

# COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

<b>Maria Avalen A. Dianco</b>
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(Contact Person)

<b>(0954) 337 3016; (0999) 885 3364</b>
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(Company Telephone Number)

1	2	3	1
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Month Day  
(Fiscal Year)

<b>SEC 20-IS / Definitive</b>
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(Form Type)

<b>2<sup>nd</sup> Wednesday of June</b>
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(Annual Meeting)

<b>Investment Company</b>
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(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

<b>3,264</b>
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Total No. of Stockholders

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Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

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File Number

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**FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC. (FMETF)**

**ANNUAL STOCKHOLDERS' MEETING**

Tuesday, June 11, 2025, 02:00PM via Zoom

Link to the ASM provided in the website

<https://firstmetroetf.com.ph/>

**AGENDA**


1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on June 19, 2024
4. Annual Report to the Stockholders
5. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2024, and subsequent Acts and Resolutions until 30 April 2025
6. Election of the Members of the Board of Directors for the year 2025-2026
7. Renewal of the Management Distribution Agreement for the Year 2025
8. Appointment of External Auditor for the year 2025
9. Appointment of Authorized Participant and Market Maker
10. Other Matters
  - a. Amendments to the Prospectus
  - b. Amendment of Articles of Incorporation and By-Laws to reflect change of Corporate Name
  - c. Amendment of By-Laws to reflect delegation of authority to the Board of Directors to amend the By-Laws
11. Adjournment

Stockholders of record as of May 9, 2025 shall be entitled to vote at the meeting. Pursuant to SEC regulations allowing holding of the annual meetings online, there will be no physical venue for the Meeting. The conduct of the annual shareholders' meeting will be streamed live, and shareholders may attend the meeting by remote communication and may vote in absentia or by proxy. Due to the limitations of available technology, voting will not be possible during the livestream, but participants may send in questions or remarks via the livestream platform.

Stockholders who intend to participate in the meeting should register on or before 12:00 noon on May 26, 2025 via Zoom through the link [https://bit.ly/FAMI\\_ASM ETF2025](https://bit.ly/FAMI_ASM ETF2025). All registrations shall be validated by the Corporate Secretary in coordination with the Stock and Transfer Agent. Upon registration, shareholders will receive instructions on how to access an online web address which will allow them to join the meeting and to cast votes *in absentia* or by proxy.

We are not soliciting proxy, however, if you cannot attend the meeting and you wish to be represented, you may designate your authorized representative by submitting a signed proxy document on or before May 27, 2025, through email at [asm@fami.com.ph](mailto:asm@fami.com.ph). The validation of proxies submitted for the meeting will be conducted on May 27, 2025.

This Agenda and the Definitive Information Statement including the Audited Financial Statements will be distributed through electronic mail to all stockholders as of record date.

  
**MA. ALICIA G. PICAZO-SAN JUAN**  
Corporate Secretary

## PROXY

The undersigned stockholder of **FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.** hereby appoints \_\_\_\_\_, as attorney-in-fact and proxy, with power of substitution, to present and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on Tuesday, June 11, 2025 and at any of the adjournments thereof. The proxy shall be revoked only in writing and by informing the Corporate Secretary prior to the annual stockholders' meeting.

The proxy may vote by checking (✓) the area that corresponds to his vote. In the election of the Members of the Board of Directors, the proxy shall indicate number of votes on the blank place provided beside the names of the nominees or check abstain should they wish to do so.

ITEMS	ACTIONS		
	Yes	No	Abstain
1. Approval of the Minutes of the Annual Stockholders' Meeting held on June 19, 2024			
2. Annual Report to the Stockholders			
3. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2024, and subsequent Acts and Resolutions until 30 April 2025			
4. Election of the Members of the Board of Directors for the year 2025-2026	# of Votes		
Mr. Manuel N. Tordesillas, Chairman			
Mr. Eduardo R. Carreon, President			
Ms. Regina Paz Goco-Morales, Director			
Ms. Rosalia A. Lagdameo, Director			
Mr. Emmanuel G. Herbosa, Independent Director			
Mr. Bernardo M. Villegas, Independent Director			
Mr. Victor A. Abola, Independent Director			
	Yes	No	
5. Renewal of the Management Distribution Agreement for the Year 2025			
6. Appointment of External Auditor for the year 2025			
7. Appointment of the Authorized Participant and Market Maker			
8. Other Matters:			
a. Amendments to the Prospectus			
b. Amendment of Articles of Incorporation and By-Laws to reflect change of Corporate Name			
c. Amendment of By-Laws to reflect delegation of authority to the Board of Directors to amend the By-Laws			

\_\_\_\_\_  
PRINTED NAME OF STOCKHOLDER

\_\_\_\_\_  
SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY

\_\_\_\_\_  
DATE

<sup>1</sup> Please fill-out and sign the proxy form and return via email through asm@fami.com.ph on or before 5:00 p.m. on May 27, 2025.

THIS PROXY NEED NOT BE NOTARIZED. IF THE STOCKHOLDER ATTENDS AND EXPRESSES HIS INTENTION TO VOTE, THE PROXY WILL BE REVOKED.

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box  
( ) Preliminary Information Statement  
(/) Definitive Information Statement
2. Name of registrant as specified in its charter:  
**FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.**
3. Province, Country or other jurisdiction of incorporation or organization;  
**Metro Manila, Philippines**
4. SEC Identification number: **CS2013300728**
5. BIR Tax Identification Code: **008-447-745-000**
6. Address of Principal Office:  
**18th Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City**
7. Telephone Number:  
**(0954) 337 3016; (0999) 885 3364**
8. Date, time, place, of the meeting of security holders:  
**Date : June 11, 2025**  
**Time : 2:00 p.m.**  
**Place : Live via Zoom through the link:**  
**[https://bit.ly/FAMI\\_ASM ETF2025](https://bit.ly/FAMI_ASM ETF2025)**  
**and at 8th Floor, 8 Rockwell Bldg., Hidalgo Drive,**  
**Rockwell Center, Makati City, Philippines 1210**
9. Approximate date on which the Information Statement is first to be sent or given to security holders:  
**May 19, 2025**
10. In case of Proxy Solicitations:  
  
We are not soliciting proxy.
11. Securities registered pursuant to Sections 4 and 8 of the RSA:  

Title of each class	Number of Shares of Common Stock Outstanding (Par value of ₱100.00)
<b>Common Shares</b>	<b>13,611,260 shares</b>
12. Are any or all of registrant's securities listed on the Philippine Stock Exchange?  
**No.**

## **PART I - INFORMATION STATEMENT**

### **A. GENERAL INFORMATION**

#### **Item 1. Date, Time, and Place of Meeting of Security Holders:**

Date : Tuesday, June 11, 2025  
Time : 02:00 p.m.  
Place : Live via Zoom through the following link: [https://bit.ly/FAMI\\_ASM ETF2025](https://bit.ly/FAMI_ASM ETF2025)  
and at 8th Floor, 8 Rockwell Bldg., Hidalgo Drive, Rockwell Center, Makati City,  
Philippines 1210

For the purposes of registration, participation and voting in absentia, you may access the information through the link:  
<https://firstmetroetf.com.ph/news/the-2025-annual-shareholders-meeting-of-first-metro-philippine-equity-exchange-traded-fund>

#### **Mailing Address of the Registrant**

18<sup>th</sup> Floor, PS Bank Center, 777 Paseo de Roxas, corner Sedeño St., Makati City

#### **Approximate date on which the Information Statement is first to be sent or given to security holders:**

May 19, 2025

#### **Item 2. Right of Appraisal:**

There are no matters or proposed corporate actions which may give rise to a possible exercise by security holders of their appraisal rights under Title X of the Corporation Code of the Philippines .

#### **Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon:**

- a. Other than election to office, there is no matter to be acted upon in which any director or executive officer is involved or had a direct, indirect or substantial interest.
- b. No director has informed the registrant, in writing or otherwise, that he intends to oppose any action to be taken by the registrant at the Meeting.

### **B. CONTROL & COMPENSATION INFORMATION**

#### **Item 4. Voting Securities and Principal Holders Thereof:**

##### **I. Class of Voting Shares :**

Class of Voting Securities	Total Outstanding Shares	Votes Entitlement
Common Shares	<b>13,611,260</b>	One (1) vote per share

##### **II. Record Date:**

Stockholders of record as of May 9, 2025 are entitled to notice and to vote in the Annual Stockholders Meeting .

### **III. Manner of Voting**

A shareholder may vote in absentia, by proxy or by remote communication. The Revised Corporation Code and Article III, Section 7 of the By-Laws of the Corporation provides that each stockholder shall at every meeting of the stockholders be entitled to one vote, in person or by proxy, or in absentia, for each share with voting right held by such stockholder. At all meetings of the stockholders, all elections and all questions, except in cases where other provision is made by statute or by these By-laws, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

Pursuant to the Revised Corporation Code and SEC Memorandum 6-2020, for the 2025 annual shareholders meetings, shareholders may opt to participate and vote through remote communication and to vote in absentia or by proxy. The board in its meeting last April 10, 2025 approved to adopt the guidelines previously approved by the Board in 2020, for shareholders to participate via remote communication in the shareholder's meeting and to vote in absentia or by proxy.

Remote communication is defined under the said circular as participation through a telephone conference, video conference, audio conference, or computer conference.

The intention/notice to participate through remote communication shall only be valid for the particular meeting for which it is given, and shall not be considered for any subsequent meeting that may be called.

A participation by a shareholder in a meeting through remote communication automatically voids any proxy he/she has given for the particular meeting.

The Corporate Secretary shall validate the identity and attendance of shareholders who signified their intention to participate through remote communication, at least thirty minutes before the scheduled time of the meeting. Officers and other staff may be deputized to make such validations. The decision of the Corporate Secretary on the validity of the proxies shall be final and binding until and unless set aside by a court of competent jurisdiction.

Shareholders who are participating through remote communication will be considered present for purposes of voting. Those who have objections to matters that would require voting in the agenda shall confirm their objections through email or short messaging services within twenty-four hours from the time of the meeting. The Corporate Secretary shall note such objections in the Minutes.

In the election of Directors, cumulative voting is allowed. Article IV, Section 3 of the By-Laws states, in accordance with Section 23 of the Revised Corporation Code, that at each meeting of stockholders for the election of directors, at which a quorum is present, the persons receiving the highest number of votes of the stockholders present in person or by proxy and entitled to vote shall be the directors. In each of any increase in the number of directors, the additional directors may be elected by the stockholders at the first annual meeting held, or at a special meeting called for the purpose after such increase has been approved.

### **IV. Security Ownership of Certain Record and Beneficial Owners and Management:**

The following stockholder owns more than 5% of the common voting securities as of May 9, 2025:

<b>Title of Class</b>	<b>Name and Address of Owner</b>	<b>Name of Beneficial Owner</b>	<b>Citizen</b>	<b>No. of Shares Held</b>	<b>Percent to Outstanding Shares</b>
Common Shares	<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	4,159,432	30.56%
Common Shares	<i>First Metro Securities Brokerage Corporation (FMSBC)</i> 8 <sup>th</sup> Floor PSBank Centre, 777 Paseo de Roxas Ave. cor. Sedeño St., Salcedo Village, Makati City, Philippines 1226	Various Clients	Filipino	3,966,860	29.14%
Common Shares	<i>BDO Securities Corporation</i> BDO Corporate Center, BDO South Tower, 20th, 1226 Makati Ave, Makati, Metro Manila	Various Clients	Filipino	1,112,620	8.17%
Common Shares	<i>AB Capital Securities, Inc.</i> Units 1210-1212, 1911-1912 12th and 19th Floors PSE Tower, 5th Avenue corner 28th Street Bonifacio Global City Taguig City, Philippines 1634	Various Clients	Filipino	1,067,868	7.85%
Common Shares	<i>BPI Securities Corporation</i> 23rd Floor, Ayala Triangle Gardens Tower 2, Paseo De Roxas, cor Makati Ave, Makati, 1226	Various Clients	Filipino	1,066,410	7.83%

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

### **Security Ownership of Directors/Management**

Following are the securities owned by directors and officers of the Fund as of May 9, 2025:

<b>Title of Class</b>	<b>Name of Beneficial Owners</b>	<b>Amount and Nature of Ownership</b>	<b>Citizenship</b>	<b>Percent to Outstanding Shares</b>
Common Shares	Mr. Manuel N. Tordesillas	1	Filipino	0.00000%
Common Shares	Mr. Eduardo R. Carreon	1	Filipino	0.00000%
Common Shares	Ms. Regina Paz Goco-Morales	1	Filipino	0.00000%
Common Shares	Ms. Rosalia A. Lagdameo	1	Filipino	0.00000%
Common Shares	Mr. Emmanuel G. Herbosa*	1	Filipino	0.00000%
Common Shares	Mr. Bernardo M. Villegas*	1	Filipino	0.00000%
Common Shares	Mr. Victor A. Abola*	1	Filipino	0.00000%

\*Independent Director

### **Voting Trust Holders of 5% or More**

There are no persons known to the registrant who own 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 ₱750.00 million that was paid by First Metro Investment Corporation. The fund's shares were listed with the Philippine Stock Exchange (PSE) on December 2, 2013. As of May 9, 2025, the majority of the shares are held by COL Financial Group, Inc.

There is no arrangement that may result in a change in control of the registrant.

No change of control in the Corporation has occurred since the beginning of its last fiscal year.

## Item 5. Directors and Executive Officers

Incumbent Directors (7) - All directors are elected for a term of one year and until their successor shall have been elected or qualified. Below is a list of FMETF's incumbent directors with their corresponding business affiliations and other qualifications.

All other officers shall be elected/appointed by the Board of Directors. Vacancies occurring among such officers however arising shall be filled by the Board.

The Board of Directors of the Fund as of April 30, 2025 are as follows:

Name	Experience
Mr. Manuel N. Tordesillas <i>Chairman</i>	<p>Mr. Manuel N. Tordesillas, 72, Filipino, term of office is one year.</p> <p>Mr. Tordesillas currently serves as the Chairman of First Metro Asset Management, Inc. since December 2024 and First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025. He was also elected to serve as Director for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc. First Metro Save &amp; Learn Philippine Index Fund (SALPHIN), Inc. and First Metro Asia Focus Equity Fund, Inc. effective February 11, 2025.</p> <p>Mr. Tordesillas is the current President and a Director of ATR Holdings, Inc. (1995-present). He is the Vice-Chairman and a Director of ATR Kim Eng AMG Holdings, Inc. (1995-present). He is the Chairman and a Director of MET Holdings, Inc. (1999-present). He is the Vice Chairman and a Director of ATR Asset Management, Inc. (2004-present) and ATRAM Investment Management Partners Corp. (2013-present) and currently Chairman and Director of ATRAM Trust Corporation (2021-present). He is a Director of Assist America of the Philippines, Inc. (2006-present). He is the President of MGNT Consultants Corp. (2011-present). He is a Board Trustee and Director of East Bay Condominium Corp. (2016-present). He is a member of the Investment Committee of De La Salle University (2018-present). He is a Director of Urbasolar Philippines Corporation (2018-present).</p>



	<p>His past positions include having served as Chairman and President of AsianLife and General Assurance Corporation (from 2017 to 2019) and Senior Advisor and Director of Etiqa Life and General Assurance Philippines, Inc. (from 2019 to 2021). He served as Chairman of Maybank ATR Kim Eng Capital Partners, Inc. (from 2016 to 2018). He was the President and CEO of ATR Kim Eng Group of Companies (from 1998 to 2011). He was the President of the Investment House Association of the Philippines (from 2012 to 2018).</p> <p>Mr. Tordesillas received his Bachelor of Science degree in Industrial Engineering from De La Salle University in 1975 and his MBA from Harvard University in 1982.</p>
Mr. Eduardo R. Carreon <i>President</i>	<p>Mr. Eduardo R. Carreon, 76, Filipino, term of office is one year.</p> <p>Mr. Carreon has been serving as a member of the Board of Director and elected as Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013 to Jan 2025, First Metro Save and Learn Money Market Fund, Inc. since June 2018 to Jan 2025 and First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. since June 2022 to Jan 2025. He was elected as President for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save &amp; Learn Philippine Index Fund (SALPHIN), Inc., First Metro Asia Focus Equity Fund, Inc., and First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.</p> <p>He is also the President of Jempan Development Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise Financial Services (2003-2008). He was also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank – 1974-1979; and Pro Manager, Citibank from 1970-1973.</p> <p>Mr. Carreon graduated from 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.</p>
Ms. Regina Paz Goco-Morales <i>Director</i>	<p>Ms. Regina Paz Goco-Morales, 60, Filipino, term of office is one year.</p> <p>Ms. Morales was elected as Director of First Metro Save and Learn Balanced Fund, Inc., First Metro Save &amp; Learn Fixed-Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save and Learn Money Market Fund, Inc. and First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.</p> <p>Ms. Morales currently holds the role as Independent Director of Union Bank Financial Services Inc (UFSI) (April 2018-present)</p>

	<p>where she chairs the Audit Committee. She is also an Independent Trustee and Chair of Trust Committee of the Philippine Veteran's Bank (November 2015-present). Recently, she has been appointed as Trustee of Bayan Family of Foundations, a foundation geared towards social enterprise.</p> <p>Ms. Morales also serves as an advisor to FAMI (November 2018-present), a leading asset management company in the Philippines. She is also the CEO and part owner of Degustation Corporation that oversees the management and development of a number of restaurant concepts nationwide. She is also "Fellow" of the Philippine Institute of Corporate Directors (ICD).</p> <p>Prior to these, Ms. Morales has over thirty (30) years of extensive experience in the financial services sector, including a position as EVP of Philam Asset Management, Inc. (PAMI), Ms. Morales was in-charge of investment sales, marketing, training and product management of PAMI (from 2007 to 2014). Prior to PAMI, she was with Citibank Philippines for over 13 years (from 1997 to 2007) and ending her stint as the Group Head for Financial Institutions Group covering all bank and non-bank relationships. Her over 20-year banking career included senior roles in relationship management and credit risk management. She also has a background in corporate finance and treasury, successfully closing deals in loan syndication and structured trade finance, debt capital markets and derivatives hence generating significant revenues for the bank.</p> <p>Ms. Morales graduated BSC Accounting from Assumption College and is a CPA. She also completed her Master's in Business Administration from the Asian Institute of Management in Makati City, Philippines.</p>
Ms. Rosalia A. Lagdameo <i>Director</i>	<p>Ms. Rosalia A. Lagdameo, 68, Filipino, term of office is one year.</p> <p>Ms. Lagdameo was elected as Independent Director of First Metro Asset Management, Inc. last December 18, 2024, and Director of First Metro Philippine Equity Exchange Traded Fund, Inc. effective April 8, 2025.</p> <p>She is currently the Vice-Chairman of Executive Committee of Right Eight Security Agency Inc. (2011-Present) and Managing Director of Value Note Consulting Corp. (2010-2011) and ONL Consultants Inc. (2000-2010).</p> <p>Ms. Lagdameo worked with various financial institutions such as Peregrine Capital Philippines, Inc., Debt Business (1996-1997), Bank of America as Corporate Finance Head (1995), Citibank, N.A as Senior Corporate Finance Specialist (1983-1994), Citicorp Investment Philippines as Account Officer (1981-1983) and Standard &amp; Poor's Corp. New York as a Financial Analyst Trainee (1980-1981).</p>

	<p>Ms. Lagdameo received her Bachelor of Science in Business Administration Major in Finance from University of the Philippines. She finished her MBA Finance and Management from Wharton, University of Pennsylvania.</p>
<p>Mr. Emmanuel G. Herbosa <i>Independent Director</i></p>	<p>Mr. Emmanuel G. Herbosa, 71, Filipino, term of office is one year.</p> <p>Mr. Herbosa is currently serving as Independent Director of First Metro Asset Management, Inc. since December 18, 2024 and Director of First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.</p> <p>He was the President and CEO of Development Bank of the Philippines (March 2019-Jan 2023) and Philippine Export-Import Credit Agency (Jan 2018-Feb 2019). He was the Executive Vice President of Bank of Commerce (Jan 2014 – Dec 2017). He held various positions in Bank of the Philippine Islands from Account Manager - Corporate Banking to Senior Vice President (Aug 1979 – April 2013). He was also a Department Manager - Production in Procter and Gamble (July 1975 - June 1977).</p> <p>Mr. Herbosa received his Bachelor of Science degree in Industrial Management Engineering from De La Salle University in 1975 and his MBA from Wharton, University of Pennsylvania in 1979.</p>
<p>Dr. Bernardo M. Villegas <i>Independent Director</i></p>	<p>Dr. Bernardo M. Villegas, Ph.D., 86, Filipino, term of office is one year.</p> <p>Dr. Villegas has been serving as a member of the Board of Director of First Metro Save and Learn Dollar Bond Fund, Inc. (June 2023-Jan 2025), First Metro Save and Learn Money Market Fund, Inc. (June 2021 – Jan 2025), and First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. (June 2022 – Jan 2025). He was elected as Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.</p> <p>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.</p> <p>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.</p>

	<p>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.</p> <p>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.</p>
<p>Dr. Victor A. Abola <i>Independent Director</i></p>	<p>Dr. Victor A. Abola, 81, Filipino, term of office is one year.</p> <p>Dr. Abola serves as director and president First Metro Save and Learn Balanced Fund, Inc. (August 2012 to Jan 2025), First Metro Save and Learn Equity Fund, Inc. (August 2012 to Jan 2025), First Metro Save &amp; Learn Fixed-Income Fund, Inc. (August 2012 to Jan 2025), and First Metro Save and Learn Dollar Bond Fund, Inc. (June 2022 to Jan 2025). He was also elected to serve as Independent Director for First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save &amp; Learn Fixed-Income Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., and First Metro Save and Learn Dollar Bond Fund, Inc. effective February 11, 2025.</p> <p>Dr. Abola is the current Program Director of the Strategic Business Economics Program (SBEP) of the University of Asia and the Pacific (UA&amp;P). He is the Executive Director of the UA&amp;P-FMIC Capital Market Research Center and the Corporate Secretary of Research, Education and Institutional Development Foundation, Inc. (REID).</p> <p>He gives lectures on Macroeconomic Policy at the graduate school level of the School of Economics. He was a lecturer in Macroeconomics and Introduction to Money, Banking and Finance in the Management Associates Program of the Development Bank of the Philippines (2006-2010). He was the Chief of Party of the Fiscal Policy Analysis Activity of the Department of Finance, a project funded by the USAID in order to enhance policy analysis and revenue forecasting capabilities of DOF's Domestic Finance Group. This work involved completing one of Asia's first Microsimulation Models for major taxes. He finished his doctorate degree in Development Management from the University of Asia and the Pacific, where he also received his M.S. in Industrial Economics. After obtaining his Bachelor of Arts and Bachelor of Science in Commerce (major in Accounting) from De La Salle University, he obtained his CPA certificate. Prior to this, he spent 15 years in Hong Kong as a Consultant to PCI Capital Asia, Ltd. and later became the Executive Director of the Philippine Research Center (HK), Limited. He has authored numerous articles that have appeared in local and foreign newspapers and periodicals, and UA&amp;P's research publications. He co-authored with Dr. Bernardo M. Villegas the textbooks, Economics An Introduction (now in its</p>

	6th edition) and Basic Economics (2nd ed. 2010). He is the author of the text/reference book Money, Banking and Finance (2006).
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The three (3) independent directors, namely, Mr. Emmanuel G. Herbosa, Dr. Bernardo M. Villegas and Dr. Victor A. Abola, possess the qualifications and none of the disqualifications of an independent director.

#### Executive Officers

<b>Name</b>	<b>Experience</b>
Ma. Alicia G. Picazo-San Juan <i>Corporate Secretary</i>	<p>Ma. Alicia Picazo-San Juan, 54, Filipino, term of office is one year.</p> <p>Ms. Picazo-San Juan is a practicing lawyer and Partner of Picazo Buyco Tan Fider Santos &amp; Dee Law Offices and Corporate Secretary of more than 45 Philippine companies, including, SSI Group, Inc., Max's Group, Inc., The Real American Doughnut Co., Inc., Teriyaki Boy Group, Inc., Max's Kitchen, Inc., IBM Philippines, Inc., IBM Business Services, Inc., IBM Solutions Delivery, Inc., IBM Global Financing Philippines, Inc., AXA Asian Markets Services Philippines, Inc., ADA Digital Philippines, Inc., ATR Asset Management, Inc., First Metro Asset Management, Inc., ATR Financial Holdings, Inc., ATRAM Investment Management Partners Corp., Seedbox Technologies, Inc., Seedbox Securities, Inc., Solutions Exchange, Inc., and Cartera Interchange, Inc., and several mutual fund companies.</p> <p>She graduated magna cum laude with the degree of Bachelor of Science in Management, Major in Legal Management, from Ateneo de Manila University in 1992, and graduated cum laude with the degree of Bachelor of Laws from the University of the Philippines in 1996. She has over 28 years of experience in corporate, banking and securities law practice.</p>
Maria Avalen A. Dianco <i>Treasurer</i>	<p>Ms. Maria Avalen A. Dianco, 46 years old, Filipino, term of office is one year.</p> <p>She is Vice President and Treasurer of First Metro Asset Management, Inc. (FAMI) effective December 2024. She also serves as the Treasurer of First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save &amp; Learn Fixed-Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save &amp; Learn Money Market Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Save and Learn F.O.C.C.U.S Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save &amp; Learn Philippine Index Fund, Inc. and First Metro Asia Focus Equity Fund, Inc. effective February 2025. She is also the Treasurer of First Metro Insurance Agency, Inc.</p> <p>Prior to FAMI, she also served various roles in the Controllership Group of First Metro Investment Corporation (April 2002 to May 2022).</p>

	<p>She is a Certified Public Accountant and graduated cum laude with the degree of Bachelor of Science in Accountancy from Pamantasan ng Lungsod ng Maynila. She has also passed Level I of the CFA Program.</p>
<p>Sydney S. Reyes Compliance Officer and Corporate Information Officer</p>	<p>Ms. Sydney S. Reyes, 32 years old, Filipino, term of office is one year.</p> <p>Ms. Reyes currently serves as Compliance Officer of First Metro Asset Management, Inc., effective March 27, 2025, First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save &amp; Learn Philippine Index Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save &amp; Learn Fixed-Income Fund, Inc., First Metro Save &amp; Learn Money Market Fund, Inc., and First Metro Save and Learn Dollar Bond Fund, Inc. effective February 11, 2025.</p> <p>She also serves as Compliance Officer and Corporate Information Officer of First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.</p> <p>Over the past five years, Sydney S. Reyes has built a robust career in the legal and regulatory compliance field, holding progressively responsible roles including Senior Paralegal, SEC Compliance Lead, and Compliance Manager. In these capacities, she gained extensive experience in corporate governance, regulatory filings, contract review, internal compliance audits, and coordination with regulatory bodies such as the Securities and Exchange Commission (SEC) and other relevant government agencies.</p> <p>Prior to FAMI, she worked as a Senior Paralegal in Phoenix Petroleum Philippines, Inc. from 2016 to 2022. From 2022 to 2023, she worked as G-Xchange Inc.'s SEC Compliance Lead and from 2023 to 2024, she worked as the Compliance Manager of Neuroncredit Financing Company, Inc.</p> <p>She graduated from University of Makati with the degree of Bachelor of Arts in Political Science and is currently pursuing her Law Degree in Arellano University School of Law.</p>

### **Significant Employees**

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

### **Nominee Directors**

The persons listed below have been nominated to become directors for 2025-2026. All directors are elected for a term of one year and until their successors shall have been elected and qualified.

Mr. Manuel N. Tordesillas, Chairman  
Mr. Eduardo R. Carreon, President

Ms. Regina Paz Goco-Morales, Director  
Ms. Rosalia A. Lagdameo, Director  
Mr. Emmanuel G. Herbosa\*  
Dr. Bernardo M. Villegas\*  
Dr. Victor A. Abola\*

*\*Independent Directors*

The nominees are incumbent directors of First Metro Philippine Equity Exchange Traded Fund, Inc. All seven (7) nominees have confirmed and accepted their nomination to become directors.

### **Independent Directors**

In accordance with SRC Rule 38(8), FMETF has formulated its rules relative to the election of independent directors, as follows:

The Nomination Committee shall have at least three (3) members, one of whom is an independent director, and it shall promulgate the guidelines and criteria to govern the conduct of the nomination. The nomination of independent director/s shall be conducted by the Committee prior to a stockholder's meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under SRC Rule 38. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared and no further nomination shall be entertained or allowed on the floor during the stockholders'/membership meeting.

Mr. Emmanuel G. Herbosa, Dr. Bernardo M. Villegas and Dr. Victor A. Abola are nominees for independent directors of FMETF and they were recommended to the nominations committee for election of independent directors by First Metro Securities Brokerage Corporation represented by Mhelvin Abajon, stockholder, in accordance with the foregoing rules. Mhelvin Abajon has no relations with any nominees. No other persons were nominated.

The current members of the nomination committee are Mr. Manuel N. Tordesillas as the Chairman and Mr. Eduardo R. Carreon and Mr. Bernardo M. Villegas as members of the Committee.

### **Legal Proceedings**

The Fund has no material pending legal proceedings to which it is a party. None of the Board of Directors is:

- involved in any legal proceeding the past five (5) years that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or control person of the Registrant;
- involved in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- involved in or convicted by final judgment in any criminal proceeding, domestic or foreign, or subject to a pending criminal proceeding, foreign or domestic, excluding traffic violations and other minor offenses;

- subject to any order, judgment, or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the said judgment has not been reversed, suspended or vacated.

### Family Relationships

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

### Relationships and Related Transactions

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

Except for the related party transactions stated in the notes to financial statements of the Fund as of and for the years ended December 31, 2024, 2023 and 2022, there has been no material transaction during the last two years nor is there any material transaction currently proposed to which the Fund was, or is a party, or in which any director or executive officer of the Fund, any nominee for election, any owner of more than five (5.00%) 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.

### Item 6. Compensation of Executive Officers and Directors

Per Diem payments to directors and officers estimated for the year 2025, and for the year ended December 31, 2024, 2023 and 2022 are as follows:

	Per Diem			
	2025 (Estimate)	2024	2023	2022
Directors	₱350,000	₱294,000	₱260,000	₱276,989
Executive Offices	40,000	34,500	39,500	32,000
Aggregate Annual Per Diem	₱390,000	₱328,500	₱299,500	₱308,989

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

### 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 7. Independent Public Accountants:**

The present auditor of the Fund is Sycip, Gorres, Velayo and Co. (SGV & Co.). The reports of said auditors on the financial statements of the company for the years ended December 31, 2024, 2023 and 2022 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.

For the year 2025, FMETF will still be engaging the services of SGV & Co.

Representatives of SGV & Co. are expected to be present at the stockholders meeting on June 11, 2025. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

In compliance with the Revised SRC Rule 68 Part I (3)(B)(IX), the signing partner of the auditing firm is rotated every after five (5) years of engagement. A two-year cooling-off period shall be observed in the re-engagement of the same signing partner or individual auditor. Redgienald G. Radam signed the independent auditors' report for the year 2024, 2023, 2022 and 2021 and Janet Paraiso for the year 2020. The reports of auditors on the financial statements of the company for the years ended December 31, 2024, 2023 and 2022 contained unqualified opinions.

### **Audit and Audit-related Fees**

The estimated fees to be paid for the professional services rendered by SGV & Co. for the audit of our Financial Statements for the year 2024 is ₱129,360 while the aggregate fees paid for 2023 and 2022 is ₱123,200 and ₱92,169 respectively. SGV & Co. conducted the audit in accordance with auditing standards generally accepted in the Philippines to obtain reasonable assurance about whether the financial statements are free of material misstatements. Their audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

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

### **Audit Committee's Approval Policies and Procedures**

The financial statements as audited by the external auditor are presented to and reviewed by the Audit Committee, which endorses it to the Board of Directors for approval.

FMETF's Audit Committee is being chaired by Mr. Bernardo M. Villegas with Mr. Eduardo R. Carreon and Dr. Victor A. Abola as members of the committee.

The confirmation of the appointment of the external auditor shall be included in the agenda of the annual stockholders' meeting.

## **C. ISSUANCES AND EXCHANGE OF SECURITIES**

### **Item 9. Authorization or Issuance of Securities Otherwise than for Exchange – N/A**

## **D. OTHER MATTERS**

## **Item 17. Amendment of Charters, By-Laws or Other Documents**

The proposed amendments to the Corporation's Articles of Incorporation and By-Laws relates to the change of the Corporation's name.

These proposed amendments are being undertaken in connection with the change in the ownership structure of the Corporation's Fund Manager, First Metro Asset Management, Inc. (FAMI), following the execution of a share purchase agreement between First Metro Investment Corporation (FMIC) and ATR Financial Holdings, Inc. (ATR Financial), wherein FMIC sold its 70% equity interest in the Fund Manager to ATR Financial.

Consequently, the change of corporate name reflects the transition to the new parent company and aligns the branding and corporate image of the Corporation with its new majority shareholder and fund management group. Stockholders' approval of the foregoing amendments is being sought to comply with applicable regulatory requirements and to effect the necessary corporate updates pursuant to the change in control.

Additionally, the proposed amendment to the By-Laws relates to the delegation to the Board of Directors of the authority to amend the Corporation's By-Laws.

The stockholders will be requested to consider and approve the delegation of the power to amend, alter, repeal, or adopt new By-Laws to the Board of Directors, in accordance with Section 47 of the Revised Corporation Code of the Philippines. Under this provision, such authority may be delegated to the Board by the affirmative vote of stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

The rationale for the delegation is to enable the Corporation to adopt amendments or updates to the By-Laws in a more expedient and efficient manner, without the need to convene stockholders' meetings for routine or non-substantive revisions.

It is expressly stated that the delegation of this authority to the Board will not prejudice the rights of the stockholders. Any amendments made by the Board must remain consistent with the provisions of the Revised Corporation Code, the Investment Company Act, and other applicable laws, rules, and regulations. Furthermore, the authority granted shall be confined to amendments that do not materially affect fundamental stockholder rights without prior stockholder approval, and the stockholders shall retain the inherent right to revoke the delegation at any time, upon a similar vote threshold.

The proposed amendments to the prospectus include changes in Corporate's name, appointment of Authorized Participant and Market Maker, changes in the relevant policies and procedures to ensure alignment with actual requirements and current processes as well as updated summary financial information of the Fund.

## **Item 18. Other Proposed Item**

1. Approval of the Minutes of the Annual Stockholders' Meeting held on June 19, 2024
2. Annual Report to the Stockholders
3. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2024, and subsequent Acts and Resolutions until 30 April 2025
4. Election of the Members of the Board of Directors for the year 2025-2026
5. Renewal of the Management Distribution Agreement for the Year 2025
6. Appointment of External Auditor for the year 2025
7. Appointment of Authorized Participant and Market Maker
8. Other Matters

- a. Amendments to the Prospectus
- b. Amendment of Articles of Incorporation and By-Laws to reflect change of Corporate Name
- c. Amendment of By-Laws to reflect delegation of authority to the Board of Directors to amend the By-Laws

### **During the Annual Stockholders' Meeting**

The Fund conducted its last Annual Stockholders' Meeting (ASM) via remote communication on June 19, 2024, to provide the Directors, stockholders, and other stakeholders a safer mode of attendance and participation in the ASM and to comply with the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 6, Series of 2020. The items to be voted on were indicated in the Definitive Information Statement and sent to the shareholders at least 15 business days before the virtual meeting.

During the ASM, the host flashed the items to be voted on the screen, and voting was done through a poll mechanism and counted automatically.

All members of the Board, the Chairperson of the Board, the President and representatives of the external auditors, and other key officers attended the virtual ASM. The Chairperson of the Board formally opened the 2024 ASM. The Corporate Secretary certified the existence of a quorum for a valid transaction of business at the meeting. There were no questions raised prior, during and after the ASM. The Corporate Secretary was responsible for the validation of proxies and counting of votes for the matters presented for approval of the stockholders at last year's ASM.

### **Item 19. Voting Procedure**

The matters included in the agenda require the approval of the stockholders, as follows:

1. For the approval of the minutes of the 2024 meetings and the ratification/approval of the acts and resolutions of the Board, the renewal of the management and distribution agreement, appointment of the external auditor, and the appointment of authorized participant and market maker, a majority vote of the stockholders present in the meeting is sufficient.
2. For the election of Directors - The votes of all the shares as present in the meeting or by proxy, or voting *in absentia* will be on a per share basis.

Article III of Section 7 of the By-Laws states that "unless otherwise provided by law, each stockholder shall at every meeting of the stockholders be entitled to one vote, in person or by proxy, for each share with voting right held by such stockholder. At all meetings of the stockholders, all elections and all questions, except in cases where other provision is made by statute or by these By-Laws, shall be decided by the plurality vote of stockholders present in person or by proxy and entitlement to vote thereat, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting and entitlement to vote thereat, the vote on any question need not be by ballot. On a vote ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

3. For the amendment of Articles of Incorporation and By Laws

There's no voting requirement to amend the Articles of Incorporation under the By Laws. However, the Section 15 of the Revised Corporation Code (RCC) states that "Unless otherwise prescribed by this Code or by special law, and for legitimate purposes, any provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of director and the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code."

Article XII Section 7 of the By Laws states that “These by-laws shall be subject to amendment, alteration or repeal and new By-Laws not inconsistent with any provisions of law, may be made, by the affirmative vote of the majority of the Board of Directors and of holders of record of a majority of the outstanding capital stock of the Corporation entitled to vote in respect thereof given at any annual meeting or any special meeting called for such purpose. The Board of Directors may likewise amend, alter, or repeal any By-Laws or adopt new By-Laws by majority vote at any regular or special meeting of the Board, if authorized by the stockholders, provided by Law”

4. Methods by which votes will be counted

The votes of the stockholders registered as present in the meeting or by proxy, or voting *in absentia*, shall be counted electronically, and the Chairperson will announce the result of the voting. Stockholders participating in the online meeting are given an electronic ballot which will allow them to vote on all items in the agenda presented for voting in the meeting. The ballots will be filled up electronically by stockholders and submitted electronically to the Corporate Secretary or her duly authorized representative/s. The valid votes will be counted by the Corporate Secretary. The Chairman will then announce the result after the counting.

The Board of Directors in its special meeting held on May 22, 2020, approved the adoption of guidelines to allow participation through remote/electronic means of communication in board/shareholders’ meeting and for voting in absentia. The guidelines detail mainly: a) the mechanism to verify the identity of the shareholders; (b) the measures to ensure that all shareholders have the opportunity to participate in the meeting; and (c) the mechanism to enable shareholders to vote during the meeting.


**FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC. YEAR 2024 ANNUAL REPORT WILL BE PROVIDED WITHOUT CHARGE TO EACH STOCKHOLDER UPON WRITTEN REQUEST ADDRESSED TO:**

**Atty. Ma. Alicia G. Picazo-San Juan**  
Corporate Secretary  
First Metro Philippine Equity Exchange Traded Fund, Inc.  
18<sup>th</sup> Floor, PS Bank Center  
777 Paseo de Roxas, corner Sedeño St., Makati City

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on May 16, 2025.

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

By:

  
**MA. ALICIA G. PICAZO-SAN JUAN**  
Corporate Secretary

## **PART II - COMPANY PROFILE**

### **Brief Description of the General Nature and Scope of Business of the Company**

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. On 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. As of December 31, 2024, the minimum number of shares per creation unit is Ten Thousand (10,000) shares.

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, 2024, the registrant’s total sales were ₱33.39 million.

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

- In 2021, First Metro Exchange Traded Fund ranked 2<sup>nd</sup> place on both 1-year and 5-year return categories and 1<sup>st</sup> place on 3-year return category.
- In 2022, the Fund ranked 1<sup>st</sup> place in 1-year, 3-year and 5-year return categories.
- In 2023, the Fund ranked 1st place in 3-year, 5-year and 10-year return categories and 2nd place in 1-year return category.

Prior to August 2024, the Fund is majority-owned by First Metro Investment Corporation (First Metro), with Metropolitan Bank & Trust Company (MBTC) as its ultimate parent. First Metro Asset Management, Inc. (FAMI), a majority-owned subsidiary of First Metro, acts as the fund manager and principal distributor of the Fund. Metropolitan Bank & Trust Company - Trust Banking Group (MBTC- TBG) serves as the Fund's stock and transfer agent, while First Metro Securities Brokerage Corporation (FMSBC) serves as the Fund's market maker. The Fund's authorized participants are FMSBC and IGC Securities, Inc.

In August 2024, due to the disposal of First Metro of all its holdings in the Fund, the Fund ceases to be a subsidiary of First Metro and an affiliate of Metrobank.

### **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 March 31, 2025, 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.

### **Effect of existing governmental regulation**

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

### **Executive Officers**

The list of officers is found in Item 5 of Part I above.

Principal Officers are appointed annually by the Board of Directors at its organizational meeting following the Annual Meeting of Stockholders.

### **Number of 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.

### **Compliance with the Manual on Corporate Governance**

First Metro Philippine Equity Exchange Traded Fund, Inc. has adopted a good governance scorecard to measure and determine the level of compliance by the Board of Directors and top-level management with its Manual of Corporate Governance. Every end of the current year, the scorecard patterned after the SEC-prescribed Corporate Governance Self-Rating Form (CG-SRF) shall be accomplished by the Compliance Officer. The result of this evaluation is submitted to the Board together with the CO's recommendation for any sanctions of non-compliance. On the basis of this scorecard, the Compliance Officer has issued to SEC a certification on the Company's compliance with its Manual of Corporate Governance.

A Compliance Officer has been appointed to manage the Compliance System of the Company and to monitor and evaluate compliance with the Manual of Corporate Governance. In general, the Company is in compliance with the leading practices in good corporate governance. This was reported in a Certification by the Compliance Officer filed with the Commission on January 30, 2025. No director or officer of the Company was found in violation of the Manual.

As there shall be new SEC issuances, the Company is committed to comply with new requirements to enhance its corporate governance.

### **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 a 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 a 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 in 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.

## PART III - SECURITIES OF THE REGISTRANT

### Market Price of and Dividends on the Issuer's Common Equity and Related Stockholder Matters

#### A. Market Information

The Fund shares were traded in the Philippine Stock Exchange (PSE). Below is the history of Net Asset Value per Share (NAVPS) of the Fund for the first quarter of 2025, and the years 2024, 2023 and 2022:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2025	High	106.7842	–	–	–
	Low	94.5047	–	–	–
2024	High	110.7042	111.0751	119.8159	121.3183
	Low	101.9361	98.7188	101.9016	103.0992
2023	High	109.2333	104.5962	104.7476	103.0212
	Low	98.7674	100.2981	95.1826	94.0111
2022	High	113.9473	109.7046	105.4378	104.3852
	Low	103.9081	93.1769	88.2491	88.2491

#### B. Shareholders

As of March 31, 2025, there are 3,288\* account holders of the Fund's outstanding common stock. In addition, FMETF is 86.48% owned by Filipinos and 13.52% by Non-Filipinos. Retail and Institutional investors owned 1.93% and 98.07%, respectively. Shown below are the top twenty (20) shareholders, including the number of shares and percentage of ownership held by each as of the same date.

No.	Client No.	No. of Shares	Percentage of Ownership*
1	COL Financial Group, Inc.	4,159,432	30.56%
2	First Metro Securities Brokerage Corp.	3,966,860	29.14%
3	BDO Securities Corporation	1,112,620	8.17%
4	AB Capital Securities, Inc.	1,067,868	7.85%
5	BPI Securities Corporation	1,066,410	7.83%
6	RCBC Trust Corporation	288,310	2.12%
7	Philstocks Financial Inc	277,135	2.04%
8	MBTC - Trust Banking Group	230,000	1.69%
9	China Bank Securities Corporation	221,440	1.63%
10	AAA Southeast Equities, Incorporated	88,490	0.65%
11	Tower Securities, Inc.	60,920	0.45%
12	Abacus Securities Corporation	59,561	0.44%
13	R. Nubla Securities, Inc.	53,352	0.39%
14	Eastern Securities Development Corporation	51,500	0.38%
15	Citibank N.A.	47,077	0.35%
16	PNB Securities, Inc.	43,854	0.32%
17	The Hongkong And Shanghai Banking Corp. Ltd	42,000	0.31%
18	Brodie, Michael Andrew	39,940	0.29%
19	Gesierich, Andreas Alexander	39,920	0.29%
20	Wang, Lin	39,655	0.29%

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

#### C. 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.

The Company did not declare or distribute any cash dividends to its stockholders for the past two (2) fiscal years.

### **Recent Sale of Unregistered Securities**

There are no securities of the registrant sold by it during the year which were not registered under the Code.

### **Legal Proceedings**

The Fund has no material pending legal proceedings to which it is a party. None of the Board of Directors is:

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

- found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the said judgment has not been reversed, suspended or vacated.

## PART IV - MANAGEMENT DISCUSSION AND ANALYSIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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

#### Statements of Financial Position

	As of March 31, 2025 (Unaudited)	As of December 31 (Audited)		Increase (Decrease)			
				2025 vs. 2024		2024 vs. 2023	
		2024	2023	Amount	%	Amount	%
<b>ASSETS</b>							
Cash in banks	₱12,675,889	₱8,522,144	₱10,168,391	₱4,153,745	48.74%	(₱1,646,247)	(16.19%)
Financial asset at FVTPL	1,355,032,660	1,381,962,862	2,129,183,895	(26,930,202)	(1.95%)	(747,221,033)	(35.09%)
Receivables	3,967,480	612,664	2,070,195	3,354,816	547.58%	(1,457,531)	(70.41%)
	₱1,371,676,029	₱1,391,097,670	₱2,141,422,481	(₱19,421,641)	(1.40%)	(₱750,324,811)	(35.04%)
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	₱1,307,345	₱1,724,223	₱1,655,852	(₱416,878)	(24.18%)	₱68,371	4.13%
<b>EQUITY</b>							
Capital stock	1,361,126,000	1,320,126,000	2,099,126,000	41,000,000	3.11%	(779,000,000)	(37.11%)
Additional paid-in capital	40,476,350	40,310,996	63,494,703	165,354	0.41%	(23,183,707)	(36.51%)
Retained earnings (deficit)	(31,233,666)	28,936,451	(22,854,074)	(60,170,117)	(207.94%)	51,790,525	226.61%
	1,370,368,684	1,389,373,447	2,139,766,629	(19,004,763)	(1.37%)	(750,393,182)	(35.07%)
	₱1,371,676,029	₱1,391,097,670	₱2,141,422,481	(₱19,421,641)	(1.40%)	(₱750,324,811)	(35.04%)

#### Statements of Comprehensive Income

	Jan 1– March 31		Jan 1– December 31		Increase (Decrease)			
	(Unaudited)		(Audited)		2025 vs. 2024		2024 vs. 2023	
	2025	2024	2024	2023	Amount	%	Amount	%
INVESTMENT INCOME								
Trading and securities gains (losses)	(₱71,928,860)	₱148,875,097	53,316,154	(29,192,833)	(₱220,803,957)	(148.31%)	82,508,987	282.63%
Dividend income	16,553,174	20,964,233	₱53,539,518	₱72,553,429	(4,411,059)	-21.04%	(₱19,013,911)	(26.21%)
Interest income	–	183	955	2,325	(183)	(100.00%)	(1,370)	(58.92%)
Miscellaneous income	–	–	–	120,474	–	–	(120,474)	(100.00%)
	(55,375,686)	169,839,513	106,856,627	43,483,395	(225,215,199)	(132.60%)	63,373,232	145.74%
OPERATING EXPENSES								
Management fees	1,889,811	3,138,490	10,440,296	12,034,075	(1,248,679)	(39.79%)	(1,593,779)	(13.24%)
Taxes and licenses	425,570	98,176	398,211	775,737	327,394	333.48%	(377,526)	(48.67%)
Information technology expenses	325,285	162,139	989,842	1,025,535	163,146	100.62%	(35,693)	(3.48%)
Brokers’ commissions	172,009	53,470	206,842	1,657,911	118,539	221.69%	(1,451,069)	(87.52%)
Custodian and transfer agency fees	169,342	225,253	889,608	719,115	(55,911)	(24.82%)	170,493	23.71%
Regulatory and filing fees	150,858	152,534	631,796	611,813	(1,676)	(1.10%)	19,983	3.27%
Fund Administration Fee	101,240	235,860	627,028	1,020,893	(134,620)	(57.08%)	(393,865)	(38.58%)
Directors’ and officers’ fees	95,738	76,500	328,500	299,500	19,238	25.15%	29,000	9.68%
Professional fees	84,783	22,300	135,520	109,588	62,483	280.19%	25,932	23.66%
Miscellaneous	37,225	45,085	136,702	449,664	(7,860)	(17.43%)	(312,962)	(69.60%)
	3,451,861	4,209,807	14,784,345	18,703,831	(757,946)	(18.00%)	(3,919,486)	(20.96%)
NET INVESTMENT INCOME								
(LOSS) BEFORE TAX	(58,827,547)	165,629,706	92,072,282	24,779,564	(224,457,253)	(135.52%)	67,292,718	271.57%

	Jan 1– March 31		Jan 1– December 31		Increase (Decrease)			
	(Unaudited)		(Audited)		2025 vs. 2024		2024 vs. 2023	
	2025	2024	2024	2023	Amount	%	Amount	%
<b>PROVISION FOR FINAL TAX</b>	409,603	46,464	171,518	645,664	363,139	781.55%	(474,146)	(73.44%)
<b>NET INVESTMENT INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)</b>	(P59,237,150)	P165,583,242	P91,900,764	P24,133,900	(P224,820,392)	(135.77%)	P67,766,864	280.80%

## **2025**

### **Financial Position (March 31, 2025 vs. December 31, 2024)**

As of March 31, 2025, the Fund's total assets stood at P1.37 billion, lower by P0.02 billion from P1.39 billion as of December 31, 2024. Total liabilities ended at P1.31 million from P1.72 million, lower by P0.41 million or 24.18% as of reporting date. The changes in total assets and liabilities are primarily due to the movements in the following accounts:

#### ***a. Cash in banks***

This represents the Fund's savings and checking accounts in local banks and bear annual interest of 0.0625% per annum. This account ended at P12.68 million, increased by 48.74% or P4.15 million from P8.52 million mainly due to sale of equity securities during the period.

#### ***b. Financial assets at FVTPL***

This consists of quoted equity securities held for trading. The decrease of P0.03 billion from P1.38 billion to P1.35 billion was due to changes in the fair value of equity securities held for trading during the period.

#### ***c. Receivables***

This account consists of dividend receivable. The increase of P3.36 million or 547.58% from P0.61 million to P3.97 million was due to higher uncollected dividend receivable as of reporting date.

#### ***d. Accounts payable and accrued expenses***

This account consists of accounts payable, payable to FAMI, accrued expenses, withholding tax and documentary stamp tax (DST) payable. The decrease of 24.18% or P0.41 million from P1.72 million to P1.31 million was mainly due to lower payable to FAMI relative to the decrease of the Fund's assets under management as of reporting date.

#### ***e. Equity***

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of P0.02 billion from P1.39 billion to P1.37 billion was due to the result of operation during the period.

*Capital stock* ended at P1.36 billion, an increase of P0.04 billion from P1.32 billion due to subscriptions during the period. The Fund's authorized capital stock remained at P3.00 billion divided into 30.00 million redeemable shares with par value of P100.00 per share with each share carrying one vote. As of March 31, 2025 and December 31, 2024, the total issued and outstanding shares were 13,611,260 and 13,201,260, respectively, while the total number of holders of redeemable common shares are 3,288 and 3,211, respectively.

*Additional paid-in capital* increased by P0.17 million from P40.31 million to P40.48 million this year due to subscriptions during the period.

*Retained earnings (deficit)* decreased by ₱60.17 million or 207.94% from ₱28.94 million earnings to ₱31.23 million deficit as of March 31, 2025 due to results of operations during the period.

### **Results of Operations (January 1– March 31, 2025 vs. January 1– March 31, 2024)**

For the period ended March 31, 2025, the Fund incurred a net loss of ₱59.24 million, a decrease of ₱224.82 million or 135.77% from the same period last year's net income of ₱165.58 million. Detailed discussions of the changes in the statement of comprehensive income accounts are as follows:

#### ***a. Trading and securities gains (losses)***

This account represents realized gains (losses) from the sale and unrealized gain (losses) from changes in the fair value of equity securities held for trading during the period. The decrease of ₱220.81 million or 148.31% from ₱148.88 million gain to ₱71.93 million loss was mainly due to the result of changes in the fair value and trading of equity securities during the period.

#### ***b. Dividend income***

This is recognized when the Fund's right to receive cash dividend is established. This account totaled ₱16.55 million, a decrease of 21.04% or ₱4.41 million from same period last year's ₱20.96 million mainly due to lower cash dividends earned from shares held during the period.

#### ***c. Interest income***

This account pertains to interest earned from cash in bank of the Fund and this ended nil and ₱183 for the period ended March 31, 2025 and 2024, respectively.

#### ***d. Management fees***

This account decreased by ₱1.25 million or 39.79% from same period last year's ₱3.14 million to ₱1.89 million this year due to the lower management fees incurred relative to the decrease of the Fund's assets under management during the period.

#### ***e. Taxes and licenses***

This account increased by 333.48% or ₱0.33 million from the same period last year's ₱0.10 million to ₱0.43 million mainly due to higher DST paid during the period.

#### ***f. Information technology expenses***

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. This account increased by ₱0.17 million or 100.62% from the same period last year's ₱0.16 million to ₱0.33 million due to timing difference of payment during the period.

#### ***g. Broker's commission***

This pertains to fees paid to brokers for executing trade transactions. This account increased by ₱0.12 million or 221.69% from same period last year's ₱0.05 million to ₱0.17 million this year due to higher volume of rebalancing trades during the period.

#### ***h. Custodian and transfer fees***

This account pertains to charges incurred relative to the purchase and sale of securities. This account totaled ₱0.17 million and ₱0.23 million for the period ended March 31, 2025 and 2024, respectively, resulting to ₱0.06 million or 24.82% decrease due to the lower volume of equity securities during the period.

#### ***i. Regulatory and filing fees***

This account totaled ₱0.15 million for the period ended March 31, 2025 and 2024, which consists of Funds' listing and filing fees paid to regulatory bodies.

***j. Fund admin fee***

This account totaled ₱0.10 million which pertains to payment of the fund admin fee during the period. The decrease of 57.08% or ₱0.14 million from ₱0.24 million was due to the lower fees incurred relative to the decrease in the Fund's assets under management during the period.

***k. Directors' fees per diem***

This account pertains to per diem paid to the Fund's officers and directors during board meetings and annual stockholders' meeting. This account increased by ₱0.02 million or 25.15% from ₱0.08 million for the same period last year to ₱0.10 million this year due to higher attendees on meetings held during the period.

***l. Professional fees***

This account totaled ₱0.08 million and ₱0.02 million for the period ended March 31, 2025 and 2024, and this represents audit and legal fees incurred by the Fund. The increase of ₱0.06 million or 280.19% was due to higher legal fees incurred during the period.

***m. Miscellaneous expenses***

This account includes membership fees and dues, bank charges and other miscellaneous expenses. The decrease of 17.43% or ₱0.01 million from same period last year's ₱0.45 million to ₱0.37 million this year was mainly due to lower membership fees and miscellaneous expenses paid during the period.

**2024**

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

The total resources of the Fund decreased by ₱0.75 billion or 35.04% from ₱2.14 billion at the beginning of the year to ₱1.39 billion as of December 31, 2024. Liability increased by ₱0.06 million from last year's ₱1.66 million to ₱1.72 million as of December 31, 2024.

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 ₱1.65 million or 16.19% from ₱10.17 million as of December 31, 2023 to ₱8.52 million as of December 31, 2024 mainly due to net redemptions during the year. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.0625% and 0.25% in 2024 and 2023, respectively.

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

Financial assets at FVTPL consist of quoted equity securities held for investments amounting to ₱1.38 billion and ₱2.13 billion as of December 31, 2024 and 2023, respectively. This account went down by ₱0.75 billion or 35.09% due to sale of equity securities relative to net redemptions made during the year.

***c. Receivables***

Receivables consist of dividends and other receivables. This account went down by ₱1.46 million or 70.41% from last year's balance of ₱2.07 million to ₱0.61 million mainly due to the lower dividend declaration made by Investee Companies as of December 31, 2024.

***d. Accounts payable and accrued expenses***

This account is comprised of payable to FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. The increase of ₱0.06 million from ₱1.66 million at the beginning of the year to ₱1.72 million as of December 31, 2024 pertains to higher accrued expenses as of reporting date.



**e. Equity**

Total stockholders' equity decreased by ₱0.75 billion or 35.07% from last year's ₱2.14 billion to ₱1.39 billion this year mainly due to the net redemptions during the year.

**Capital Stock**

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

	2024		2023	
	Shares	Amount	Shares	Amount
Authorized	30,000,000	₱3,000,000,000	30,000,000	₱3,000,000,000
Issued and outstanding:				
Balance at the beginning of the period	20,991,260	2,099,126,000	21,801,260	2,180,126,000
Subscriptions	320,000	32,000,000	750,000	75,000,000
Redemptions	(8,110,000)	(811,000,000)	(1,560,000)	(156,000,000)
Balance at the end of the period	13,201,260	₱1,320,126,000	20,991,260	₱2,099,126,000

As of December 31, 2024, the total number of shareholders owning at least one board lot (equivalent to 10 ETF shares) is 3,211.

*Additional paid-in capital* amounted to ₱40.31 million and ₱63.49 million in 2024 and 2023, respectively. The decrease of ₱23.18 million or 36.51% was due to the net redemptions during the year.

*Retained earnings (deficit)* increased by ₱51.79 million or 226.61% from last year's ₱22.85 million deficit to ₱28.95 million earnings this year due to results of operations for the year.

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

For the year ended December 31, 2024, the Fund posted a net income of ₱91.90 million, an increase of ₱67.77 million or 280.80% compared to ₱24.13 million net income in 2023.

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

**a. Dividend income**

This is recognized when the Fund's right to receive a cash dividend is established. This account decreased by ₱19.01 million or 26.21% from last year's ₱72.55 million to ₱53.54 million due to lower cash dividends received from equity securities during the year.

**b. Trading and securities gains (losses)**

This account totaled ₱53.32 million gain this year, which consists of realized gains from the sale and unrealized gain on marking-to-market of equity securities. The increase of ₱82.51 million or 282.63% from ₱29.19 million loss in 2023 was mainly due to the change in fair market value of equity securities during the year.

**c. Interest income**

The decrease of ₱0.001 million or 58.92% from ₱0.002 million in 2023 to ₱0.001 million this year was primarily due to lower interest earned during the year.

**d. Miscellaneous income**

Miscellaneous income totaled nil and ₱0.12 million for the year ended December 31, 2024 and 2023, respectively.

***e. Management fees***

Management fees amounting to ₱10.44 million and ₱12.03 million in 2024 and 2023, respectively, consist of fees accrued and paid to the Fund's Investment Adviser. The decrease of ₱1.59 million or 13.24% pertains to lower asset under management level in 2024.

***f. Information technology expenses***

Information technology decreased by ₱0.04 million from ₱1.03 million to ₱0.99 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.

***g. Custodian and transfer agency fees***

This account increased by ₱0.17 million or 23.71% from ₱0.72 million to ₱0.89 million this year mainly due to higher transfer agency fees incurred and paid during the year.

***h. Regulatory and filing fees***

This account totaled ₱0.63 million and ₱0.61 million for the year 2024 and 2023, respectively. The decrease of ₱0.02 million was due to lower listing fees paid by the Fund during the year.

***i. Fund administration fee***

This account totaled ₱0.63 million in 2024 and pertains to the payment of the fund administration fee during the year. The decrease of ₱0.39 million or 38.58% from ₱1.02 million last year was due to lower fees paid relative to the decrease of the Fund's net asset value.

***j. Taxes and licenses***

This account went down by ₱0.38 million or 48.67% compared with last year's balance of ₱0.78 million to ₱0.40 million primarily due to lower documentary stamp tax paid during the year.

***k. Directors' and officers' fees***

This account pertains to the allowances and per diem of directors and officers during the meetings convened. The increase of ₱0.03 million or 9.68% from last year's ₱0.30 million to ₱0.33 million this year was due to higher attendees on meetings during the year.

***l. Brokers' commission***

Brokers' commission amounting to ₱0.21 million was incurred in 2024 relative to purchase and sale transactions of equity securities. This account is ₱1.45 million or 87.52% lower compared to last year's amount of ₱1.66 million due to the lower volume of rebalancing trades during the year.

***m. Professional fees***

This account pertains to audit fees and other professional fees. The increase of ₱0.03 million or 23.66% from last year's ₱0.11 million to ₱0.14 million this year was due to higher audit fees paid during the year.

***n. Miscellaneous expense***

Miscellaneous expense consists of various operational expenses incurred by the Fund. This account decreased by ₱0.31 million or 69.60% from last year's ₱0.45 million to ₱0.14 million this year due to lower miscellaneous expenses during the year.

**2023**

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

The total resources of the Fund decreased by ₱0.07 billion from ₱2.21 billion at the beginning of the year to ₱2.14 billion as of December 31, 2023. Liability decreased by ₱0.51 million or 23.64% from last year's ₱2.17 million to ₱1.66 million as of December 31, 2023.

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 ₱4.75 million or 87.55% from ₱5.42 million on December 31, 2022 to ₱10.17 million as of December 31, 2023 mainly due to sale of equity securities. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.125% in 2023 and 2022.

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

Financial assets at FVTPL consist of quoted equity securities held for investments amounting to ₱2.13 billion and ₱2.20 billion as of December 31, 2023 and 2022, respectively. This account went down by ₱0.07 billion due to sale of equity securities relative to net redemptions made during the year.

**c. Receivables**

Receivables consist of dividends and other receivables. This account went up by ₱1.35 million or 189.24% from last year's balance of ₱0.72 million to ₱2.07 million mainly due to the higher dividend declaration made by Investee Companies as of December 31, 2023.

**d. Other assets**

This account ended nil and ₱0.27 million as of December 31, 2023 and 2022, respectively, and this pertains to other miscellaneous assets of the Fund.

**e. Accounts payable and accrued expenses**

This account is comprised of payable to FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. The decrease of ₱0.51 million or 23.64% from ₱2.17 million at the beginning of the year to ₱1.66 million as of December 31, 2023 pertains to lower accrued expenses as of reporting date.

**f. Equity**

Total stockholders' equity decreased by ₱0.06 billion from last year's ₱2.20 billion to ₱2.14 billion this year mainly due to the net redemptions during the year.

**Capital Stock**

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

	2023		2022	
	Shares	Amount	Shares	Amount
Authorized	30,000,000	₱3,000,000,000	30,000,000	₱3,000,000,000
Issued and outstanding:				
Balance at the beginning of the period	21,801,260	2,180,126,000	20,201,260	2,020,126,000
Subscriptions	750,000	75,000,000	3,680,000	368,000,000
Redemptions	(1,560,000)	(156,000,000)	(2,080,000)	(208,000,000)
Balance at the end of the period	20,991,260	₱2,099,126,000	21,801,260	₱2,180,126,000

As of December 31, 2023, the total number of shareholders owning at least one board lot (equivalent to 10 ETF shares) is 3,288.

*Additional paid-in capital* amounted to ₱63.49 million and ₱70.24 million in 2023 and 2022, respectively. The decrease of ₱6.75 million or 9.60% was due to the net redemption during the year.

*Deficit* decreased by ₱22.99 million or 50.15% from last year's ₱45.84 million to ₱22.85 million this year mainly due to results of operations for the year.

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

For the year ended December 31, 2023, the Fund posted a net income of ₱24.13 million or an increase of ₱154.13 million or 118.56% compared to ₱130.00 million net loss in 2022.

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

#### ***a. Trading and securities gains (losses)***

This account totaled ₱29.19 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 ₱122.98 million or 80.82% from ₱152.17 million in 2022 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 a cash dividend is established. This account increased by ₱28.17 million or 63.47% from last year's ₱44.38 million to ₱72.55 million due to higher cash dividends received from equity securities during the year.

#### ***c. Interest income***

The decrease of ₱0.014 million or 85.83% from ₱0.016 million in 2022 to ₱0.002 million this year was primarily due to lower interest earned during the year.

#### ***d. Management fees***

Management fees amounting to ₱12.03 million and ₱12.10 million in 2023 and 2022, respectively, consist of fees accrued and paid to the Fund's Investment Adviser. The decrease of ₱0.07 million pertains to lower asset under management level in 2023.

#### ***e. Brokers' commission***

Brokers' commission amounting to ₱1.66 million was incurred in 2023 relative to purchase and sale transactions of equity securities. This account is ₱0.45 million or 36.64% higher compared to last year's amount of ₱1.21 million due to the higher volume of rebalancing trades during the year.

#### ***f. Information technology expenses***

Information technology increased by ₱0.38 million or 57.69% from ₱0.65 million to ₱1.03 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.

#### ***g. Fund administration fee***

This account totaled ₱1.02 million in 2023 and pertains to the payment of the fund administration fee during the year. The increase of ₱0.18 million or 21.47% from ₱0.84 million last year was due to higher fees paid during the migration period of service provider made in 2023.

#### ***h. Taxes and licenses***

This account went down by ₱2.94 million or 79.15% compared with last year's balance of ₱3.72 million to ₱0.78 million primarily due to lower documentary stamp tax paid during the year.

***i. Custodian and transfer agency fees***

This account increased by ₱0.09 million or 14.07% from ₱0.63 million to ₱0.72 million this year mainly due to higher transfer agency fees incurred and paid during the year.

***j. Regulatory and filing fees***

This account totaled ₱0.61 million for the years 2023 and 2022.

***k. Directors' and officers' fees***

This account pertains to the allowances and per diem of directors and officers during the meetings convened. The decrease of ₱0.01 million from last year's ₱0.31 million to ₱0.30 million this year was due to lower attendees on meetings during the year.

***l. Professional fees***

This account pertains to audit fees and other professional fees. The decrease of ₱0.17 million or 60.60% from ₱0.28 million to ₱0.11 million this year was due to lower audit fees paid during the year.

***m. Miscellaneous expense***

Miscellaneous expense consists of various operational expenses incurred by the Fund. This account increased by ₱0.18 million or 69.33% from ₱0.27 million to ₱0.45 million this year due to higher miscellaneous expenses during the year.

**Plan of Action**

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

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

**Subsequent Events**

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

**Other Matters**

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

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

**DISCUSSION OF KEY PERFORMANCE INDICATORS**

The Fund has identified the following as its key performance indicators:

- *Net Asset Value Per Share* – Net Asset Value per share decreased by ₱4.5665 from ₱105.2455 as of December 31, 2024 to ₱100.6790 as of March 31, 2025. The Fund's net asset value decreased by ₱0.02 billion from ₱1.39 billion as of December 31, 2024 to ₱1.37 billion as of March 31, 2025.
- *Sales for the period ended* – The Fund had total sales of ₱40.23 million for the period ended March 31, 2025. This is ₱31.89 million or 382.62% higher than ₱8.34 million total sales for the same period last year.
- *Redemptions for the period ended* – The Fund had nil and ₱77.61 million redemptions for the period ended March 31, 2025 and 2024, respectively.
- *Net Income vs. Benchmark* – The Fund incurred a net loss of ₱59.24 million for the period ended March 31, 2025, lower by ₱224.82 million or 135.77% compared to same period last year's ₱165.58 million net income.
- *Market Share vs. Benchmark* – As of March 31, 2025, the Fund garnered 2.39% share in the Equity Funds category in terms of net assets. On the basis of account holders, the Fund has 3,288 account holders or 0.32% 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 5%. The highest and lowest tracking error during the period are 0.0409% and 0.0399%, respectively.

The following basic ratios measure the financial performance of the Fund for the period ended March 31, 2025 and for the years 2024 and 2023:

<b>PERFORMANCE INDICATORS</b>	<b>March 31, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>	<b>December 31, 2023 (Audited)</b>
Return on assets <sup>1/</sup>	(17.15%)	5.20%	1.11%
Return on equity <sup>2/</sup>	(17.17%)	5.21%	1.11%
Cost to income ratio <sup>3/</sup>	(6.23%)	13.84%	43.01%
Net asset value per share <sup>4/</sup>	₱100.6790	₱105.2455	₱101.9361
Earnings(Loss) per share <sup>5/</sup>	(₱4.3836)	₱5.5146	₱1.1433

<sup>1/</sup> Net income over average assets. Average assets were computed based on the average of the beginning and ending balances.

<sup>2/</sup> Net income over average equity. Average equity was computed based on the average of the beginning and ending balances.

<sup>3/</sup> Operating expenses for the cost-to-income ratios do not include provision for probable losses and provision for income taxes.

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

<sup>5/</sup> Net income divided by weighted average number of common shares.

## **Item 7. Financial Statements**

### **1. Statement of Management's Responsibility for Financial Statements**

### **2. Audited Financial Statements**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on May 16, 2025.

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

By:

A handwritten signature in black ink, appearing to read 'Maria Avalen A. Dianco', written in a cursive style.

**MARIA A VALEN A. DIANCO**  
**TREASURER**