



Terry Lee
President and CEO

Message from Terry

I truly appreciate your business as well as the many referrals you have provided for the past 21 years.

On behalf of the staff and management of the Fund, we look forward to seeing you at the update meeting.

Warmest Aloha,

Terry Lee

Invitation

You are cordially invited
to join us at the
Hawaii Municipal Fund
Update Meeting
Wednesday, February 24, 2010
10:30am–Hibiscus Ballroom

ALA MOANA HOTEL

R.S.V.P. by February 16, 2010
CALL 988-8088

Refreshments
Guests are welcome to attend

Lee Financial Securities, Inc./Distributor

*Before investing, read the prospectus carefully. Please carefully consider the Fund's investment objective, risks, and charges and expenses before investing. **Some income may be subject to the federal alternative minimum tax for certain investors. Income may also be subject to capital gains taxes.** The prospectus contains this and other information about the Fund. For a free prospectus, call 988-8088.*

Fund's yield, share price and investment return fluctuate so that you may receive more or less than your original investment upon redemption. Past performance is no guarantee of future results. Hawaii Municipal Fund is a series of First Pacific Mutual Fund, Inc.

2009 TAX RETURNS

Yes indeed. It's that time of year when we must start thinking about completing our tax returns. **To assist you in preparing your 2009 taxes, we are providing you with information on the Hawaii Municipal Fund.** As a shareholder in the Fund, 100% of the interest dividends earned by Hawaii residents in 2009 were State and Federal tax-free.*

For those taxpayers subject to the Alternative Minimum Tax (AMT), a portion of the tax-exempt dividends paid during the 2009 calendar year represents income from private activity bonds issued after August 7, 1986. This interest is a tax-preference item for AMT purposes and should be included in your AMT computations. The AMT amount will be available on Form 1099.

Your 2009 tax-free dividends can be found on your December month-end statement just below the date under "2009 Tax-free Dividends YTD" and on your 1099 Form INT in box 8. For individuals, enter this amount on line 8b ("Tax-Exempt Interest") of the federal Form 1040. This lets the IRS know how much tax-exempt interest you have received during 2009.

The *Hawaii Municipal Fund* did not distribute Capital Gains for the 2009 calendar year.

A Form 1099 will be mailed to assist you in the preparation of your 2009 taxes. However, accounts that received less than \$10.00 will not receive a 1099.

If you have any questions regarding your investments, please call us at (808) 988-8088.

*Non-Hawaii Residents. 0.2323% of the federally Exempt Interest dividends paid by the Hawaii Municipal Fund are attributable to municipal obligations issued by U.S. possessions. The remaining Exempt Interest Dividends of 99.7677% in the Hawaii Municipal Fund are attributable to municipal obligations issued by governmental authorities in the State of Hawaii.