital stock are common and voting shares. The Articles of Incorporation of the Fund provide for the waiver of pre-emptive rights of stockholders.

Compliance with the Anti-Money Laundering Law and the proposed ICA Rule.

Mutual funds are now covered under the Anti-Money Laundering Law, hence the placements of investors that fall under covered transactions would need to be reported to the Anti-Money Laundering Council (AMLC). The proposed revisions to the Investment Company Act (ICA) would also impose stricter reportorial requirements and additional qualifications to solicitors should these be passed into law. The other provisions proposed under the new rules would align the ICA with global standards and practices, and will enable Philippine incorporated mutual funds to qualify and compete in international cross-border transactions.

Investment Policy

The Fund is an open-ended mutual fund designed to provide total returns consisting of dividend income and long-term capital appreciation through investment in equity securities.

Investment Guidelines and Restrictions

The company's investment objective is classified as a moderate, pure equity risk. It is an index fund which seeks returns through long-term capital appreciation by investing in equity securities of a particular index. The Fund will invest almost 100% of its assets in equities. ICA Rule 35-1 provides that an investment company shall not change its investment objective without prior approval of a majority of its shareholders.

For liquidity purposes, unless otherwise prescribed by the commission, at least 5% of an open-end company fund shall be invested in liquid/semi-liquid assets.

For this purpose, the term "equity securities" generally includes common stock, preferred stock and securities convertible into or exchangeable for such equity securities, such as convertible debentures and convertible preferred shares, or shares which carry warrants to purchase such securities.

The assets of the Fund shall be structured to replicate the consumer index and liquidity needs of the Fund, where its investments, denominated in Philippine Pesos.

Moreover-

1. The maximum investment of the Fund in any single enterprise shall be limited to fifteen percent (15%) of the Fund's NAV, except for investments in securities of the Philippine Government or its instrumentalities and, in no case, shall the total investment of the Fund exceed ten percent (10%) of the outstanding securities of any one investee company;
2. Pursuant to the governing rules and regulations of the SEC, the Fund shall not invest in any of the following: margin purchases of securities; commodity futures contracts; precious metals; unlimited liability investments; short-selling of currencies; short-selling of securities; and, other investments as the SEC shall, from time to time, prescribe;
3. 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 three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall at any time fall below 300%, the Fund shall within three (3) days thereafter, reduce the amount of borrowings to an extent that the asset coverage of such borrowings shall be at least 300%;
4. The Fund shall not participate in an underwriting or selling group in connection with the public distribution of securities, except for its own capital stock;
5. The Fund shall not invest in real estate properties and developments;
6. The Fund shall not invest in any company for the purpose of exercising control or management;

7. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its investment adviser/s, manager or distributor/s or firm/s of which any of them are members, any security other than the capital stock of the Fund;
8. The total operational expenses of the Fund shall not exceed ten percent (10%) of its average investment fund or net worth as shown in the previous year's audited financial statements;
9. The Fund shall focus on industries and enterprises with strong growth potentials 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;
10. The Fund shall not engage in lending operations without prior approval of the Board of Directors. Such approval shall be limited only to corporations or other entities, public or private, determined to be financially sound by the Board of Directors;
11. The Fund anticipates a gradual turnover in portfolio with the aim of ensuring the preservation of capital and liquidity.

Use of Proceeds

The proceeds from the sale of the 200,000,000 shares will be invested in listed shares included in the MSCI-FMIC Consumer Stock Index in accordance with the policies set forth in the sections headed "Investment Policy" and "Investment Guidelines and Restrictions."

Using the Net Asset Value per share of Php1.2435 as of December 31, 2016 for the 200 million shares, the total estimated gross proceeds to be raised by the offering is Php248,700,000. The gross proceeds from the sale of the shares of stock of the registrant shall be held by the Issuer's Custodian Bank. The shares to be offered are unlisted and will be traded through the over-the-counter market.

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.

The proceeds derived by the Fund from the sale of its shares including the payments for original subscriptions during incorporation shall be deposited and held by the Fund's Custodian Bank which is The Hong Kong and Shanghai Banking Corporation.

Expenses to be deducted from the Gross Proceeds

1. Management fees and administration fees in accordance with the Management, Distribution and Administration Agreement between the Fund and the Investment Company Adviser (up to 1.75% p.a. of average net assets or P362,688.00 monthly based on the NAVPS of P1.2435 as of December 31, 2016 for the 200 million shares).
2. Allowances of independent directors for every shareholders' and board meeting held (Approximately P317,000.00 yearly);
3. Audit and legal fees (P38,000.00 yearly);
4. Fees of custodian bank (approximately P10,000.00 per month);
5. Cost of printing and delivering notices, reports, proxies and other communication material for existing shareholder (P5,000.00 monthly);
6. Fees of transfer agent (approximately P8,000.00 per month);
7. Taxes, including income taxes, documentary stamp taxes of P1.00 per P200.00 par value and license fees as may be required by law or by the rules and regulations of the SEC (approximately P10,000.00 based total listing of 200,000,000 shares; and
8. Licensing Fees (approximately USD30,000.00 annually).

Plan of Distribution

The Fund has First Metro Asset Management, Inc. (FAMI) as principal distributor of its shares of stock and will not sell or agree to sell any shares of its capital stock except through FAMI. FAMI may set up a marketing network and accredit sub-distributors or agents to sell the shares. Accredited sub-distributors or agents are directly liable to FAMI. Heavy use of print advertisements will be part of the sales and marketing strategy.

The product being sold by the registrant, through FAMI, is its shares of stock, being a mutual fund company. The product will be sold to the public under the new owner once this Prospectus is approved. The registrant is a stock corporation which was incorporated on 28 April 2010.

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

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

FAMI's license as Fund Distributor was renewed last November 28, 2016, and will be due for renewal this November, 2017.

Competition

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

The Fund believes that the competition is in the area of investment performance and client services. Although there are no other consumer mutual funds yet in the Philippine market, the natural competitors will be in the index mutual funds. Currently, the big players in this category are BPI, Philam and Sunlife; they capture around 77% of the funds in the balanced fund category of the mutual fund industry. FAMI has approximately P12 billion in assets under management (AUM). Philam and Sunlife have big sales force and they have life insurance companies as affiliates which they also tap to market their mutual funds. They have big multinational financial institutions as their parent companies. They have longer track record and experience not only in the mutual fund industry but also in other financial products and services. The top three competitors substantially capture the local industry's market share.

The Fund will target potential clients all over the country with concentration in the major cities. The Fund will adopt a passive or indexing approach. It will fully utilize its present network, database, and available technology to its advantage.

The institutional funds of the target market (especially the bigger ones) evidently have access to almost all types of instruments locally available such as common trust funds (now unit investment trusts), pre-need plans, universal life products and other bank products. The retail funds and smaller institutional funds, however, are limited to simple bank products. Appropriately formulated marketing strategies, sales tactics and promotional activities will be employed to present the Fund ultimately close the sale and maintain the account.

Effect of existing governmental regulation

On PAS 39. Mark-to-market method of valuation, assesses both equity and debt instruments based on the current market price of those instruments. Therefore, the interplay of demand and supply of those instruments and other macroeconomic factors, i.e. level of prevailing interest rates, affect their prices. The changes in the prices will be reflected in the valuation of these instruments, hence reflected in the value of the net assets of Fund. The Fund's net asset value per share (NAVPS) is thus affected.

On Labor Concerns. The Registrant has no employees because all aspects of its operations and administration are subcontracted with FAMI, hence it has no risks as far as labor problems are concerned.

The marking-to-market method of valuation assesses both equity and debt instruments based on the current market price of those investment instruments. Therefore, the interplay of demand and supply of those instruments and other macroeconomic factors affect their prices. The changes in the prices of equities will be reflected in the value of the net assets of the Fund. The Fund's net asset value per share (NAVPS) is thus affected by this marking-to-market valuation.

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) bill into law will benefit the mutual fund industry.

Subscription Procedure

Investments in mutual funds are covered by the Anti-Money Laundering Law. A complete set of applicable Know-You-Customer (KYC) documents, including but not limited to Account Opening Form, Customer Data Sheet, Signature Card and copy of valid government-issued ID must be submitted together with the appropriate payment. 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 Investment Manager and Principal Distributor at the time, in the manner and subject to the conditions set forth in this Prospectus and the Application.

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 Articles of Incorporation of the Company provides, however, that no transfer of shares of stock of the Company which would reduce the stock ownership or equity interest of Filipino citizens to less than the percentage required by applicable laws or regulations shall be caused or allowed to be recorded in the proper books of the Fund. 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.

Purchase of the shares of the Fund may be restricted by law in certain jurisdictions. 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.

Requirements for Corporate Applicants

For Investors other than individuals, the following documents, in addition to the complete set of applicable Know-You-Customer (KYC) documents, including but not limited to Account Opening Form, Customer Data Sheet, Signature Card and copy of valid government-issued ID \ must be accomplished and shall be considered integral parts thereof: copy of the Investor's SEC Certificate of Registration, Articles of

Incorporation and By-Laws, latest Audited Financial Statement (AFS), and latest General Information Sheet (GIS); notarized corporate secretary's certificate setting forth the resolutions of the Investor's Board of Directors or equivalent body: authorizing the purchase of the shares of the Fund; designating the signatories for the purpose; and, certifying the percentage of capital stock held by non-Filipinos.

Minimum Investment

The minimum initial investment is FIVE THOUSAND PESOS (Php5,000.00) and subsequent investments shall be for a minimum of ONE THOUSAND PESOS (Php1,000.00).

Offering Price

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. Investment companies shall compute and post their NAVPS on a daily basis and shall publish such daily prices in newspapers of general circulation in the Philippines and shall post them daily in a conspicuous place at the principal office of the investment company as well as all its branches or correspondent offices which are designated redemption centers.

The daily cut-off time for the reckoning of the date of submission of the subscription application shall be 12:00 noon for over-the-counter (cash and check) and 1:30 p.m. for online and bills payment (cash and check). If the application is received on or before the said cut-off time, the shares shall be valued based on the net asset value (NAV) per share for the same banking day. For applications 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 shall be charged based on the total price of the application. The NAV per share shall be the computed difference between total assets of the Fund and its total liabilities divided by the number of shares outstanding.

Subscriptions must be paid in full upon submission of the application for subscription.

Acceptance of Investment Applications

Applications for the number of shares and the applicable NAV are subject to acceptance and approval by the Principal Distributor. The Principal Distributor reserves the right to reject, scale-down and re-allocate any application for the shares for whatever reason. Applications for which check payments are dishonored upon first presentment, as well as those which do not comply with the requirements set in this Prospectus and Conditions set in the application form, shall be rejected.

The Principal Distributor shall inform the Investor of such reduction or rejection within three (3) days after submission of the application.

Payment Terms

Subscriptions shall be paid in full upon submission of a duly accomplished and executed application. Payments must be made in the form of personal or corporate check or cashier's or manager's check, drawn against a bank account with a BSP authorized agent bank located in Metro Manila. All such checks must be made payable to "First Metro Consumer Fund, Inc." dated as of the date of the subscription, and remitted directly to the Principal Distributor at its principal office. A provisional receipt will be issued initially to the

Investor. Upon acceptance of the subscription or proof of payment by the Principal Distributor, a confirmation will be issued to confirm the purchase of the shares of the Fund and to likewise serve as the Investor's Official Receipt.

Refunds

Refunds of payments for any rejected or scaled-down applications shall be made without interest by the Principal Distributor not later than five (5) days after submission. The respective Investor shall receive a check, crossed "Payee's Account Only," or deposited directly to the nominated bank settlement account of the investor

Delivery of Stock Certificates

Each stockholder of the Fund is entitled to request a stock certificate representing ownership of the shares of the Fund. However, an Investor has an option not to request for stock certificates because the legal requirements for replacing lost certificates entail costly and lengthy procedures. Nevertheless, if an Investor still wants to receive a stock certificate, he must indicate so in the application. Stock certificates shall be made available to the Investor as soon as practicable at the office of the Transfer Agent. Any certificate that remains unclaimed for a period of thirty (30) days shall be mailed to the address specified in the application at the risk of the Investor.

Redemption of Shares

Investors in redeemable securities issued by an open-end investment company shall have the right to have their securities redeemed in accordance with the terms of the issue thereof and the procedures indicated in this prospectus. Payments for securities redeemed shall be effected within seven (7) banking days from receipt of the request for redemption, in accordance also to Sec 22(b) of the Investment Company Act. The Commission may, whenever necessary or appropriate in the public interest or for the protection of investors, suspend the redemption of securities of open-end companies. The investment company may establish a network of redemption centers acceptable to the Commission.

The holder of any shares of stock of the Fund, upon filing of the redemption request form, is entitled to receive by way of redemption approximately his proportionate share of the Company's current net assets or the cash equivalent thereof, i.e. the current NAV per share, subject to the existing laws and By-laws of the Company.

The NAV is then divided by the number of shares outstanding to arrive at the NAV per share.

For securities surrendered for redemption before the daily cut-off time of 12:00 noon, the price at which the Company's securities may be redeemed shall be computed based on the NAV per share on the banking day following the day when such request for redemption is received. Should the request for redemption be received after the said daily cut-off time, it shall be deemed to have been received on the following banking day, and the applicable NAV per share to be used as basis for redemption shall be that which shall be computed for the following banking day when such request for redemption is deemed to have been received.

There shall be no minimum holding period. However, redemption fees shall be deducted out of the redemption proceeds depending on the retention period of the investor as follows:

Retention Period	Fee
Less than 6 months	1.0%
6 months and beyond	nil

Payments for redeemed shares shall be effected within seven (7) banking days from receipt of the request for redemption.

The Fund shall not suspend the right of redemption or postpone the date of payment or satisfaction upon redemption of any redeemable security in accordance with the terms appearing in this Prospectus, for more than seven (7) banking days after the tender of such security to the Corporation, except on the instances prescribed by applicable Philippine laws or regulations.

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 recordkeeping, 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 sold on any business day. Mutual funds are required by law to buy, or redeem, shares each business day.

Convenience

You can purchase or sell fund shares directly through a broker, bank or insurance agent, by mail, over the telephone, and increasingly by personal computer. You can also arrange for automatic reinvestment or periodic distribution of the dividends and capital gains paid by the fund. A wide variety of other services can be provided, including monthly or quarterly account statements, tax information, and easy access to fund and account information.

Protecting Investors

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

Parties to the Fund

Investment Manager, Fund Administrator, and Principal Distributor

First Metro Asset Management Inc., ("FAMI"), the Investment Manager, Fund Administrator and Principal Distributor of the shares of the Company, was incorporated on April 21, 2005 with an authorized capital stock of Forty Million Pesos (Php40,000,000.00) divided into Four Hundred Thousand shares at par value of One Hundred Peso (Php100.00) per share.

As the Fund's investment manager, fund administrator and principal distributor, FAMI receives a fee equivalent up to 1.75% of the net assets per annum. FAMI also receives the sales load and redemption fees in accordance with the schedule specified in this prospectus. The guidelines for the investment management, fund administration and shares distribution of the Company are set in the Management and Distribution Agreement between the parties.

FAMI is a corporation organized by a group of individuals with a solid track record in management. The following are the members of the Board of Directors:

MR. FRANCISCO C. SEBASTIAN, 63, Filipino CHAIRMAN OF THE BOARD

Prior to his appointment as Chairman of the Board of Directors in April 2011, Mr. Sebastian was the President of First Metro Investment Corporation from 1997 to 2011. His investment banking and financial advisory experience spans over 30 years and covers the Asian region as he was based in Hong Kong for 20 years.

Mr. Sebastian also currently serves as Vice Chairman of Metropolitan Bank and Trust Co. (since 2006), as well as Chairman of Global Business Power Corporation (since 2007), First Metro Asset Management, Inc. (since 2005). Mr. Sebastian served as Chairman of Federal Land Inc. from 2007 to 2013 and continue as Director up to present.

He completed his collegiate studies at the Ateneo de Manila University, earning a Bachelor of Arts degree in Economics Honors and graduating as Magna Cum Laude.

MR. AUGUSTO M. COSIO, JR., 65, Filipino PRESIDENT

Mr. Cosio assumed this position in June 2010. He has been a member of the First Metro Investment Corporation (FMIC) Investment committee since 2008. In FMIC he held the position of Vice President since September 2006.

Mr. Cosio has had extensive experience in investments and the capital markets both locally and internationally. He served as consultant to the Mutual Fund Company of the Philippines (Kabuhayan Fund) from 2005 to 2006 and with the GSIS Mutual Fund (Kinabukasan Fund) from 2003 to 2003. He was Vice President at Bank Austria Private Banking in Hong Kong from 2000 to 2001 managing portfolios for private clients. He was previously, President of PNB Securities Inc. (1997 to 2000), a nominee and a member of the board of the Philippine Stock Exchange (1999).

He had been an international capital markets practitioner from 1977 to 1994 having been connected with Banque Nationale de Paris (1977 to 1981) and Banque Paribas (1984 to 1994), the predecessors of the present BNP Paribas. Gus worked in Hong Kong and Singapore for the Paribas capital markets group.

He is also a resource speaker for fixed income courses at the Ateneo Center for Continuing Education and the University of Asia and the Pacific as well as for the PSE Certified Securities Specialist Course. He pursued his course of AB Social science at the University of the Philippines finishing in 1974. He received

further training in international capital markets through seminars and courses conducted by BNP and Banque Paribas in London, Paris, Tokyo in New York.

**BRO. MANUEL V. DE LEON, FMS, 55, Filipino
DIRECTOR**

Bro. De Leon has been serving as a member of the Board of Director since 2005. Bro. de Leon is also the Chairman of First Metro Save and Learn Equity Fund, Inc., First Metro Save & Learn Fixed Income Fund, Inc. First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc. and First Metro Save and Learn Global Opportunity Fund, Inc. He is currently President, Notre Dame of Kidapawan College. He is also the Founding President of SAGIP KA 2000 Foundation, Inc. Bro. De Leon is a member of the Bedford Fund Canda. He held the following positions: Provincial Superior of Marist Brothers of the Schools - East Asia Province; Chairman of the Board of Notre Dame of Dadiangas University and Notre Dame of Marbel University; Treasurer of Catholic Educational Association of the Philippines. He was an awardee of the Ten Outstanding Young Men (TOYM) in 1992. He has a Master's degree, and a Doctorate degree in Education from University of the Philippines.

**MR. ANTHONY PAUL C. YAP, 41, Filipino
DIRECTOR**

Mr. Anthony Paul C. Yap was elected to the Board as Director in June 2016. He is currently the Head of Trading for Metrobank and is responsible for managing and running all risk taking activities in fixed income, foreign exchange, and derivatives trading. He first joined Metrobank in 1997 and held positions such as Head of Fixed Income and Head of Liquidity and Reserves Management before moving to Standard Chartered Manila in 2004 as Assistant Vice President for FX Forwards trading. He moved to Standard Chartered New York in 2006, then to Standard Chartered Singapore from 2007-2013 where his last role was as Chief Dealer for Asian EMFX Trading. He re-joined Metrobank as head of the Rates and Foreign Exchange Division in 2013 until his appointment as Head of Trading in 2016. He received his Bachelor of Arts in Economics degree from the Ateneo de Manila University in 1997 and his Master in Business Administration degree from Ateneo Graduate School of Business in 2002.

**MR. JIMMY DELGADO, 41, Filipino
DIRECTOR**

Mr. Jimmy Delgado was elected to the Board as Director in June 2017. He is a Certified Public Accountant and received his Master's in Business Administration from Ateneo de Davao University in March 2003. He is the University Treasurer of Ateneo de Davao University from July 2010 to the present, and Associate Professor from June 2001 to July 2010. He held various positions at Delgado-Fuentes, CPAs from 2003 to 2010, Joaquin Cunanan and Co., CPAs/Pricewaterhousecoopers from December 1999 to June 2001. He is a member of Philippine Institute of Certified Public Accountant (PICPA) and is currently Ateneo de Davao University's representative to Philippine Council for NGO Certification (PCNC) and Private Education Retirement Annuity Association (PERAA).

**BR. DENNIS M. MAGBANUA, FSC, 48, Filipino
DIRECTOR**

Br. Magbanua was elected to the Board as Director in June 2017. He holds various key positions in De La Salle – College of St. Benilde from 2012 to the present. He received his MA in Teaching in Youth Ministry from University of St. La Salle – Bacolod City in 1996 and his PhD in Educational Management from De La Salle University Dasmariñas – Dasmariñas City in April 2015.

**BR. LINDLEY H. SIONOSA, FMS, 43, Filipino
DIRECTOR**

Br. Lindley was elected to the Board as Director in June 2017. He's the Vice Provincial and Bursar of Marist Philippines. He received his BS Accountancy at Notre Dame of Dadiangas College in 1995 and BSE Religious Education in 2000. His active ministry are; Vice Provincial and Provincial councilor of FMS East Asia, and Religious Superior of Marikina Community. He is also a Board Trustee Member of Notre Dame of Dadiangas University, Notre Dame of Marbel University, Notre Dame of Kidapawan College, Marist Development Foundation, Inc., Marian Hills Memorial Park, Inc., and Notre Dame Business Resource Center Foundation, Inc. Br. Lindley is currently a member of International Commission of Brothers Today (Marist Brothers General House, Rome), and a Member / Secretary of Marist Asian Conference of Leaders.

**MR. MAYO JOSE B. ONGSINGCO, FMS, 66, Filipino
DIRECTOR**

Mr. Ongsingco was elected to the Board as Director in June 2017. He is an Adviser to the Board of First Metro Investment Corporation since 2015. He is also the President and Chief Operating Officer of The Insular Life Assurance Co., Ltd. and also a Vice Chairman and/or Director of various Insular Life subsidiaries and affiliates: Mapfre Insular Insurance Corporation (non-life), Insular Healthcare Inc. (HMO), Insular Investment Corporation, Home Credit MBLA, Keppel Philippines Holdings, Inc. and others. His concurrent positions in Union Bank of the Philippines are Director and Vice Chairman of the Executive Committee and the Risk Management Committee, Member of the Market Risk, Operations Risk Management, Audit and Trust Committees. He graduated at De La Salle University, Manila, AB Economics & BS Commerce Accounting 1974; Magna Cum Laude, he took up his Master of Business Administration in 1978 at University Of The Philippines, Diliman. He also took up Masters in National Security Administration at the National Defense College of The Philippines; Naval Command and General Staff Course at the Philippine Navy - Naval Education & Training Command, and an investment banking course at the European Institute Of Business Administration (INSEAD)

**MR. PHILIP G. SOLIVEN, 56, Filipino
DIRECTOR**

Mr. Philip G. Soliven was elected to the Board as Independent Director in June 2015 up to the present. He graduated from the Ateneo de Manila University with a degree in Business Management, and he began his professional career with the First National Bank of Boston, Manila branch as a Foreign Exchange Trader. In 1985, he moved to Hong Kong with the Bank of Boston to assume the position of Manager - Corporate Banking. In 1991 he moved to Singapore with the Bank of Boston in his capacity as Vice President for Corporate Banking. This regional role covered the markets of Indonesia and Thailand, in addition to corporate clients in Singapore. In 1995, Philip joined Cargill Financial Services Asia in Singapore as a Manager in the Financial Markets Trading Group Manager. This was Cargill's proprietary financial trading business. In 2000, he was appointed Regional Treasurer for the developed markets in the Asia Pacific region. In 2002, he assumed the position of President & Country Representative of Cargill Philippines, in addition to his Regional Treasurer role. The current regional role covers the markets of Japan, Korea, the Philippines, Thailand, India, and Pakistan. His other current professional affiliations: First Vice President/Director - American Chamber of Commerce of the Philippines, Chairman - Financial Services Committee, American Chamber of Commerce, Chairman - Agribusiness Committee, American Chamber of Commerce, Chairman - PSP Committee, Rotary Club of Makati, Member - U.S. ASEAN Business Council, and Member - Makati Business Club.

**MR. JOSE C. NOGRALES, 65, Filipino
INDEPENDENT DIRECTOR**

Mr. Nograles was elected to the Board as Directors in June 2011. He was past President and Vice Chairman of the Board of Directors of the Philippine Deposit Insurance Corporation (Jan. 2008 to June 2011). He held various key positions with the Land Bank of the Philippines & Group from 2000 to 2007. Mr. Nograles being the Vice Chairman/President of the Land Bank Insurance Brokerage Inc. (2000 to 2007), was

appointed as Vice Chairman of the Executive Committee (2002 to 2007). He joined the UCPB Board in March 2008 to Jan. 2011 where he 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 International Association of Deposit Insurers (Oct. 2008 to May 2011).

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

DR. EDWIN B. VALEROSO, 54, Filipino
FIRST VICE PRESIDENT

Dr. Valeroso is the Asst. Treasurer for First Metro Save & Learn Balanced Fund (Jan 2007 to June 2011), First Metro Save & Learn Fixed Income Fund and First Metro Save & Learn Equity Fund (from May 2005 to June 2011), and First Metro Save and Learn Money Market Fund, Inc. (2008 to 2011). He is Vice President/Trustee/Corporate Secretary of Investment Company Association of the Philippines-ICAP (2006-present) and an Associate Professorial Guest Lecturer at De La Salle University-Graduate School of Business (2000-2009). He was appointed Mutual Fund Strategist at First Metro Investment Corporation (2004-2005). Mr. Valeroso has a BS Actuarial Mathematics degree from University of Santo Tomas, a Master's degree in Applied Mathematics from University of the Philippines, and a Doctorate degree in Business Administration from De La Salle University-Manila. He is also an alumnus of the Trust Institute Foundation of the Philippines.

ATTY. NIMFA B. PASTRANA, 55, FILIPINO
CORPORATE SECRETARY

Atty. Pastrana is the First Vice President, General Counsel and Asst. Corporate Secretary of First Metro Investment Corporation since 2012 and 2002, respectively. She is also the Corporate Secretary of First Metro Save & Learn Fixed Income Fund, Inc., (from May 2005 to present) First Metro Save & Learn Dollar Bond Fund, Inc. (from 2008 to present) First Metro Global Opportunity Fund, Inc. (from 2010 to present), First Metro Securities Brokerage Corporation (2004 to present), PBC Capital Investment Corporation (2004 to present), Prima Ventures Development Corporation and First Metro Asset Management Inc. She graduated from the University of the Philippines with a degree A.B. Philosophy and from San Beda College with a Bachelor of Laws degree.

MS. MARIE ARABELLA D. VERON, 56, FILIPINO
TREASURER

Ms. Veron was elected to the Board in April 2011. She is the Controller and First Vice President of First Metro Investment Corporation, Treasurer/Director of SBC Properties, Inc. (2003-2016) and Treasurer of PBC Capital Investment Corporation (2006-2016), Treasurer of First Metro Save & Learn Money Market Fund, Inc., First Metro Global Opportunity Fund, Inc., First Metro Save & Learn Fixed Income Fund, First Metro Save & Learn Equity Fund and First Metro Save and Learn Balanced Fund, Inc., (2006-present). She was a manager of MBTC Domestic Subsidiaries, a Senior Auditor of Joaquin Cunanan & Co./Price Waterhouse (1980-1985) and of Philippine International Trading Corporation (1985-1990). Ms. Veron finished her Bachelor of Science Degree in Business Administration, major in Accounting from University of the East. She is a Certified Public Accountant and a Certified Management Accountant.

MR. JONATHAN T. TABAC, 62, FILIPINO
COMPLIANCE OFFICER

Mr. Tabac has served as FAMI's Compliance Officer since 2005. Term of office is one year. He is also the Compliance Officer of First Metro Investment Corporation (up to 2016), First Metro Securities Brokerage Corporation, First Metro Save & Learn Fixed Income Fund, First Metro Save & Learn Equity Fund, and First Metro Asset Management, Inc (from May 2005 to present). He was AVP & Compliance Officer of

Citystate Savings Bank (2002-2003), Vice President of Maybank Philippines (formerly PNB Republic Planters Bank) (1997-2001) and Chairman of the Board of RPB Provident Fund, Inc.(1997-2001) Mr. Tabac finished BSC-Accounting from University of Baguio and MBA units from the University of Santo Tomas. He is a Certified Public Accountant.

MR. REY DC. ERLANO, 54, FILIPINO
VICE PRESIDENT

He is currently the Assistant Treasurer of First Metro Save and Learn Equity Fund Inc., First Metro Save & Learn Fixed-Income Fund Inc., First Metro Save and Learn Balanced Fund Inc., First Metro Asia Focus Equity Fund Inc. since 2014, and Vice President of First Metro Asset Management, Inc. He is an Assistant Treasurer for One Wealthy Nation, Inc., Managing Partner of New York Life Philippines (2002-2005), Business Development Director/Manager of Generali Pilipinas Insurance Company (2005-2008) and Assistant Vice President – Agency Director of Manulife Philippines (2008-2014). He has a Bachelor of Science Degree in Mechanical Engineering from the University of the Philippines.

Corporate Governance

The Board approved the Fund's Corporate Governance Manual on (Date) to monitor and assess the level of the Fund's compliance with leading practices on good corporate governance as specified in Philippine SEC Circulars. Aside from establishing specialized committees to aid in complying with the principles of good corporate governance, the Manual also outlines specific investor's rights and protections and enumerates particular duties expected from the Fund's Board members, officers and employees. A Compliance Officer is tasked with the formulation of specific measures to determine the level of compliance with the Manual by the Fund's Board members, officers and employees. To date, the Fund has not encountered any deviations from the Manual's standards.

Custodian Bank

The Custodian Bank of the Company is The Hongkong and Shanghai Banking Corporation Ltd (HSBC). The Custodian Bank Agreement covers the custodian bank's duties on receipt of investments, redemption procedures to be used, reports and records to be accomplished by the custodian bank, procedures governing the transfer of the Company's shares and accounts of investors, custody of certificates representing investments made by the fund manager for the Fund and fees of the Custodian bank.

Transfer Agent

Metrobank-Trust Banking Group is the designated Stock and Transfer Agent of the Fund.

External Auditors

The present auditor of the Fund is Sycip, Gorres, Velayo and Company. The reports of said auditors on the financial statements of the company for the years ended December 31, 2016 and 2015 contained unqualified opinions.

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosures, auditing scope or procedures, which disagreements, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their respective reports on the financial statements for such years.

The aggregate fees paid for the professional services rendered by SGV & Company for the audit of our Financial Statements for the years 2016 and 2015 is ₱33,880.00 and ₱30,800.00, respectively. SGV & Co. conducted the audit in accordance with auditing standards generally accepted in the Philippines to obtain reasonable assurance about whether the financial statements are free of material misstatements. Their audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

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

There are no other fees paid for the last 2 years for products and services provided by SGV & Co. other than the services mentioned above.

Material Contracts and Agreements

The following is a summary of the material contracts and agreements relating to the Fund:

Management and Distribution Agreement

Under this agreement, FAMI was appointed as the Investment Manager, Principal Distributor, and Fund Administrator of the Fund. Under the Agreement, the services of FAMI shall include the following:

1. Coordination of the activities of, and extension of all necessary cooperation or assistance to the Fund's Custodian Bank, the Transfer Agent, the auditors, and the legal counsel without prejudice to the direct responsibility of such firms to the Fund;
2. Preparation of such reports, circulars, notices and other information on internal corporate affairs that may be required, from time to time, by the Fund, its stockholders, board of directors, and/or officers, which shall include a monthly report on: a.) Revenues and disbursements broken-down as to investments and expenses; b.) Sales and redemptions; and c.) Performance, change or status of the Fund's assets;
3. Representation with Government offices, instrumentalities and agencies, including all work required in registering the Fund's securities, obtaining proper licenses and permits, complying with other legal requirements including those requirements relevant to FAMI's own operations, and submitting regular reports to various government agencies;
4. Accounting, bookkeeping, clerical and other administrative services in the ordinary conduct of the Fund's activities, other than those services provided by the Custodian Bank, the auditors, and the legal counsel;
5. Provide office space and other administrative facilities;
6. Distribution of the shares of the Fund;
7. Investment and reinvestment of the resources of the Fund in accordance with the investment policies and guidelines set by the Fund's board of directors in conformity with the Fund's Prospectus, the Investment Company Act and other applicable laws and regulations;
8. Preparation and submission of such information and data relating to economic conditions, industries, business, corporations, or securities as may be reasonably required by the Fund's Board of Directors or as FAMI may deem to be helpful in formulating and evaluating its investment policies or guidelines;
9. Transactions with stockbrokers for the account of the Fund in connection with the investment and reinvestment of the Fund's assets;

The fees payable to FAMI, is a monthly fee equivalent up to one and seven-five percent (1.75%) per annum of the average net asset value of the Fund's assets, computed on a daily basis. The "net asset value" shall be determined by computing the total value of the Fund's assets less its liabilities divided by the number of shares outstanding in accordance with the procedure used in computing the net asset value of the Fund. In addition, as Investment Manager, 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, earlier defined in this prospectus.

Custodian Bank Agreement

Under the 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 representing the investments made by the Investment Manager in behalf of the Fund in accordance with the regulations of the SEC.

Stock and Transfer Agency Agreement

Under the agreement, the Stock and Transfer Agent shall render the following services:

1. File the reports pertaining to the Fund as may be required by the SEC and other governmental entities
2. Prepare the list of stockholders for all regular or special meetings of the Fund's stockholders;
3. Prepare and mail out all notices, reports, and circulars to all stockholders upon prior request of the Fund, Investment Manager or Administrator;
4. Prepare and mail dividend checks;
5. Prepare and issue stock certificates; and,
6. Register all liens constituted on the shares of stock of the Fund.

Master Index and Data License Agreement

Under these Agreements, MSCI Limited (UK) has granted the Fund license to use certain data under the indexes owned and constructed by the former.

Expenses Chargeable to the Fund and the Fund Management Company

The expenses chargeable to the Fund are:

1. Compensations of the officers and directors of the Fund;
2. Audit and legal fees of the Fund;
3. Brokerage charges and other customary fees in connection with the acquisition, appraisal and disposition of the Fund's assets;
4. Fees of the Custodian Bank to the extent not absorbed by buyers of the Fund's securities;
5. Cost of printing and mailing notices, reports, proxies and other communication material to the Fund's stockholders;
6. Fees of Transfer Agent for the securities to the extent not absorbed by the buyers of the Fund's securities;
7. Taxes, including income taxes, documentary stamp taxes, and license fees, to the extent not absorbed by the buyers of the Fund's securities and as may be required by law or by the rules and regulations of the SEC; and,
8. Investment Management fee, Distribution Fee and Fund Administration fee which are computed in accordance with the Management and Distribution Agreement.

The expenses chargeable to FAMI are:

1. Salaries, bonuses, allowances, and other compensation of the personnel hired by the company to perform the administrative and distribution functions and other services as may be required by law or by the rules and regulations of the SEC;
2. Expenses incurred for the office space and other administrative facilities;
3. Commission fees and other compensation due to agents and dealers in connection with the distribution of the shares of the Fund;
4. Transportation and communication charges in relation to the distribution of the shares;
5. Cost of selling materials such as brochures, sales kits, and cost of printing and distributing the Prospectus; and,
6. Advertising and promotional expenses incurred in connection with the selling of the Fund's shares, including the daily publication of NAV quotations.
7. Index and Data License Fees.

Applicable Philippine Laws

Investment Company Act of 1960

The business of investment companies is primarily regulated by the Investment Company Act of 1960 and the SEC rules and regulations governing investment companies. Subject to the exceptions under the law, an investment company is any issuer which is or holds itself out as being engaged primarily, or proposes to engage primarily in the business of investing, reinvesting, or trading in securities. An investment company is either, an open-end company or a closed-end company.

On one hand, an open-end company is an investment company that offers for sale or has outstanding redeemable security, of which it is the issuer. On the other hand, a closed-end company is any investment company other than an open-end company.

To be incorporated as an investment company, the following requirements should be complied with:

1. Minimum subscribed and paid-in capital of Php50,000,000.00;
2. All shares of stock should be common and voting shares. In the case of open-end companies, the articles of incorporation thereof should expressly deny the pre-emptive rights of stockholders;
3. All the members of the board directors must be Filipino citizens.

The Investment Company Act, likewise, requires the registration of the investment company and of the shares of the investment company itself. Likewise, the Investment Company Act requires an investment company to place and maintain its securities and similar investments in the custody of: a duly organized local commercial bank of good repute; or a company that is a member of a securities exchange as defined in the Securities Regulation Code subject to such rules and regulations of the Securities and Exchange Commission; or such registered company, but only in accordance with such rules and regulations or order as the Commission may from time to time prescribe for the protection of investors.

The Investment Company Act also provides that the pertinent provisions of section seventeen of the Corporation Law (now Section 38 of the Philippine Corporation Code) or any other provision of the said law in conflict with Section 22 of the Act (on distribution, redemption, and repurchase of securities), shall not apply to a registered open-end company.

No registered investment company shall (1) employ as regular broker any director, officer, or employee of such registered company, or any person of which any such director, officer, or employee is an affiliated person; (2) use a principal underwriter of securities issued by it any director, officer, or employee of such registered company or may person of which any such director, officer, employee is an affiliated person; or (3) have as director, officer, or employee any investment banker, or any affiliated person of an investment banker. For the purposes of the foregoing, a person shall not be deemed an affiliated person of an investment banker solely by reason of the fact that he is an affiliated person of a company (A) all the outstanding securities of which (other than short-term paper, securities representing bank loans and directors' qualifying shares) are, or after such acquisition will be, owned by one or more registered investment companies; and (B) which is primarily engaged in the business of underwriting and distributing securities issued by other persons, selling securities to customers, or any one or more of such or related activities, and the gross income of such person normally is derived principally from such business or related activities. No registered investment company shall have a majority of its board of directors consisting of persons who are officers or directors of any one bank. If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing in respect of directors shall not be met by a registered investment company, the operation of such requirements shall be suspended as to such registered company for a period of thirty (30) days if the vacancy or vacancies may be filled by action of the board of directors, and for a period of sixty (60) days if a vote of stockholders is required to fill the vacancy or vacancies, or for such longer period as the SEC may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.

No registered investment company shall knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security (except a security of which such company is the issuer) a principal underwriter of which is an officer, director, member of an advisory board, investment adviser, or employee of such registered company, or is a person (other than a company of the character described in paragraphs (A) and (B) of subsection (b) (3) of which any such officer, director, member of an advisory board, investment adviser, or employee is an affiliated person, unless in acquiring such security such registered company is itself acting as a principal underwriter for the issuer. The SEC, by rules and regulations upon its own motion or by order upon application, may conditionally or unconditionally exempt any transaction or classes of transactions from any of the provisions of this subsection, if and to the extent that such exemption is consistent with the protection of investors.

Dividends

The corporation may pay dividends only out of its unrestricted retained earnings, the unrestricted retained earnings of the corporation that have not been allocated for any managerial, contractual, or legal purposes and that are free for distribution to shareholders. The corporation may satisfy dividends in cash, by the distribution of property, or by the issuance of shares of stock. Dividends satisfied by the issuance of shares may only be paid with the approval of shareholders representing at least two-thirds (2/3) of the outstanding capital stock at a shareholders' meeting specially called for that purpose.

Declaration of dividends is generally discretionary with the board of directors. However, corporations with surplus profits in excess of 100% of their paid-in capital are required to declare and distribute the amount of such excess profits as dividends, except when the retention is justified by: Definite corporate expansion projects, programs approved by the board of directors, or when consent of creditors is required under any loan agreement, or when it can be clearly shown that such retention is necessary under special circumstances.

Rights of Minority Shareholders

The right of a shareholder to institute proceedings on behalf of the corporation in a derivative suit is recognized by Philippine law. Derivative suits may be filed where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrong committed against the corporation or to vindicate corporate rights. Derivative suits involving intra-corporate disputes are filed before the Courts of general jurisdiction of the appropriate Regional Trial Court per Sec 5.2 of the Securities Regulation Code. Shareholders have the right to inspect the records of the corporation at reasonable hours on business days. These records include minutes of all meetings of the board of directors and of the shareholders, and records of all business transactions of the corporation. However, the right of inspection may be denied if the shareholder seeking to examine the corporate records has improperly used any information secured through any prior examination of corporate records, or was not acting in good faith or with a legitimate purpose in making his demand for inspection.

Management

Corporate powers are exercised, all business conducted, and all properties of a corporation are controlled and held by the board of directors. The nature of an investment company's business, however, makes it imperative for the corporation to enter into a management contract with an investment manager/adviser. The Investment Company Act lays down the requirements for such kind of contracts as follows:

1. The contract has been approved by the vote of a majority of the outstanding voting securities of the investment company;
2. The contract precisely described all compensation to be paid thereunder;
3. The contract shall continue in effect for a period of more than two years from the date of its execution, provided that such continuance is specifically approved at least annually by the board of directors or by vote of a majority of the outstanding voting securities of such company;

4. The contract provides in substance that it may be terminated at any time without the payment of any penalty by the board of directors of the company or by vote of two-thirds of the outstanding voting securities of such company or not more than sixty days written notice to the investment adviser; and,
5. The contract provides in substance for the automatic termination in the event of assignment thereof by the investment adviser/manager.
6. Each member of the board of directors, who Unless otherwise provided by the Corporation Code, the articles of incorporation or By-laws of the corporation, an act of the majority of the directors present in a meeting with a quorum shall be valid as a corporate act. Certain corporate acts, however, may only be effected with the approval of shareholders representing at least two-thirds (2/3) of the outstanding capital stock at a shareholders' meeting convened for the purpose.

Matters requiring such shareholders' approval include, but are not limited to: the amendment of the articles of incorporation; the removal of directors; the sale, lease, exchange, mortgage, pledge, or other disposition of all or a substantial part of the assets of the corporation; and investment of corporate funds in any other corporation, or business, or for any purpose other than primary purpose for which the corporation was organized must hold at least one (1) share of the corporation, is elected for a one (1) year term during the annual meeting of stockholders of the corporation.

7. Each share of stock is entitled to one vote during shareholders' meeting. However, in the election of directors, each shareholder is entitled to such number of votes as is equal to the product of the number of shares owned by him and the number of directors to be elected. The shareholder may cumulate his votes in favor of one candidate or distribute these votes in such proportion and amount between or among as many of the candidates as he may think fit. The election of directors may only be held at a meeting convened for that purpose at which shareholders representing a majority of outstanding capital stock are present in person or by proxy. However, any vacancy in the board, other than by removal or expiration of term, may be filled by the majority of the remaining directors if still constituting a quorum.

Accounting and Auditing

Corporations are required to file copies of their annual financial statements with the SEC. Shareholders are entitled to request copies of the most recent financial statements of the corporation which shall include a balance sheet as of the end of the last tax year and profit and loss statement approved at least annually by the board of directors or by vote of a majority of the outstanding voting securities of such company for that year. The board of directors is required to present to shareholders at every annual meeting a financial report of the operations of the corporation for the preceding year. This report is required to include audited financial statements.

Tax Considerations

The following is a general description of certain Philippine tax aspects of the investment in the Fund. This discussion is based on laws, regulations, rulings, income tax conventions (tax treaties), administrative practices and judicial decisions in effect at the date of this Prospectus. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the Issuer or a prospective investor.

Corporate Income Tax

As a general rule, a domestic corporation is subject to corporate income tax of 30% on its taxable income¹ from all sources within or without the Philippines. The exception, among others, would be (i) gross interest income from Philippine currency bank deposits and yields from deposit substitutes, trust funds and similar arrangements, and royalties, which are subject to a final withholding tax rate of 20% of the gross amount of such income; (ii) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final 7.5% tax on the gross amount of such income. Further, in computing the

corporate income tax, effective July 6, 2008, companies are given a choice to claim itemized deductions or the optional standard deduction ("OSD"), with the former being presumed unless specific election of OSD is signified in the tax return. The OSD election is irrevocable for the taxable year for which the tax return is made. The OSD is equivalent to an amount not exceeding 40% of the company's gross income. For this purpose, "Gross Income" means all income derived from whatever source, including, but not limited to, compensation for service, gross income derived from the conduct of trade or business or exercise of profession, gains derived from dealings in property, interests, rent, royalties, dividends, annuities, prizes and winnings.

A minimum corporate income tax ("MCIT") of 2% of gross income would likewise be applicable to the Issuer, beginning on the fourth taxable year from commencement of business operations, whenever the MCIT is greater than the ordinary corporate income tax. For this purpose, "Gross Income" means gross sales less sales returns, discounts and allowances and cost of goods sold. Passive income, such as interest on bank deposits and royalties subject to final withholding tax, shall not form part of gross income for purposes of MCIT.

Nevertheless, any excess of the MCIT over the ordinary corporate income tax may be carried forward and credited against the latter for the three (3) immediately succeeding taxable years. Further, subject to certain conditions, the MCIT may be suspended with respect to a corporation which suffers losses on account of a prolonged labor dispute, or because of force majeure, or because of legitimate business reverses.

Documentary Stamp Taxes on Shares

The original issue of shares is subject to documentary stamp tax of ₱2.00 on each ₱200.00 par value, or fraction thereof, of par value on original issuance of shares by the Fund. The documentary stamp tax is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable either by the vendor or the purchaser of the Common Shares.

Taxes on Dividends on the Shares

Individual Philippine citizens and resident aliens are subject to a final tax on dividends derived from the Common Shares at the rate of 10%, which tax shall be withheld by the Company.

Taxation of gross interest income from Philippine currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements

As a general rule, interest income from deposit substitutes earned by individual citizens of the Philippines, resident aliens and non-resident aliens engaged in trade or business in the Philippines is subject to a final withholding tax at the rate of 20%.

A trust is generally taxed in the same way as an individual pursuant to the Tax Code which provides that the tax imposed upon individuals shall apply to the income of any kind of property held in trust (except qualifying employee's trust considered tax exempt). Accordingly, since trusts are, for tax purposes, treated as an individual, interest income earned by trusts are likewise subject to the 20% final withholding tax.