

COVER SHEET

C	S	2	0	1	3	0	0	7	2	8
---	---	---	---	---	---	---	---	---	---	---

S.E.C. Registration Number

F	I	R	S	T		M	E	T	R	O		P	H	I	L	I	P	P	I	N	E		E	Q	U	I	T	Y
E	X	C	H	A	N	G	E		T	R	A	D	E	D		F	U	N	D	,		I	N	C	.			

(Company's Full Name)

1	8	T	H		F	L	O	O	R	,		P	S	B	A	N	K		C	E	N	T	E	R						
7	7	7			P	A	S	E	O		D	E		R	O	X	A	S		C	O	R	.		S	E	D	E	Ñ	O

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

EDWIN B. VALEROSO

Contact Person

8	9	1	-	2	8	6	0			
---	---	---	---	---	---	---	---	--	--	--

Company Telephone Number

<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>1</td><td>2</td></tr> </table> Month	1	2	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>3</td><td>1</td></tr> </table> Day	3	1
1	2				
3	1				
Fiscal Year					

SEC FORM 17-A

Form Type

2nd Wed. of May

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

INVESTMENT COMPANY

Secondary License type, if applicable

C	G	F	D
---	---	---	---

Dept. Requiring this Doc.

--

Amended Articles Number/Section

--

Total No. of Stockholders

Total amount of Borrowings

<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 50px; height: 20px;"></td></tr> </table> Domestic		<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 50px; height: 20px;"></td></tr> </table> Foreign	

To be Accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

LCU

--	--	--	--	--	--	--	--	--	--

Document I.D.

Cashier

--

Remarks = Pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2021**
2. SEC Identification Number: **CS201300728**
3. BIR Tax Identification No.: **008-447-745**
4. Exact name of issuer as specified in its charter:
FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
5. Province, Country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
6. Industry Classification Code (SEC Use Only)
7. Address of principal office Postal Code
18TH Flr., PSBank Center, Paseo de Roxas corner Sedeño St., Makati City **1226**
8. Issuer's telephone number, including area code: **(632) 8891-2860**
9. Former name, former address, and formal fiscal year, if changed since last report: **Not Applicable**
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding (Par Value P100.00)
---------------------	---

Common Stock	20,201,260 shares
---------------------	--------------------------

11. Are any or all of these securities listed on a Stock Exchange?

Yes No

Stock Exchange :	Philippine Stock Exchange
Class of Securities :	Common Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.
Not Applicable

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Description of Business

The First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund) was registered with the Securities and Exchange Commission (“SEC”) on January 15, 2013 as an open-end investment company under Republic Act No. 2629, otherwise known as the Investment Company Act and as an “Exchange Traded Fund” (“ETF”) under SEC Memorandum Circular No. 10, Series of 2012 otherwise known as the SEC Rules and Regulations on Exchange Traded Funds (the “SEC ETF Rules”). The Fund is engaged primarily in the business of investing, reinvesting, and trading in, and issuing and redeeming its shares of stock in creation units in exchange for a basket of securities representing an index.

As a licensed ETF, it offers to and through qualified trading participants (the “Authorized Participants”), on a continuous basis, shares in the Fund which are issuable and redeemable in creation units. The Board approved during its meeting on December 11, 2015, the reduction of the number of shares comprising one creation unit from 200,000 to 50,000 shares. Shares of the Fund may be directly redeemed in exceptional circumstances as approved by the SEC. In December 13, 2016, the Board approved to reduce further the number of shares per creation unit from 50,000 to 10,000 shares. Shares of the Fund may be directly redeemed in exceptional circumstances as approved by the SEC.

The Fund aims to provide returns which would reflect the performance of the Philippine equities market by investing in a basket of securities which are included in the PSEi of the PSE (the “Underlying Index”). The portfolio of the Fund is to be rebalanced and reconstituted every six (6) months in order to adjust to the current composition of the PSEi. Price volatility of the constituent shares of stock can affect the market value of the assets of the Fund and cause the Fund’s Net Asset Value (“NAV”) to vary.

The Fund is the only mutual fund traded on the Philippine Stock Exchange (PSE) and the shares of the Fund is listed on the ETF Board of the PSE. The shares of the Fund may be bought and sold on the secondary market at the quoted market price in the PSE through the Trading Participants of the PSE which may require payment of brokerage commissions, stock transaction tax and/or other fees and charges (e.g. clearing house fees). However, shares of the Fund may be issued and redeemed only through Authorized Participants in creation units. Investors who are interested in creating or redeeming shares in creation units may contact any one of the Authorized Participants or request his or her existing registered broker/Trading Participant to place such an order with any of the Authorized Participants. Interested investors should be aware that the Authorized Participants and the Trading Participants are required to comply with Philippine general laws, rules and regulations including any “know-your-customer” requirements under existing regulations.

First Metro Investment Corporation (First Metro) is the Fund Sponsor. As Fund Sponsor, First Metro organized the Fund and has provided the initial capital of the Fund totaling ₱750 million.

The product being sold by the Fund is its shares of stock, being a mutual fund company. As of December 31, 2021, the registrant’s total sales were ₱345.42 million.

The Fund earned some awards and recognitions based on its performance from Philippine Investment Fund Association (PIFA) for the year 2020 as shown below:

- First Metro Exchange Traded Fund ranked 3rd place on both 1-year and 3-year return categories and 2nd place on 5-year return category.

Contributions to Sales/Revenues

The Fund generates its revenue from trading activities, disposal of investment securities and changes in the fair values of financial instruments at FVTPL, dividend income from equity securities and interest income from cash and cash equivalent.

The following are the details of the Fund's revenue generating activities in terms of its total amount and percentage contribution for the last three years:

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
INVESTMENT INCOME						
Trading and securities gain (loss)	₱23,739,945	40.18%	(₱63,034,041)	174.05%	₱73,248,537	72.56%
Dividend income	35,338,087	59.81%	26,803,386	(0.04%)	27,662,699	27.40%
Interest income	7,371	0.01%	13,777	(74.01%)	33,926	0.03%
TOTAL REVENUE	₱59,085,403	100.00%	(₱36,216,878)	100.00%	₱100,945,162	100.00%

Distribution Methods of Products and Services

First Metro Asset Management, Inc. ("FAMI") acts as the Fund Manager and Principal Distributor. FAMI aims to initially market the Fund and list the same in the PSE. FAMI will continue to perform all the functions of a Fund Manager with regard to the Fund as described under the SEC ETF Rules and in its Prospectus. As Principal Distributor, FAMI will market to and accept orders of the shares of the Fund in creation units from the Authorized Participants as described in the body of the Prospectus.

The Fund's Authorized Participants are First Metro Securities Brokerage Corporation ("FMSBC") and IGC Securities, Inc. ("IGC"). A creation fee, inclusive of documentary stamp tax and other charges, of approximately eighty basis points (0.80%) of the total value of the Creation Order or a redemption fee, inclusive of other charges, of approximately eighty basis points (0.80%) of the total value of the Redemption Order is charged by an Authorized Participant to each investor who places a Creation or Redemption Order. FMSBC is also the appointed Market Maker of the Fund. There are no fees charged by and payable to the Market Maker.

The Fund appointed HSBC Securities Services ("HSBC") as Custodian. As Custodian, HSBC shall hold in safe custody the assets of the Fund in accordance with the terms and conditions contained in the Custodian Agreement. HSBC shall charge an annual safe custody fee as per the agreed Tariff Schedule between FAMI and HSBC.

The Fund designated Interactive Data Corporation as Indicative Net Asset Value ("INAV") Calculator. The INAV Calculator shall provide INAV calculations every one (1) minute during the Trading Day, which shall be disclosed in the websites of the Fund and the PSE as well as the PSE's ETF Board.

The total fee payable by the Fund to FAMI is a monthly fee equivalent to fifty basis points (0.50%) per annum of the average NAV of the Fund, computed on a daily basis. The NAV of the Fund is the aggregate value of the Fund's assets 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 computed after the close of trading hours of the PSE.

Up to 30,000,000 shares of the Fund shall be continuously offered to the public through the Authorized Participants who directly transact with the Fund for Creation Orders. The shares of the Fund may also be bought and sold in the secondary market, in board lots, through the PSE, and investors who wish to trade the shares of the Fund may contact his or her Trading Participant. The Fund's investments shall

be guided by investment guidelines and restrictions, which are set out in detail in the body of its Prospectus.

An application for listing of the shares of the Fund (comprising of all issued and outstanding, and unissued shares of the Fund) was approved on October 9, 2013 by the Board of Directors of the PSE, subject to the fulfillment of certain listing conditions. All issued and outstanding shares of the Fund shall be listed on the ETF Board of the PSE, while unissued shares of the Fund shall be subject to shelf listing in accordance with the PSE ETF Rules.

An application has been made to the SEC to register the shares under the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799) (the "SRC").

Competition

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

As of December 31, 2021, First Metro Philippine Equity Exchange Traded Fund, Inc. is the only Fund in exchange traded fund category.

Principal Suppliers and Major Clients

The Fund has no raw materials for its business nor has any major existing supply contracts.

Dependence to a Single Customer or Few Customers

First Metro Securities Brokerage Corporation (FMSBC) and IGC Securities (IGC) are the Authorized Participants (AP) of the Fund. The Authorized Participant is a registered broker-dealer and Trading Participant that entered into an Authorized Participant Agreement and participates in the creation and redemption of Shares of the Fund. As of December 31, 2021, FMSBC and IGC own 48.79% and 0.01% of the Fund's outstanding shares of stock at broker level, respectively.

Transactions with and/or Dependence on Related Parties

Parties are related if one party has the ability, directly or indirectly, to control the other parties or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence.

The Fund's related parties include:

- a. key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members, and
- b. its Ultimate Parent Company, Parent Company and other subsidiaries of its Parent Company and affiliates of Ultimate Parent Company.

Pursuant to the Management and Distribution Agreement (the Agreement) dated April 17, 2013, as fund manager of the Fund, FAMI is entitled to receive annual management fee of 0.50% of the average daily NAV of the Fund payable on a monthly basis. The average daily NAV shall be determined by computing the total value of the Fund's assets less its liabilities.

The Agreement shall take effect for a period of two years and shall continue in effect from year to year, unless otherwise terminated or amended by the parties in accordance with specified terms and

conditions. There were no changes made during the year.

The above fees accruing during each calendar month shall be paid to FAMI during the first week of the succeeding month. The Fund started to accrue management fees expense when it was listed with the PSE on December 2, 2013.

On September 5, 2013, the Fund entered into a stock transfer agency agreement with MBTC-TBG for a monthly fee amounting to ₱0.02 million. Transfer Agency fee totaled ₱0.14 million, both for the year 2021 and 2020.

The following table shows related party transactions included in the financial statement:

December 31, 2021			
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Ultimate parent company			
Cash in banks	₱-	₱1,904,200	Savings account with 0.25% interest rate
Financial assets at FVTPL	71,343,624	71,343,624	
Dividend income	4,749,388		Dividend income from equity investments
Custodian and transfer agency fees/ Retainer Fee Payable	611,813	142,091	Fees paid as stock transfer agent
Other related parties*			
Management fees (Note 9)	11,408,679	892,381	0.50%; Monthly fee based on average NAV
Financial assets at FVTPL	30,317,220	30,317,220	
Brokers' commissions	2,224,659		Incurred for purchases and sales of equity securities
Dividend income	160,437		Dividend income from equity investments
Key management personnel			
Directors' and officers' fees	136,006	-	Per diems given to directors and officers during board meetings

*Other related parties include FAMI, GT Capital Holdings

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There are no provisions for amounts due from related parties. There have been no guaranties provided or received for any related party receivables and payables.

Details of investments in the Fund by related parties as of December 31, 2021 are set out below:

	Number of shares held at January 1	% Interest held at January 1	Number of shares acquired during the year*	Number of shares disposed during the year	Number of shares held at December 31	% interest held at December 31
2021						
FMSBC	73,935	0	9,708,068	-	9,782,003	48.79
MBTC - Trust Banking Group	73,935	0	-	56,950	16,985	0.00
FMETF	16,410	0	-	16,212	198	0.00
Directors and officers	728	0	-	721	7	0.00

Effective or Existing or Probable Governmental Regulation

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

The Fund's investment activities are guided by the following limits/conditions:

- Investments in margin purchases of securities, commodity futures contracts, precious metals, unlimited liability investments, short-selling of currencies and securities are not allowed.
- It shall not incur any further debt or borrowing.
- It shall not participate in underwriting or selling activities in connection with the public distribution of securities except for its own capital stock.
- Investment in any company for the purpose of exercising control or management.

- Investment in the securities of other investment companies.
- Investment in real estate properties and developments.
- Purchasing or selling of securities other than capital stocks of the Fund from or to any of its officers or directors or the officers and directors of its investment adviser/s, manager or distributor/s or firm/s of which any of them are members is prohibited.
- It shall not engage in lending operations.

Research and Development Costs

The Fund has not undergone, and therefore has not incurred costs, into any research and development activities during the last five years.

Compliance with Environmental Laws

The Fund is not required to comply with any environmental laws.

Employees

The Fund has no employees because all aspects of its operations and administration are subcontracted with third parties; hence, it has no risks as far as labor problems are concerned.

Major Risks Involved

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

The Fund has identified the following major risks involving each of its businesses and other operations:

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. Fluctuations in the value of securities in which the Fund invests will cause the NAV of the Fund to fluctuate. Historically, the markets have moved in cycles, and the value of the Fund's securities and other financial instruments may fluctuate drastically from day to day.

Stock Market Risk. Investing in shares of stock is generally riskier than investing in fixed-income securities, hence investors' money or principal may even be lost. The risks inherent to equity ETFs are related to the volatility of the stock market. Changes in prices of equity securities that compose the Fund's investment portfolio may substantially vary in a short span of time. The performance of the companies whose shares are included in the portfolio of the Fund is very much dependent on the people behind those companies. Added to that, stock prices are sensitive to political and economic conditions that normally change from time to time.

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

The Fund aims to track the PSEi, which is rebalanced every six (6) months. The returns of the Fund may be affected by such rebalancing, and the Fund is subject to the risk that it may not accurately track the returns of the PSEi.

Liquidity Risk. Although the Underlying Index shall be comprised of securities included in the main index of the PSE, 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 be difficult, and the Fund Manager may be required to fair value the investments.

Tracking Error Risk. The tracking error is the divergence of the Fund's performance from that of the index it tracks. Tracking error may occur because of 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 increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the index it tracks does not.

Early Closing Risk. An unanticipated early closing of the PSE may result in a shareholder's inability to buy or sell shares of the Fund on that day.

Trading Halt Risk. Secondary market trading in the shares of the Fund 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 temporarily be unable to purchase or sell shares of the Fund.

Trading Risk. Shares may trade below their NAV. The NAV of the shares of the Fund will fluctuate with changes in the market value of the Fund's holdings. In addition, although the shares of the Fund are listed on the PSE, there can be no assurance that an active trading market for shares of the Fund will develop or be maintained.

The Philippine securities markets are substantially smaller, less liquid, and more volatile relative to major securities markets in the U.S. and other jurisdictions, and may not be as highly regulated or supervised as some of these other markets. The NAVPS of the shares when issued, may differ significantly from the price at which the shares will trade on the PSE.

Interest Rate Risk. Interest rate movements may have direct impact on the prices of assets of the Fund. Some assets are more sensitive to changes in interest rates while other assets may not. It is expected that interest rate movements may have negative influence of the Fund's assets.

Inflation Risk. Inflation risk is the risk that inflation may erode the real value of an investment by the Fund.

Non-Diversification Risk. The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single security could cause greater fluctuations in the value of the shares of the Fund than would occur in a diversified fund.

Passive Investment Risk. The Fund is not actively managed and the Fund Manager does 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.

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 a track record in mutual funds and other financial institutions.

The investors should be aware that their investment in exchange traded 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.

Risk of Dilution. Because the Fund is an Open-end Investment Company, investors may effectively subscribe to any amount of Shares of the Fund. As such, investors face the risk of the percentage of their stockholding in the Fund being diluted as more investors subscribe to the Shares. The influence that the investors can exert over the control and management of the Fund decreases proportionally.

Geographic Concentration Risk. The Fund's investments are primarily in shares of stock of publicly listed domestic corporations. Funds that are less diversified across countries or geographic regions are generally riskier than more geographically diversified funds. A fund that focuses on a single country or a specific region is more exposed to that country's or region's economic cycles, currency exchange rates, stock market valuations and political risks, among others, compared with a more geographically diversified fund.

Delay in Issuance of ETF Shares Risk. In the event that the authorized capital stock of the Fund has been fully subscribed, the Fund will have to apply for an increase in its authorized capital stock with the SEC in order to accommodate additional creation orders. Due to the corporate actions and regulatory approvals that have to be complied with to increase the authorized capital stock of the Fund, there may be a delay in delivery of the Shares of the Fund to Authorized Participants which made such creation orders.

Securities Lending Risk. The Fund bears the risk of loss of investing cash collateral and may be required to make payments to a borrower upon return of loaned securities if invested collateral has declined in value. Furthermore, because of the risks in delay of recovery, the Fund may lose the opportunity to sell the securities at a desirable price, and it may not have the right to vote securities while they are being loaned.

Regulation and Taxation Risk. The Fund is subject to a number of national and local laws and regulations. These include industry laws and regulations relating to investment and publicly-owned companies, the PSE and applicable taxes. The Fund cannot assure prospective investors that changes in laws or regulations, including those related to investment and publicly-owned companies, the PSE and applicable taxes, will not result in the Fund or the investors in the Fund having to incur substantial additional expenditures in relation to the Fund's investments or investments in 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 the 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 SARS, avian influenza (commonly known as bird flu), or H1N1, or the emergence of another similar disease in the Philippines or in other countries in Southeast Asia; (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; and (10) other social, 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.

Dependence on the Services of Third Parties. The Fund relies on the services of third parties such as the Authorized Participants, Principal Distributor, Fund Manager, Custodian, Stock and Transfer Agent, and INAV Calculator, among others, to run its operations. The loss of services of any of these third parties could materially impair the Fund's operations and performance, and the Fund may not immediately be able to replace such third party within a reasonable period of time, which could materially and adversely affect the Fund's operations and performance.

The Fund also relies on the PDTC as the securities depository of its shares. The PDTC may determine to discontinue providing its service with respect to the shares at any time by giving notice to the Fund, the Fund Manager, the Custodian and the Fund Sponsor and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Fund, the Fund Manager and Principal Distributor, the Custodian and/or the Fund Sponsor shall take action either to find a replacement for the PDTC to perform its functions at a comparable cost or, if such a replacement is unavailable, to terminate the Fund.

Item 2. DESCRIPTION OF PROPERTIES

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

Item 3. LEGAL PROCEEDINGS

There are no pending material legal proceedings to which First Metro Philippine Equity Exchange Traded Fund is a party since its inception in 2013.

Item 4. SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS

There are no matters submitted during the calendar year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET PRICE OF AND DIVIDENDS ON ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Fund shares were traded in the Philippine Stock Exchange (PSE). Below is the history of NAVPS of the Fund for the first quarter of 2022 and the years ended 2021, 2020 and 2019.

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2022	High	114.9473	-	-	-
	Low	103.9081	-	-	-
2021	High	110.0123	105.7854	106.6632	113.0064
	Low	96.7201	93.5272	95.0742	104.8360
2020	High	117.3051	99.3013	96.1805	110.004
	Low	69.8498	80.5404	86.3414	88.6761
2019	High	120.7381	120.9090	125.0492	122.8084
	Low	110.7453	111.8561	116.0699	112.9716

Holder

As of December 31, 2021 there are 3,028* account holders of the Fund's outstanding common stock. Shown below are the top twenty (20) shareholders, including the number of shares and percentage of ownership held by each as of the same date.

No	Name of Owner	No. of Shares Held	Percent to Outstanding Shares
1	First Metro Securities Brokerage Corp.	9,856,858	48.79%
2	COL Financial Group, Inc.	3,989,064	19.75%
3	Chinabank Securities Corporation	1,168,260	5.78%
4	BPI Securities Corporation	980,758	4.85%
5	BDO Securities Corporation	886,643	4.39%
6	MBTC -Trust Banking Group	880,553	4.36%
7	AB Capital Securities, Inc.	547,688	2.71%
8	First Integrated Capital Securities, Inc.	322,820	1.60%
9	RCBC Trust & Investment Corporation	288,310	1.43%
10	Philstocks Financial Inc	168,176	0.83%
11	Unicapital Securities Inc.	144,114	0.71%
12	Eastern Securities Development Corporation	80,839	0.40%
13	AAA Southeast Equities Incorporated	66,530	0.33%
14	R.Nubla Securities Inc.	55,485	0.27%
15	Citibank N.A	51,413	0.25%
16	PNB Securities, Inc.	45,567	0.23%
17	Maybank Atr Kim Eng Securities, Inc.	44,450	0.22%
18	Abacus Securities Corporation	43,341	0.21%
19	SB Equities Inc.	40,963	0.20%
20	RCBC Securities Inc	31,595	0.16%

**Total number of shareholders is derived from Authorized Participants' records as well as PDTC's PCD Nominee report.*

Dividends

The Board of Directors of the Fund may decide to declare dividends from the unrestricted retained earnings of the Fund at a time and percentage as the same Board may deem proper and in accordance with law.

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; or 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 dividends to be reinvested in the Fund's basket of securities shall be declared as stock dividends in accordance with law and valued 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 derived from the cash dividend income of the portfolio of the Fund based on the latest audited financial statements 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, the PSE and the Fund's website.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Fund's Statement of Financial Position and Statement of Comprehensive Income as of and for the years ended December 31, 2021, 2020 and 2019 are presented below.

Statements of Financial Position

	As of December 31			Increase (Decrease)			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				Amount	%	Amount	%
ASSETS							
Cash in banks	₱12,430,747	₱13,539,857	₱10,341,369	(1,109,110)	(8.19%)	3,198,488	30.93%
Financial assets at fair value through profit or loss (FVTPL)	2,179,031,834	1,877,218,084	1,656,416,736	301,813,750	16.08%	220,801,348	13.33%
Receivables	822,744	898,778	747,715	(76,034)	(8.46%)	151,063	20.20%
Other assets	-	-	97,438	-	-	(97,438)	(100.00%)
	₱2,192,285,325	₱1,891,656,719	₱1,667,603,258	300,628,606	15.89%	224,053,461	13.44%
LIABILITIES AND EQUITY							
Liabilities							
Accounts payable and accrued expense	₱4,956,684	₱3,943,542	₱2,031,340	1,013,142	25.69%	1,912,202	94.14%
Equity							
Capital stock	2,020,126,000	1,755,126,000	1,424,126,000	265,000,000	15.10%	331,000,000	23.24%
Additional paid-in capital	156,111,525	160,522,917	156,647,593	(4,411,392)	(2.75%)	3,875,324	2.47%
Retained earnings (deficit)	11,091,116	(27,935,740)	84,798,325	38,486,856	(140.48%)	(112,734,065)	(132.94%)
	2,187,328,641	1,887,713,177	1,665,571,918	299,615,464	15.87%	222,141,259	13.34%
	₱2,192,285,325	₱1,891,656,719	₱1,667,603,258	300,628,606	15.89%	224,053,461	13.44%

Statements of Comprehensive Income

	Years Ended December 31			Increase (Decrease)			
	2021	2020	2019	2021 vs 2020		2020 vs 2019	
				Amount	%	Amount	%
INVESTMENT INCOME (LOSS)							
Trading gains (losses)	₱23,739,945	(₱63,034,041)	₱73,248,537	86,773,986	137.66%	(136,282,578)	(186.06%)
Dividend income	35,338,087	26,803,386	27,662,699	8,534,701	31.84%	(859,313)	(3.11%)
Interest income	7,371	13,777	33,926	(6,406)	(46.50%)	(20,149)	(59.39%)
	59,085,403	(36,216,878)	100,945,162	95,302,281	263.14%	(137,162,040)	(135.88%)
EXPENSES							
Management fees	11,408,679	8,823,991	9,161,991	2,585,169	29.30%	(338,000)	(3.69%)
Taxes and licenses	3,942,000	4,564,115	343,535	(622,115)	(13.63%)	4,220,580	1228.57%
Brokers' commissions	2,224,659	1,486,758	250,089	737,901	49.63%	1,236,669	494.49%
Information technology expenses	831,282	650,348	697,736	180,934	27.82%	(47,388)	(6.79%)
Regulatory and filing fees	611,813	521,035	692,293	90,778	17.42%	(171,258)	(24.74%)
Custodian and transfer agency fees	597,624	1,220,866	891,883	(623,242)	(51.05%)	328,983	36.89%
Fund Administration Fee	173,571	-	-	173,571	100.00%	-	-
Directors' and officers' fees	136,006	367,005	316,550	(230,999)	(62.94%)	50,455	15.94%
Miscellaneous	131,439	190,633	243,337	(59,194)	(31.05%)	(52,074)	(21.66%)
	20,057,073	17,824,270	12,597,414	2,232,803	12.53%	5,227,337	41.50%
NET INVESTMENT INCOME (LOSS) BEFORE FINAL TAX	39,028,330	(54,041,148)	88,347,748	93,069,478	172.22%	(142,389,377)	(161.17%)
PROVISION FOR FINAL TAX	1,474	1,579,186	209,284	(1,577,712)	(99.91%)	1,369,902	654.57%
NET INVESTMENT INCOME (LOSS)	₱39,026,856	(₱55,620,334)	₱88,138,464	94,647,190	170.17%	(143,759,279)	163.11%

2021

Financial Position (December 31, 2021 vs. December 31, 2020)

The total resources of the Fund increased by 15.89% or ₱300.63 million from ₱1.89 billion at the beginning of the year to ₱2.19 billion as of December 31, 2021. Liabilities increased as well by ₱1.01 million or 25.69% during the year.

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

a) Cash in banks

Cash in banks went down by ₱1.11 million or 8.19% from ₱13.54 million in December 31, 2020 to ₱12.43 million as of December 31, 2021. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.125% in 2021 and 2020.

b) Financial assets at fair value through profit or loss

Financial assets at FVTPL consist of quoted equity securities held for trading amounting to ₱2.18 billion and ₱1.88 billion as of December 31, 2021 and 2020, respectively. This account went up by ₱0.30 billion or 16.08% due to additional investment in equity securities relative to net subscription of shares made during the year.

c) Receivables

Loans and receivables consist of dividends and other receivables. This account went down by ₱0.08 million or 8.46% from last year's balance of ₱0.90 million mainly due to the lower dividend declaration made by Investee Companies as of December 31, 2021.

d) Accounts payable and accrued expenses

This account is composed of payable to FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. The increase of ₱1.01 million or 25.69% from ₱3.94 million at the beginning of the year to ₱4.96 million as of December 31, 2021 pertains to higher accrued expenses as of reporting date.

e) Equity

Capital Stock

The Fund's authorized and issued capital stock are as follows:

	2021	2020
Authorized	30,000,000 shares	30,000,000 shares
Issued	20,201,260 shares	17,551,260 shares

The BOD approved and the stockholders ratified on April 16, 2013 the increase in authorized capital stock of the Fund from ₱1.00 billion (10.00 million redeemable common shares) to ₱3.00 billion (30.00 million redeemable common shares) with a par value of ₱100.00 per share. The increase in authorized capital stock and the registration statement was approved by the SEC on August 29, 2013 and November 27, 2013, respectively.

Additional paid-in capital amounted to ₱156.11 million and ₱160.52 million in 2021 and 2020, respectively. The decrease of ₱4.41 million was affected by the net subscription position of the fund as of December 31, 2021.

As of December 31, 2021, the Fund realized a *Net Income* amounting to ₱39.03 million from ₱55.62 million loss in 2020. The increase of ₱94.65 million in *Retained Earnings* was primarily due to the results of operations net income for the year.

Results of Operations (January 1– December 31, 2021 vs. January 1– December 31, 2020)

For the year ended December 31, 2021, the Fund posted a net income of ₱39.03 million or an increase of 170.2% compared to ₱55.62 million loss in 2020.

The highlights of the results of operations for the year ended December 31, 2021 are as follows:

a) Trading and securities gains (losses)

This account totaled ₱23.74 million income this year, which consists of realized income from the sale and unrealized income on marking-to-market of equity securities. The increase of ₱86.77 million or 137.66% was mainly due to the change in fair market value of equity securities during the year.

b) Dividend income

This is recognized when the Fund's right to receive cash dividend is established. This account increased by ₱8.53 million or 31.84% from last year's ₱26.80 million to ₱35.34 million due to higher cash dividends received from equity securities during the year.

c) Interest income

The decrease of ₱0.01 million or 46.50% was primarily due to lower interest earned during the year.

- d) Management fees**
Management fees amounting to ₱11.41 million and ₱8.82 million in 2021 and 2020, respectively, consist of fees accrued and paid to the Fund's Investment Adviser. The increase of ₱2.59 million or 29.30% pertains to higher asset under management level in 2021.
- e) Taxes and licenses**
This account went down by ₱0.62 million or 13.63% compared with last year's balance of ₱4.56 million to ₱3.94 million primarily due to lower local taxes paid during the year.
- f) Brokers' commission**
Brokers' commission amounting to ₱2.22 million was incurred in 2021 relative to purchase and sale transactions equity securities. This account is ₱0.74 million or 49.63% higher compared to last year's amount of ₱1.49 million due to the higher volume of rebalancing trades during the year.
- g) Custodian and transfer agency fees**
This account decreased by ₱0.62 million or 51.05% from ₱1.22 million to ₱0.60 million this year mainly due to higher volume of rebalancing trades during the year.
- h) Information technology expenses**
Information technology increased by ₱0.18 million or 27.82% from ₱0.65 million to ₱0.83 million this year. This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day.
- i) Regulatory and filing fees**
This account went up by ₱0.09 million or 17.42% from ₱0.52 million to ₱0.61 million due to higher asset under management which is the basis for the listing and filing fees charged by regulatory bodies.
- j) Directors' and officers' fees**
This account pertains to the allowances and per diem of directors and officers during the meetings convened. The decrease of ₱0.23 million or 62.94% from ₱0.37 million to ₱0.14 million during the year was due to lower attendees on meetings held on the current year as compared to last year.
- k) Fund administration fee**
This account totaled ₱0.17 million and pertains to the payment of the fund administration fee during the year.
- l) Miscellaneous expense**
Miscellaneous expense consists of audit fees and various operational expenses incurred by the Fund. This account decreased by ₱0.06 million or 31.05% from ₱0.19 million to ₱0.13 million this year due to lower miscellaneous expenses during the year.

2020

Financial Position (December 31, 2020 vs. December 31, 2019)

The total resources of the Fund soared by 13.44% or ₱0.22 billion from ₱1.67 billion at the beginning of the year to ₱1.90 billion as of December 31, 2020. Liabilities increased as well by ₱1.91 million or 94.14% during the year.

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

a) **Cash in banks**

Cash in banks went up by ₱3.20 million or 30.93% from ₱10.34 million in December 31, 2019 to ₱13.54 million as of December 31, 2020. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.25% in 2020 and 2019.

b) **Financial assets at fair value through profit or loss**

Financial assets at FVTPL consist of quoted equity securities held for trading amounting to ₱1.88 billion and ₱1.66 billion as of December 31, 2020 and 2019, respectively. This account went up by ₱0.22 billion or 13.33% due to additional investment in equity securities relative to net subscription of shares made during the year.

c) **Receivables**

Loans and receivables consist of dividends and other receivables. This account went up by ₱0.15 million or 20.20% from last year's balance of ₱0.75 million mainly due to the higher dividend declaration made by Investee Companies as of December 31, 2020.

d) **Accounts payable and accrued expenses**

This account is composed of payable to FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. The increase of ₱1.91 million or 94.14% from ₱2.03 million at the beginning of the year to ₱3.94 million as of December 31, 2020 pertains to higher accrued expenses as of reporting date.

e) **Equity**

Capital Stock

The Fund's authorized and issued capital stock are as follows:

	2020	2019
Authorized	30,000,000 shares	30,000,000 shares
Issued	17,551,260 shares	14,241,260 shares

The BOD approved and the stockholders ratified on April 16, 2013 the increase in authorized capital stock of the Fund from ₱1.00 billion (10.00 million redeemable common shares) to ₱3.00 billion (30.00 million redeemable common shares) with a par value of ₱100.00 per share. The increase in authorized capital stock and the registration statement was approved by the SEC on August 29, 2013 and November 27, 2013, respectively.

Additional paid-in capital amounted to ₱160.22 million and ₱156.65 million in 2020 and 2019, respectively. The rise of ₱3.88 million was affected by the net subscription position of the fund as of December 31, 2020.

As of December 31, 2020, the Fund realized a *Net Loss* amounting to ₱55.62 million from ₱88.14 million income in 2019. The decrease of ₱112.73 million in *Retained Earnings* was primarily due to the results of operations net loss for the year.

Results of Operations (January 1– December 31, 2020 vs. January 1– December 31, 2019)

For the year ended December 31, 2020, the Fund posted a net loss of ₱55.62 million as compared to ₱88.14 million income in 2019.

The highlights of the results of operations for the year ended December 31, 2020 are as follows:

a) Trading and securities gains (losses)

This account totaled ₱63.03 million loss this year, which consists of realized loss from the sale and unrealized loss on marking-to-market of equity securities. The decrease of ₱136.28 million or 186.06% was mainly due to the change in fair market value of equity securities during the year.

b) Dividend income

This is recognized when the Fund's right to receive cash dividend is established. This account decreased by ₱0.86 million from last year's ₱27.66 million to ₱26.80 million due to lower cash dividends received from equity securities during the year.

c) Interest income

The decrease of 59.39% was primarily due to lower interest earned during the year.

d) Management fees

Management fees amounting to ₱8.82 million and ₱9.16 million in 2020 and 2019, respectively, consist of fees accrued and paid to the Fund's Investment Adviser. The decrease of ₱0.34 million or 3.69% pertains to lower asset under management level in 2020.

e) Taxes and licenses

This account went up by ₱4.22 million compared with last year's balance of ₱0.34 million primarily due to higher local taxes paid during the year.

f) Brokers' commission

Brokers' commission amounting to ₱1.49 million was incurred in 2020 relative to purchase and sale transactions equity securities. This account is ₱1.24 million or 494.49% higher compared to last year's amount of ₱0.25 million due to the higher volume of rebalancing trades during the year.

g) Custodian and transfer agency fees

This account increased by ₱0.33 million or 36.89% from ₱0.89 million to ₱1.22 million this year mainly due to higher volume of rebalancing trades during the year.

h) Information technology expenses

Information technology decreased by 6.79% and this pertains to prime portal services being used by the Fund. This account includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day.

i) Regulatory and filing fees

This account went down by ₱0.17 million or 24.74% due to lower asset under management which is the basis for the listing and filing fees charged by regulatory bodies.

j) Directors' and officers' fees

This account pertains to the allowances and per diem of directors and officers during the meetings convened. The increase of ₱0.05 million or 15.94% from ₱0.32 million last year to ₱0.37 million during the year was due to higher attendees on meetings held on the current year as compared to last year.

k) Miscellaneous expense

Miscellaneous expense consists of various operational expenses incurred by the Fund. This account decreased by 21.66% due to lower miscellaneous expenses during the year.

2019

Financial Position (December 31, 2019 vs. December 31, 2018)

The total resources of the Fund soared by 8.62% or ₱0.13 billion from ₱1.54 billion at the beginning of the year to ₱1.67 billion as of December 31, 2019. Liabilities increased as well by ₱0.73 million or 55.91% during the year.

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

a) Cash in banks

Cash in banks went down by ₱6.03 million or 36.83% from ₱16.37 million in December 31, 2018 to ₱10.34 million as of December 31, 2019. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.25% in 2019 and 2018.

b) Financial assets at fair value through profit or loss

Financial assets at FVTPL consist of quoted equity securities held for trading amounting to ₱1.66 billion and ₱1.52 billion as of December 31, 2019 and 2018, respectively. This account went up by ₱0.14 billion or 9.08% due to additional investment in equity securities relative to net subscription of shares made during the year.

c) Receivables

Loans and receivables consist of dividends and other receivables. This account went up by ₱0.31 million or 72.58% from last year's balance of ₱0.43 million mainly due to the higher dividend declaration made by Investee Companies as of December 31, 2019.

d) Accounts payable and accrued expenses

This account is composed of payable to FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. Accounts payable and accrued expenses rose by ₱0.73 million or 55.91% from ₱1.30 million at the beginning of the year to ₱2.03 million as of December 31, 2019.

The increase in this account is primarily due to Payable to FAMI consisting of accrued management fees, which went up by ₱0.05 million or 7.44% relative to the growth of Fund's net assets. This also includes unpaid information technology fees amounting to ₱0.64 million and documentary stamp tax that increased by ₱0.12 million due to the higher subscriptions in December 2019.

e) Equity

Capital Stock

The Fund's authorized and issued capital stock are as follows:

	2019	2018
Authorized	30,000,000 shares	30,000,000 shares
Issued	14,241,260 shares	13,851,260 shares

The BOD approved and the stockholders ratified on April 16, 2013 the increase in authorized capital stock of the Fund from ₱1.00 billion (10.00 million redeemable common shares) to ₱3.00 billion (30.00 million redeemable common shares) with a par value of ₱100.00 per share. The increase in authorized capital stock and the registration statement was approved by the SEC on August 29, 2013 and November 27, 2013, respectively.

Additional paid-in capital amounted to ₱156.65 million and ₱152.21 million in 2019 and 2018, respectively. The rise of ₱4.43 million was affected by the net subscription position of the fund as of December 31, 2019.

As of December 31, 2019, the Fund earned a *Net Income* amounting to ₱88.14 million from a deficit of ₱189.24 million in 2018. The growth of ₱88.14 million in *Retained Earnings* was primarily due to the Fund's net income for the year.

Results of Operations (January 1–December 31, 2019 vs. January 1–December 31, 2018)

For the year ended December 31, 2019, the Fund posted a net income of ₱88.14 million as compared to deficit of ₱189.24 million in 2018.

The highlights of the results of operations for the year ended December 31, 2019 are as follows:

- a) ***Trading and securities gains (losses)***
This account, amounting to ₱73.25 million gains, consists of realized of ₱4.19 million from sale of financial assets at FVTPL securities and unrealized gain on marking-to-market of ₱69.06 million. The significant increase of ₱273.05 million was primarily due to the increase in fair market value of equity securities during the current year.
- b) ***Dividend income***
Dividend income earned from financial assets at FVTPL amounted to ₱27.66 million and ₱23.38 million in 2019 and 2018, respectively. The ₱4.29 million increase was caused by higher inventory of shares held by the fund for the year ended December 31, 2019.
- c) ***Interest income***
The increase in this account was principally due to the higher balance of cash in interest bearing bank account this year.
- d) ***Management fees***
Management fees amounting to ₱9.16 million and ₱8.49 million in 2019 and 2018, respectively, consist of fees accrued and paid to the Fund's Investment Adviser. The increase of ₱0.68 million or 7.95% pertains to higher asset under management level in 2019.
- e) ***Custodian and transfer agency fees***
This account declined by ₱0.12 million or 11.92%, from ₱1.01 million in 2018 to ₱0.89 million in 2019. The decrease was mainly caused by fewer rebalancing trades during 2019 as compared in 2018.
- f) ***Information technology expenses***
Information technology expenses pertain to the prime portal services being used by the Fund. This account includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day
- g) ***Regulatory and filing fees***
This account rose by ₱0.09 million or 15.29% due to higher asset under management which is the basis for the listing and filing fees charged by regulatory bodies.
- h) ***Taxes and licenses***
This account fell by ₱0.15 million compared with last year's balance of ₱0.50 million primarily due to lower local taxes paid during the year.

i) Directors' and officers' fees

This account pertains to the allowances and per diem of directors and officers during the meetings convened. The increase of ₱0.06 million or 23.41% from ₱0.260 million last year to ₱0.32 million during the year was due to higher attendees on meetings held on the current year as compared to last year.

j) Brokers' commission

Brokers' commission amounting to ₱0.25 million was incurred in 2019 relative to purchase and sale transactions equity securities. This account is ₱0.24 million or 49.10% lower compared to last year's amount of ₱0.49 million due to the lower volume of rebalancing trades during the year.

k) Miscellaneous expense

Miscellaneous expense consists of various operational expenses incurred by the Fund.

Plan of Action

FAMI is the principal distributor of the Fund's shares of stock. It is licensed by SEC to act as the Investment Company Adviser/Manager, Administrator and Principal Distributor. It intends to increase its marketing network and accredit sub-dealers or agents to sell the Fund's share.

Subsequent Events

There were no subsequent events that took place after the quarter ended December 31, 2021.

Other Matters

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

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

DISCUSSION OF KEY PERFORMANCE INDICATORS

First Metro Philippine Equity Exchange Traded Fund, Inc. was incorporated on January 15, 2013. The Fund shares were listed with Philippine Stock Exchange (PSE) on December 2, 2013. It offers to qualified trading participants, on a continuous basis, the shares of the Fund which are issuable and redeemable in predetermined creation units.

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

The Fund started with an initial paid-up capitalization of ₱0.75 billion. The Fund's paid-up capital is now ₱2.19 billion.

- *Net Asset Value Per Share* - Net Asset Value per share was higher from to ₱107.5543 as of December 31, 2020 to ₱108.2768 as of December 31, 2021, representing 1.92% return on equity over a year. The Fund's average daily net asset value increased by ₱0.46 billion or 29.44% from ₱1.57 billion to ₱2.04 billion this year.
- *Sales for the year 2021* - The Fund had a total subscription of 3.42 million shares for the year 2021 and 4.79 million shares in 2020. This year's subscription is lower by 1.37 million shares or 28.60% compared to the 4.79 million shares issued in 2020.
- *Redemptions for the year 2021* - The Fund had a total redemption of 0.77 million shares in 2021, lower by 0.50 million shares compared to 1.26 million shares redeemed in 2020.
- *Net Income vs. Benchmark* - The Fund ended the year 2021 with a net income of ₱39.03 million, higher by 170.17% or ₱94.65 million compared to 2020 net loss of ₱55.62 million.
- *Market Share vs. Benchmark* - As of December 31, 2021 the Fund garnered 1.81% share in the Equity Funds category while 0.49% share among all mutual funds in terms of net assets. On the basis of account holders, the Fund has 3,028 account holders or 1.06% of the total accounts in the Equity Funds category.
- *NAVPS vs. Benchmark* - The Fund NAVPS is tracked using the PSEi. The Fund's tracking error will not exceed five percent (5%). The tracking error during 2021 is 0.04%.

The following basic ratios measure the financial performance of the Company for the years ended 2021 and 2020:

PERFORMANCE INDICATORS	2021	2020
Return on average asset ^{1/}	1.91%	(3.13%)
Return on average equity ^{2/}	1.92%	(3.13%)
Cost-to-income ratio ^{3/}	33.95%	(49.22%)
Net asset value per share ^{4/}	₱108.2768	₱107.5543
Earnings (Loss) per share ^{5/}	₱2.2236	₱3.3410

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

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

^{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 share by deducting total liabilities from total assets to come up with the Net Assets and dividing with the outstanding number of shares for the year.

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

Item 7. FINANCIAL STATEMENTS

Statement of Management's Responsibility for Financial Statements

Please refer to Exhibit 1.

Audited Financial Statements

Please refer to Exhibit 2.

Item 8. CHANGES IN THE DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

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 year ended December 31, 2021 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.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS

Incorporators

- Mr. Hector R. Villanueva
- Mr. Augusto M. Cosio, Jr.
- Amb. Romualdo A. Ong
- Dr. Bernardo M. Villegas
- Mr. Nilo L. Pacheco Jr.

Directors

Name of Beneficial Owners	Term Served	Age	Business Experience
Eduardo R. Carreon	8 years	73	Banking/Finance
Eduardo S. Mendiola	6 years	66	Finance
Winston L. Peckson	8 years	70	Banking/Finance
Michael G. Say	8 years	62	Finance
Fr. Rafael K. Eloriaga	2 years & 6 months	58	Finance
Bernardo M. Villegas	9 years	82	Economist
Abelardo V. Cortez	7 years	76	Banking

The next set of directors will be elected during its Annual Stockholders' Meeting. Each director holds office until the corresponding Board of Directors' Meeting in the succeeding year, or until a successor is elected, appointed or shall have been qualified.

Executive Officers

Name of Beneficial Owners	Position	Age	Citizenship	Business Experience
Eduardo R. Carreon	Chairman	73	Filipino	Banking/Finance
Eduardo S. Mendiola	President	66	Filipino	Finance
Maricel L. Madrid	Treasurer	43	Filipino	Banking/Finance/Management
Mauro B. Placente	Asst. Treasurer	56	Filipino	Banking/Finance
Melissa B. Reyes	Corporate Secretary	52	Filipino	Finance/Government
Jonathan T. Tabac	Compliance Officer	67	Filipino	Banking/Finance
Edwin B. Valeroso	Corp Information Officer	58	Filipino	Banking/Finance

Mr. Eduardo R. Carreon, Director/Chairman of the Board

Mr. Eduardo R. Carreon, 73 years old, Filipino, term of office is one year. Mr. Carreon has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013 and First Metro Save and Learn Money Market Fund, Inc. since June 2018.

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

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

Mr. Eduardo S. Mendiola, President

Mr. Eduardo S. Mendiola, 66 years old, Filipino, term of office is one year. Mr. Mendiola has been serving as a member of the Board of Director of the following companies since June 2015, namely: 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. (President), First Metro Asia Focus Equity Fund, Inc. (President), First Metro Consumer Fund, Inc. (Chairman), and First Metro Philippine Equity Exchange Traded Fund, Inc. (President). He was 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.

Mr. Winston L. Peckson, Director

Mr. Winston L. Peckson, 70 years old, Filipino, term of office is one year. Mr. Peckson has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013 and First Metro Save and Learn Philippine Index Fund, Inc. since June 2021. He has 40 years of experience in the banking industry. Among his past positions were Head of Treasury Marketing of Philippine National Bank (PNB) from 2009-2010; Vice President and General Manager of the Manila Offshore Branch of ABN-AMRO NV from October 1999-2009; VP and Corporate Treasury Advisor of Bank of America- Manila Branch from 1996-1999; CEO and Director of Danamon Finance Company (HK) from 1991-1996 and Manager Corporate Banking of Lloyds Bank PLC (HK) from 1986-1991, and VP(Commercial) at the Manila Offshore Branch. He is presently the Chief Risk Officer of GT Capital Holdings, Inc.

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

Mr. Michael G. Say, Director

Mr. Michael G. Say, 62 years old, Filipino, term of office is one year. Mr. Say has been serving as a member of the Board of Director of First Metro Asia Focus Equity Fund, Inc., First Metro Consumer Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Save and Learn Money Market Fund, Inc. (Chairman), and First Metro Save and Learn Philippine Index Fund, Inc. (Chairman). He is currently Chairman of the following companies: Capitalwise Groups Ltd., (2008 to present), Atlantic Archers Achiever Corporation (2004 to present), Hiratsuka Int'l Corp., Londonstar Corporation and White Knight Productions Corporation. He was the former Chairman for the following companies: Poc and Poc Corporation (2010 to 2016), Chic Uniform, Inc. (2002 to 2013) and Tokagawa Global Corporation (2004 to 2013).

Mr. Say graduated from De La Salle University with a degree in Management of Financial Institutions.

Fr. Rafael K. Eloriaga, CM, Independent Director

Fr. Rafael K. Eloriaga, 58 years old, Filipino, term of office is one year. Fr. Eloriaga is also the Independent Director for First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc. and First Metro Consumer Fund, Inc.

Fr. Eloriaga is currently the Vice-President for Finance of Adamson University (2016-present), a member of the Finance Committee, General Curia under the Congregation of the Mission (2013 to present) and joined as member of the Board of Trustees of the Universidad de Sta Isabel, Naga City (2016 to present). He was formerly the Cebu Business Center Head for Central and Eastern Visayas Senior Manager of BPI Family from 2005-2006 and the Provincial Econome, Philippine Province-Congregation of the Mission (2012- 2016).

Fr. Eloriaga took up his AB Philosophy and Letters at Dela Salle University in 1983 and his BS Accountancy at Fr. Saturnino Urios University in 1994. He finished the Curriculum of Ordained Ministry and Masters in Pastoral Theology at St. Vincent School of Theology.

Dr. Bernardo M. Villegas, Independent Director

Dr. Bernardo M. Villegas, Ph.D., 82 years old, Filipino, term of office is one year. He has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since April 2013 and First Metro Save and Learn Money Market Fund, Inc. since June 2021.

He serves as University Professor and Vice President of the University of Asia and the Pacific. He is columnist for Manila Bulletin and Business World. He has served as Independent Director for Transnational Diversified, Inc. from 2000 to the present. He has been the Chairman of Filipino Fund since June 2012. He has been the Chairman of the Board of the Benguet Corporation since 2010. He was in the boards of BPI, Globe Telecom, Insular Life, McDonalds, IBM, Rolls Royce, AES, and Alaska Milk. He is a member of the boards of director of leading NGOs such as Dualtech Foundation and the Philippine Foundation for Cultural and Educational Development.

He also served as Chairman of Filipino Fund Inc. until February 2007, Co-Chairman until November 30, 2007 and served as its President. He served as Chairman, Department of Economics-De La Salle University Manila and Director, Economic Research Bureau and Graduate School of Business-De La Salle University Manila. He has been an Independent Director of Benguet Corp. since June 25, 1998. He has been a Director of Alaska Milk Corp. since August 2008. He served as Director of Bank of Philippine Islands from 1980 to 2000. He served as a Director of the Filipino Fund Inc., from June 1995 to November 30, 2007. He served as a Non-Executive Independent Director of Uniwide Holdings Inc., since September 11, 1994. He served as an Independent Director of Alaska Milk Corp. from 1999 to 2006.

Dr. Villegas holds a Ph.D. in Economics and M.A. in Economics from the Harvard University. He obtained his Bachelor's degrees in Commerce and the Humanities (both Summa Cum Laude) from De La Salle University.

Atty. Abelardo V. Cortez, Independent Director

Atty. Abelardo V. Cortez, 76 years old, Filipino, term of office is one year. Atty. Cortez has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since May 2014. He has over 25 years of banking experience in the local and international banking industry, concentrating on treasury, trust and private banking side of the business. Over this period, he held the following posts: Money Market Head- Rizal Banking Corporation (1978 to 1980); Vice President-Treasury Operations, Bank of the Philippine Island (1980 to 1986); Managing Director and

CEO, BPI International Finance Ltd. (Hongkong) from 1987 to 1995; Vice President, Head/Private Banking Group- Bank of the Philippine Island (1995 to 1996); Director for Trust and Investments, ATR KimEng Capital Partners, Inc. (1996 to 2011). He was FINEX President in 2007 and Co-Chairman of the country's Capital Market Development Council in 2008. He was a former director/trustee of FINEX Foundation. He was a former director of First Metro Asset Management Inc.

Presently, he sits as Independent Director of PBC Capital Investment Corporation (since 2012) and First Metro Philippine Equity Exchange Traded Fund, Inc. (since May 2014).

In 2008, San Beda College Alumni Association voted him most Distinguished Bedan Award in the field of banking and finance.

Atty. Cortez earned his Bachelor of Laws degree from San Beda College of Law. He completed his collegiate studies at San Beda College, earning a Bachelor of Arts degree, Cum Laude.

Atty. Cortez writes a monthly business column in the prestigious leading business daily, the Businessworld.

Aside from the Directors of the Fund, the other Executive Officers are:

Executive Officers

Maricel L. Madrid, Treasurer

Maricel L. Madrid, 43 years old, Filipino, term of office is one year. She is a Senior Vice President of First Metro Investment Corporation and currently heads the company's Controllershship Group. She also holds presidency and directorship with SBC Properties, Inc., Prima Ventures Development Corporation and FMIC Equities, Inc. Ms. Madrid also serves as the Treasurer of- First Metro Securities Brokerage Corporation, First Metro Asset Management, Inc., First Metro Save Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn FOCCUS Dynamic Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Funds, Inc. and First Metro Save & Learn Philippine Index Fund, Inc.

She has more than 20 years of solid experience in the banking industry in the areas of audit, risk management, controllership and finance. She was the Controller during her six years stint with a local bank and served as a director and a member of the audit committee for one of the subsidiaries of the said banking group. She started her career as an external auditor with one of the top auditing firms in the country.

Ms. Madrid is a Certified Public Accountant and graduated cum laude with a degree of Bachelor of Science in Accountancy from the University of Santo Tomas.

Mauro B. Placente, Assistant Treasurer

Mauro B. Placente, 56 years old, Filipino. He is the Vice President and Deputy Controller of First Metro Investment Corporation. He is the Chairman and President of First Metro Insurance Brokers Corporation and First Metro Insurance Agency, Inc. He is also the Director of FMIC Equities, Inc. He also serves as the Treasurer of PBC Capital Investment Corp, SBC Properties, Inc., Prima Ventures Development Corporation, Resiliency (SPC), Inc. and Skyland Realty Development Corporation, Inc. and Assistant Treasurer of First Metro Philippine Equity Exchange Traded Fund, Inc.

He joined First Metro Investment Corporation on September 1, 2000. Mr. Placente finished his Bachelor of Science Degree at the National College of Business and Arts. He is a Certified Public Accountant.

Atty. Melissa B. Reyes, Corporate Secretary

Atty. Melissa B. Reyes, 52 years old, Filipino, term of office is one year. She is Assistant Vice President and Legal Officer of First Metro Investment Corporation. She joined First Metro in November 2003. She is also the Corporate Secretary of First Metro Save and Learn Philippine Index Fund, Inc. and First Metro Philippine Equity Exchange Traded Fund, Inc. Atty. Reyes was also Compliance Officer of FMSBC from 2004-2006. Prior to joining the First Metro group, she was Senior Consultant in the Corporate and Tax Services of J. Cunanan-Pricewaterhouse Philippines (2000-2003). She was previously the Chief Legislative Officer in the Office of Senator Loren Legarda from 1998-2000, and Court Attorney III in the Office of Supreme Court Justice Ricardo J. Francisco from 1997-1998.

Atty. Reyes obtained her A.B. Political Science Degree from Ateneo de Manila University, and her Bachelor of Laws degree from San Beda College. She also completed the Trust Course from the Trust Institute of the Philippines in 2012.

Mr. Jonathan T. Tabac, Compliance Officer

Mr. Jonathan T. Tabac, 67 years old, Filipino, term of office is one year. He has served as such from January 29, 2007 up to present. He is also the Compliance Officer of First Metro Securities Brokerage Corporation, First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Fund, First Metro Save and Learn Philippine Index Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn FOCCUS Dynamic Fund, Inc. and First Metro Asset Management, Inc. He served as AVP & Compliance Officer of Citystate Savings Bank (2002-2003), Vice President of Maybank Philippines (formerly PNB Republic Planters Bank)-1997-2001 and Chairman of the Board of RPB Provident Fund, Inc. (1997-2001). Mr. Tabac finished BSC-Accounting from University of Baguio. He is a Certified Public Accountant.

Mr. Edwin B. Valeroso, Corporate Information Officer

Dr. Edwin B. Valeroso, 58 years old, Filipino, term of office is one year. Mr. Valeroso serves as Director and President of First Metro Save and Learn FOCCUS Dynamic Fund, Inc. since November 2018. He is First Vice President of First Metro Asset Management, Inc. He is the President of the Capital Markets Institute of the Philippines, Inc. (2018-present). Dr. Valeroso 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 Dollar Bond Fund, Inc. (2008 to 2011). He is also the Chief Information Officer of First Metro Philippine Equity Exchange Traded Fund, Inc. He was Vice President and Trustee of Philippine Investment Funds Association, Inc. (2006-2018) and Professorial Lecturer at De La Salle University-Graduate School of Business (2000-present). He was a Mutual Fund Strategist/Consultant at First Metro Investment Corp. (2004-2005).

Dr. Valeroso has a Bachelor's degree in Actuarial Mathematics from University of Santo Tomas, a Master of Science degree in Applied Mathematics from University of the Philippines-Diliman, 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, an Accredited Financial Analyst of American Academy of Financial Management, an SEC-Certified Investment Solicitor and a PRC-licensed Real Estate Broker.

Significant Employees

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

Family Relationships

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the directors and officers listed above.

Involvement in Certain Legal Proceedings

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

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

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

Item 10. EXECUTIVE COMPENSATION

Compensation of Directors and Officers

	Amount		
	2021	2020	2019
Directors	₱308,000	₱276,603	₱265,000
Executive Officers	32,000	90,402	52,000
Aggregate Annual Per Diem	₱340,000	₱367,005	₱317,000

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

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

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

The following stockholders own more than 5% of the common voting securities as of December 31, 2021:

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizen	No. of Shares Held	Percent to Outstanding Shares
Common	<i>First Metro Securities Brokerage Corporation (FMSBC)</i> 8 th Floor PSBank Centre, 777 Paseo de Roxas Ave. cor. Sedeño St., Salcedo Village, Makati City, Philippines 1226	Various Clients	Filipino	9,856,858	48.79%
Common	<i>COL Financial Group, Inc.</i> 2403-B East Tower, PSE Center, Exchange Road Ortigas Center, Exchange Rd, Ortigas Center, Pasig, 1605 Kalakhang Maynila	Various Clients	Filipino	3,989,064	19.75%
Common	<i>Chinabank Securities Corporation</i> 28 th floor BDO Equitable Tower, 8751 Paseo De Roxas Makati 1227 Metro Manila	Various Clients	Filipino	1,168,260	5.78%

First Metro Securities Brokerage Corp. (FMSBC), is the registered owner of the shares in the books of the Company. The Board of Directors of FMSBC 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 FMSBC is Mr. Gonzalo Ordonez or Mr. Jose Patricio A. Dumlaog or any officers appointed by the Board.

COL Financial Group, Inc (COL), is the registered owner of the shares in the books of the Company. The Board of Directors of COL 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 COL is Ms. Conrado F. Bate or any officers appointed by the Board.

Chinabank Securities Corporation, is the registered owner of the shares in the books of the Company. The Board of Directors of Chinabank Securities Corporation 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 Chinabank Securities Corporation, is Mr. William C. Whang or any officers appointed by the Board.

Security Ownership of Management

Following are the securities owned by directors and officers of the Company as of December 31, 2021:

Title of Class	Name of Beneficial Owners	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common Shares	Eduardo R. Carreon	1	Filipino	0.00000%
Common Shares	Eduardo S. Mendiola	1	Filipino	0.00000%
Common Shares	Rafael K. Eloriaga	1	Filipino	0.00000%
Common Shares	Bernardo M. Villegas	1	Filipino	0.00000%
Common Shares	Winston L. Peckson	1	Filipino	0.00000%
Common Shares	Abelardo V. Cortez	1	Filipino	0.00000%
Common Shares	Michael G. Say	1	Filipino	0.00000%
Common Shares	Melissa B Reyes	501	Filipino	0.00000%

Voting Trust Holders of 5% or More

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

Changes in Control

The Fund is an open-end investment company engaged in the business of investing, reinvesting and trading in and issuing and redeeming its shares of stock in creation unit in exchange for basket of equity securities representing an index. The fund has an initial paid-up capitalization of ₱750 million that is paid by First Metro Investment Corporation. The fund's shares were listed with the Philippine Stock Exchange (PSE) on December 2, 2013. As of December 31, 2021, the majority of the shares are held by First Metro Securities Brokerage Corporation.

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

PART IV – CORPORATE GOVERNANCE

The Board approved the Fund's Corporate Governance Manual on June 19, 2013 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. It also features a Disclosure System which highlights adherence to the principles of transparency, accountability and fairness. 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 deviation from the Manual's standards.

External Auditors

The present auditor of the Fund is Sycip, Gorres, Velayo and Co. The reports of said auditors on the financial statements of the company for the years ended December 31, 2021 and 2020 contained unqualified opinions.

In compliance with SRC Rule 68, par. 3 (b)(iv), the signing partner of the auditing firm is rotated every after five (5) years of engagement.

The fees paid for the professional services rendered by SGV & Co. for the audit of our Financial Statements is ₱89,443, ₱92,400 and ₱84,158 for the year 2021, 2020 and 2019, respectively. These cover the following:

- a) the audit of the Fund's financial statements or services that are normally provided by SGV in connection with the statutory and regulatory filings or engagement.
- b) rendering of an opinion based on the examination and overall valuation of the financial statements, on a test basis. It also covers the assistance in preparing First Metro-ETF's annual income tax return based on audited financial statements.

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.

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 year 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 year for products and services provided by SGV & Co. other than the services mentioned above.

PART V - EXHIBITS AND SCHEDULES

Exhibits

Exhibit No.	Description of Exhibit
1	Statement of management responsibility
2	Audited financial statements
3	Index to Financial Statements and supplementary schedules (A to H)
4	Financial soundness indicators and other ratios

SIGNATURES

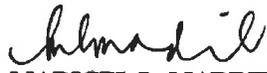
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila on MAY 14 2022

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED, FUND, INC.
Company

By:


EDUARDO R. CARREON
Chairman


EDUARDO S. MENDIOLA
President

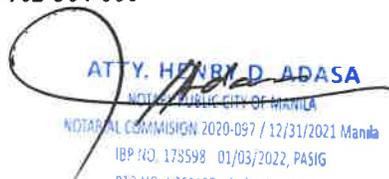

MARICEL L. MADRID
Treasurer


ATTY. MELISSA B. REYES
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 14 2022, affiants exhibiting to me their respective IDs, as follows:

<u>Name</u>	<u>ID No. / Date and Place of Issue</u>
Eduardo R. Carreon	TIN 160-247-790
Eduardo S. Mendiola	TIN 129-884-568
Maricel L. Madrid	P3957238B / November 25, 2019 / DFA NCR West
Melissa B. Reyes	TIN 702-504-000

Doc. No. 474
Page No. 94
Book No. XXXI
Series of 2022


ATTY. HENRY D. ADASA
NOTARY PUBLIC CITY OF MANILA
NOTARIAL COMMISSION 2020-097 / 12/31/2021 Manila
IBP NO. 173598 01/03/2022, PASIG
PTR NO. 0060197 -01/05/2021 MLA
ROLL NO. 29079, TIN: 172-528-620
MTCF COMPL. NO. YH-DU00155 6/26/2019 Valid April 14, 2025
LINDAY TROSA-INDARES MANILA, 9-2, UNIT 355, TOROJO, MANILA
NOTARY SUPREME COURT 2.A.N. NO. 3795 EXTENDED FROM JAN 1 TO JUNE 30, 2022



FIRST METRO PHILIPPINE EQUITY
EXCHANGE TRADED FUND

March 31, 2022

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of December 31, 2021 and 2020 and for each of the three years in the period ended December 31, 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Funds' financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip, Gorres, Velayo & Co., the independent auditors, appointed by the stockholders, has audited the financial statements of the Fund in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.


Eduardo R. Carreon
Chairman


Eduardo S. Mendiola
President


Maricel L. Madrid
Treasurer

13 MAY 2022

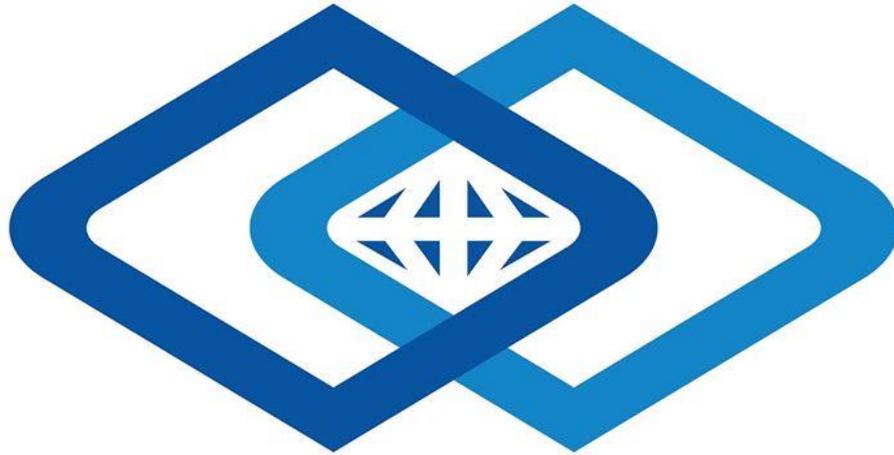
SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____ affiants exhibiting to me their Identification Numbers, as follows:

<u>Name</u>	<u>Government ID /Passport No. / Date and Place of Issue</u>
Eduardo R. Carreon	TIN 160-247-790
Eduardo S. Mendiola	TIN 129-884-568
Maricel L. Madrid	TIN 206-503-370

Notary Public

Doc. No. 290
Page No. 59
Book No. XLV
Series of 2022


ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 204 (2021-2022)
IBP O.R. No. 132134 MD 2021 & IBP O.R. No. 133076 MD 2022
PTR O.R. No. 2463255D 1/3/22 / Roll No. 33832 / TIN# 129-871-009
MCLE No. VI-0029583 valid from 12/19/19 valid until 04/14/22 Quezon City
Address: 31-F Harvard St. Cubao, Q.C.



FIRST METRO PHILIPPINE EQUITY
EXCHANGE-TRADED FUND

SUSTAINABILITY REPORT 2021

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	First Metro Asset Management, Inc.
Location of Headquarters	18 TH Flr., PSBank Center, Paseo de Roxas corner Sedeño St. , Makati City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	N/A
Business Model, including Primary Activities, Brands, Products, and Services	The First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund) was registered with the Securities and Exchange Commission (“SEC”) on January 15, 2013 as an open-end investment company under Republic Act No. 2629, otherwise known as the Investment Company Act and as an “Exchange Traded Fund” (“ETF”) under SEC Memorandum Circular No. 10, Series of 2012 otherwise known as the SEC Rules and Regulations on Exchange Traded Funds (the “SEC ETF Rules”). The Fund is engaged primarily in the business of investing, reinvesting, and trading in, and issuing and redeeming its shares of stock in creation units in exchange for a basket of securities representing an index.
Reporting Period	January 2021 – December 2021
Highest Ranking Person responsible for this report	President

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
FMETF is registered as an Open-end Investment Company. First Metro Asset Management (FAMI) is FMETF’s fund manager and generally oversees and runs its operations. The content of this report is based on applicability given its nature.

¹ See [GRI 102-46](#) (2016) for more guidance.

ECONOMIC

Economic Performance

The Fund generates its revenue from trading activities, disposal of investment securities and changes in the fair values of financial instruments at FVTPL, dividend income from equity securities and interest income from cash and cash equivalent. FMETF generated Php59,085,403 in 2021. The Company relies on the service of third parties such as its Fund Manager to run its operations. Most of these operations will charge fee based on the FMETF' net assets. The total operating cost, by law, cannot exceed ten percent (10%) of the average investment fund or its net worth as indicated in its previous year's audited financial statements. The Fund may declare or pay 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 or from the Fund's earned surplus so determined for the current or preceding fiscal year.

Procurement Practices

The Fund has no raw materials for its business nor has any major existing supply contracts.

Anti-corruption

FMETF directors and management are committed to the highest standards of integrity and ethical business conduct. FMETF and its Fund Manager conduct fair business transactions and guarantee their personal interest does not affect the exercise of their duties. Directors and officers shall not use their position to profit or acquire benefits or advantage for themselves or related interests. No significant corruption risks were identified for the year 2021. FMETF, its Fund Manager, Agents and Distributors conduct business in a manner designed to maintain a culture of honesty and opposition to fraud and corruption.

Economic Performance

Disclosure	Amount	Units
Direct economic value generated (revenue)	59,085,403	PhP
Direct economic value distributed:	20,191,887	PhP
a. Operating costs	16,619,387	PhP
b. Employee wages and benefits	136,006	PhP
c. Payments to suppliers, other operating costs	0	PhP
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	3,436,494	PhP
f. Investments to community (e.g. donations, CSR)	0	PhP

Direct Economic Value Generated : PHP59,085,403

Direct Economic Value Distributed : PHP20,191,887

Climate-related risks and opportunities²

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Not applicable	%

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Not applicable	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Not applicable	%
Percentage of directors and management that have received anti-corruption training	100%	%
Percentage of employees that have received anti-corruption training	Not applicable	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	Not applicable	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	Not applicable	#

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

ENVIRONMENT

Resource Management

Nothing to report. The company is registered as an Open-end Investment Company.

Environmental Impact Management

Nothing to report. The company is registered as an Open-end Investment Company.

Solid and Hazardous Wastes

Nothing to report. The company is registered as an Open-end Investment Company.

Environmental compliance

The Company is not required to comply with any environmental laws.

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	Not applicable	GJ
Energy consumption (gasoline)	Not applicable	GJ
Energy consumption (LPG)	Not applicable	GJ
Energy consumption (diesel)	Not applicable	GJ
Energy consumption (electricity)	Not applicable	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	Not applicable	GJ
Energy reduction (LPG)	Not applicable	GJ
Energy reduction (diesel)	Not applicable	GJ
Energy reduction (electricity)	Not applicable	kWh
Energy reduction (gasoline)	Not applicable	GJ

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	Not applicable	Cubic meters
Water consumption	Not applicable	Cubic meters
Water recycled and reused	Not applicable	Cubic meters

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
<ul style="list-style-type: none"> • renewable 	Not applicable	kg/liters
<ul style="list-style-type: none"> • non-renewable 	Not applicable	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not applicable	%

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

³ International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Not applicable	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	Not applicable	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	Not applicable	Tonnes

Air pollutants

Disclosure	Quantity	Units
NO _x	Not applicable	kg
SO _x	Not applicable	kg
Persistent organic pollutants (POPs)	Not applicable	kg
Volatile organic compounds (VOCs)	Not applicable	kg
Hazardous air pollutants (HAPs)	Not applicable	kg
Particulate matter (PM)	Not applicable	kg

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Not applicable	kg
Reusable	Not applicable	kg
Recyclable	Not applicable	kg
Composted	Not applicable	kg
Incinerated	Not applicable	kg
Residuals/Landfilled	Not applicable	kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not applicable	kg
Total weight of hazardous waste transported	Not applicable	kg

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not applicable	Cubic meters
Percent of wastewater recycled	Not applicable	%

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Not applicable	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	Not applicable	#
No. of cases resolved through dispute resolution mechanism	Not applicable	#

SOCIAL

Employee Management

FMETF has no employees since management of its operation is outsourced to a Fund Manager. Directors and key officers are chosen in accordance with the requirements of the SRC and ETF Rules. The Directors and Executive Officers are given per diems for each meeting. There is no employment contract between the Company and executive officers. There is no compensatory plan or arrangement, including payments to be received from the Company with respect to the executive officers, in the event of resignation, retirement or any other termination of such officer's employment with the Company. All employees of the Fund Manager are provided with adequate training on Anti-money Laundering, Act, Information Security, Data Privacy Act, as well as the policies and procedures established by the Company to ensure awareness and compliance.

Supply Chain Management

The Fund has no raw materials for its business nor has any major existing supply contracts.

Relationship with Community

Being a capital market participant, FMETF make investing simple, accessible, and affordable. It offers professional management, diversification, liquidity, affordability, as well as strict compliance government regulation and full disclosure.

Customer Management

FMETF ensures shareholder's access to accurate and adequate information about our company and its transactions. Through timely and accurate disclosures of material information, we aim to mitigate the negative effects of inadequate engagement in public relations. FMETF is committed to respect the stockholders' right to information based on prescribed rules and regulations. Our company also aims to provide stockholders accurate and timely information during the annual stockholders' meeting and quarterly briefings, and to achieve non-violation of disclosure rules. No incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications was incurred as of 2021. No complaints from customers that went through the organization's formal communication channels and no complaints were lodged to and acted upon by government agencies.

First Metro Asset Management, Inc. the fund manager of FMETF seeks to ensure that personal data of all investors are handled with utmost care and confidentiality, regardless of how it is created, viewed, processed, stored, used or destroyed and whether it is through electronic, print, written or any other possible form and medium. The organization ensures that the collection, storage, distribution, retention and disposal of personal data shall be done in an appropriate manner for any investment transaction, and internal purposes. There were no complaints concerning breaches of customer privacy and losses of customer data for 2021.

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴		
a. Number of female employees	Not applicable	#
b. Number of male employees	Not applicable	#
Attrition rate ⁵	Not applicable	rate
Ratio of lowest paid employee against minimum wage	Not applicable	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS		Not applicable	
PhilHealth		Not applicable	
Pag-ibig		Not applicable	
Parental leaves		Not applicable	
Vacation leaves		Not applicable	
Sick leaves		Not applicable	
Medical benefits (aside from PhilHealth))		Not applicable	
Housing assistance (aside from Pag-ibig)		Not applicable	
Retirement fund (aside from SSS)		Not applicable	
Further education support		Not applicable	
Company stock options		Not applicable	
Telecommuting		Not applicable	
Flexible-working Hours		Not applicable	
(Others)		Not applicable	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	Not applicable	
a. Female employees	Not applicable	hours
b. Male employees	Not applicable	hours
Average training hours provided to employees	Not applicable	
a. Female employees	Not applicable	hours/employee
b. Male employees	Not applicable	hours/employee

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	Not applicable	%
Number of consultations conducted with employees concerning employee-related policies	Not applicable	#

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	Not applicable	%
% of male workers in the workforce	Not applicable	%
Number of employees from indigenous communities and/or vulnerable sector*	Not applicable	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	Not applicable	Man-hours
No. of work-related injuries	Not applicable	#
No. of work-related fatalities	Not applicable	#
No. of work related ill-health	Not applicable	#
No. of safety drills	Not applicable	#

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	Not applicable	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor		Not applicable
Child labor		Not applicable
Human Rights		Not applicable

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy.
Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Not applicable	
Forced labor	Not applicable	
Child labor	Not applicable	
Human rights	Not applicable	
Bribery and corruption	Not applicable	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
	***	Not	applicable	***	

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____

Certificates	Quantity	Units
FPIC process is still undergoing	Not applicable	#
CP secured	Not applicable	#

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		Not applicable

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	Not applicable	#
No. of complaints addressed	Not applicable	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	Not applicable	#

No. of complaints addressed	Not applicable	#
-----------------------------	----------------	---

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	Not applicable	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	#

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
FMETF shares	Helping investors to build wealth, providing financial stability and meeting other financial goals.	The possibility to lose money by investing in the Fund.	FMETF aims to provide returns which would reflect the performance of the Philippine equities market by investing in a basket of securities included in the PSEi. Investors would be assured that through the Fund Manager and the Custodian, the Fund would strictly follow the investment policies and guidelines set forth in the Prospectus.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*