

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
MINUTES OF THE ANNUAL MEETING
OF STOCKHOLDERS
(Joint Meeting with FAMI Funds)
Thursday, June 30, 2022, 02:00PM
Meeting will be conducted virtually via Zoom Webinar

Number of Total Outstanding Shares Present or Represented by Proxy	-	<u>20,648,596</u>
Percentage Based on the Total Outstanding Shares	-	<u>99.41%</u>

I. CALL TO ORDER

In view of the continuing threat of Covid-19 transmission, the company is unable to conduct this year’s annual stockholders’ meeting physically. Instead the meeting was conducted via remote communication with the stockholders participating by electronic means, pursuant to the rules of the Securities and Exchange Commission.

The Chairman, Mr. Eduardo R. Carreon, presided and called the meeting to order at 2:00 P.M., and the Corporate Secretary, Atty. Melissa B. Reyes, recorded the minutes.

II. PROOF OF NOTICE AND QUORUM

The Corporate Secretary certified that the notice for the 2022 Annual Stockholders’ Meeting was published to notify the stockholders of record, in the Business section of The Manila Times and Manila Standard on June 1, 2022 and June 2, 2022 in print and online format, and in FAMI and the company’s website, in accordance with SEC regulations.

She also certified that there are actually present in person or represented by their proxies, by remote communication **20,648,596** common shares out of the **20,771,260** common shares outstanding. These constituted **99.41%** of the outstanding capital stock, thus, a quorum existed. Thereupon, the Chairman declared that the meeting was duly constituted to transact the business stated in the agenda.

III. APPROVAL OF MINUTES

The Chairman took up the next item in the agenda which was the approval of the minutes of the Annual Meeting of the Stockholders on June 17, 2021.

Upon motion duly made and seconded, the minutes of the Annual Stockholders’ Meeting on June 17, 2021 was unanimously approved.

IV. REPORT TO THE STOCKHOLDERS

Ms. Karen Liza M. Roa, FAMI President, reported to the stockholders the Fund’s operations and financial condition, the highlights of which are shown below:

➤ Executive Summary

Executive Summary (FMETF)

(in 000s)	December 2021	December 2020	Variance
TOTAL AUM	2,187,329	1,887,713	16%
GROSS SALES	345,401	402,844	-14%
NET SALES	261,664	274,372	-5%

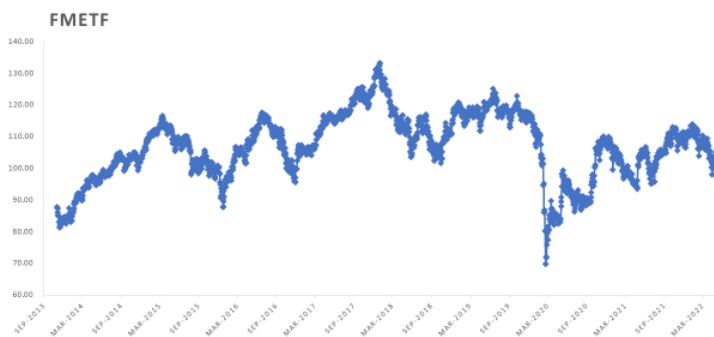
(in 000s)	May 2022	May 2021	Variance
TOTAL AUM	2,163,565	2,022,738	7%
GROSS SALES	77,785	259,759	-70%
NET SALES	64,101	257,566	-75%

FIRST METRO PHILIPPINE EQUITY EXCHANGE
TRADED FUND, INC

	05.31.2022 (Unaudited)	12.31.2021 (Audited)	Variance
TOTAL ASSETS	2,168,527,273	2,191,372,582	-1.0%
TOTAL LIABILITIES	4,962,135	4,956,684	0.1%
SHAREHOLDERS' EQUITY	2,163,565,138	2,186,415,898	-1.0%
ROE	-1.64%	1.91%	-186.1%
PSEi	6,774.68	7,122.63	-4.9%
NAVPS	104.1114	108.2317	-3.8%



Historical NAVPS
As of May 31, 2022



The Chairman thanked Ms. Roa and took note of the report. The Chairman stated that due to system limitations, all questions from the stockholders relating to the report may be sent through email to asm@fami.com.ph and FAMI will address them accordingly.

V. RATIFICATION OF CORPORATE ACTS

The Chairman informed the stockholders of the need to ratify and confirm the minutes of the meetings of the Board of Directors and all board committees and the management, and all acts, transactions and resolutions of the Board of Directors and the management for the year 2021 including among others, management and service agreements.

Upon motion duly made and seconded, the following resolution was unanimously approved and adopted:

RESOLUTION ASM 2022-06-01

“RESOLVED, that the minutes of the meetings of the Board of Directors and all Board committees and the management, and all acts, transactions and resolutions of the Board of Directors and the management for the year 2021 including among others, amendment of Registration Statement and Prospectus and renewal of the Management Distribution Agreement, be hereby approved, ratified and confirmed.”

VI. AMENDMENT TO THE BY-LAWS

Chairman Carreon requested the corporate secretary, Atty. Melissa B. Reyes to explain the amendments to the stockholders.

Atty. Reyes explained that the Board of Directors of the Corporation in its regular meeting held on December 16, 2021, unanimously approved the proposed amendment to the By-Laws, as follows:

1. Amendment of Article II, Section 4. To correct the section being quoted.
2. Amendment of Article II, Section 5. To add the Section 49 of the RCC.
3. Amendment of Article III, Section 3. To delete the phrase “owners of at least one-third (1/3) of the total outstanding stock.”
4. Amendment of Article III, Section 4. To align with the provisions in the RCC
5. Amendment of Article III, Section 7. To align with the provisions in the remote communication.
6. Amendment of Article IV, Section 4. To include remote communication.
7. Amendment of Article IV, Section 7. To align with the provisions of the RCC
8. Amendment of Article IV, Section 12. To align with the provisions of the RCC
9. Amendment of Article V, Section 1. To align with the provisions of the RCC
10. Amendment of Article VI, Section 1. Added Compliance Officer in compliance with ICA Rules
11. Amendment of Article VII, Section 1. Added the phrase subject to the rules of ICA Rule 5.1.6 or any amendments thereto on Outsourcing/Delegation of Functions of the Fund Manager.” in compliance with ICA Rules
12. Amendment of Article VIII, Section 1. Added phrase in Custodian in compliance with ICA Rules
13. Amendment of Article VIII, Section 3. Added phrase in Auditors in compliance with ICA Rules
14. Amendment of Article IX, Section 1. Amend statement in compliance with ICA Rules
15. Amendment of Article X, Section 1. Added provisions in the Determination of Net Asset Value Per Share in compliance with ICA Rules.
16. Amendment of Article XI, Section 1. Added provisions in compliance with ICA Rules.
17. Amendment of Article XI, Section 2. Added provisions in compliance with ICA Rules.
18. Amendment of Article XII, Section 7. Updated provisions in compliance with RCC.

She explain further that the amendments are consistent with the provisions of the Investment Company Act (ICA) and its implementing rules and regulations and in compliance with the Revised Corporation Code of the Philippines.

She explained that for the amendment of the By-laws, the vote of the majority stockholders is required.

Chairman Carreon asked the stockholders present if there are comments or questions to the amendment.

There being no other questions or comment, upon motion duly made and seconded, the resolution of the Board on December 16, 2021 approving the amendment to the Articles of Incorporation and By-Laws was confirmed and ratified by the stockholders representing at least 2/3 of the outstanding capital stock and the following Resolution was adopted:

RESOLUTION ASM 2022-06-02

“RESOLVED, that the majority stockholders confirm and ratify the Board Resolution No. 2021-12-07 dated December 16, 2021 approving the amendments to the By-Laws of First Metro Philippine Equity Exchange Traded Fund, Inc.”

VII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Atty. Abelardo V. Cortez, member of the Nomination Committee explained the nomination procedure under current SEC Rules and the Manual on Corporate Governance pursuant to which a Nomination Committee was created.

He explained that the Committee is tasked with the review and evaluation of the qualifications of all persons nominated to the Board.

The Committee, pursuant to its mandate, had reviewed the qualifications of the following nominees to the Board of Directors and certified that based on the records, they have all the qualifications and none of the disqualifications prescribed by law and regulations, namely:

Mr. Eduardo R. Carreon
Mr. Michael G. Say
Mr. Winston Andrew L. Peckson
Ms. Karen Liza M. Roa
Atty. Abelardo V. Cortez
Dr. Bernardo M. Villegas
Fr. Rafael K. Eloriaga, CM

Also, as required by the SEC Memorandum Circular No. 16, Series of 2002 on the Guidelines on the Nomination and Election of Independent Directors, three (3) out of seven (7) nominees for directors namely: Atty. Abelardo V. Cortez, Dr. Bernardo M. Villegas, Fr. Rafael K. Eloriaga, CM are independent directors.

After proper motion for the nominations of the stockholders mentioned and there being no other nominees, the abovementioned stockholders were considered elected as members of the Board of Directors for the year 2022-2023 and to act as such until their respective successors shall have been elected and qualified, or unless sooner terminated.

The Chairman, on behalf of the newly elected members of the Board thanked the stockholders for their trust and confidence.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman informed the stockholders that the Board had approved the appointment of SGV & Co as external auditor for the year 2022 and it is being submitted for ratification by the stockholders. Upon motion duly made and seconded, the stockholders unanimously adopted and approved the following:

RESOLUTION ASM 2022-06-03


“RESOLVED, that the appointment of Sycip, Gorres, Velayo and Company, as the external auditor of the Company for the year 2022, be as it is hereby confirmed and ratified.”

IX. ADJOURNMENT

There being no other matters to discuss, upon motion duly made and seconded, the meeting was adjourned at 3:00 P.M.


MELISSA B. REYES
Corporate Secretary

ATTESTED BY:


EDUARDO R. CARREON
Chairman