

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

MARICEL L. MADRID

Contact Person

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Company Telephone Number

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1	2				
3	1				
Fiscal Year					

DEFINITIVE 20-IS

Form Type

3rd Wed. of June

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

INVESTMENT COMPANY

Secondary License type, if applicable

C G F D

Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total amount of Borrowings

<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table> Domestic		<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table> Foreign	

To be Accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

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Remarks = Pls. use black ink for scanning purposes.

NOTICE OF ANNUAL MEETING OF THE STOCKHOLDERS

TO ALL STOCKHOLDERS:

Please be informed that the Annual Meeting of Stockholders of **FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.** (FIRST METRO-ETF) will be held on Wednesday, June 21, 2023 at 02:00PM via Zoom webinar, link provided in the website <https://fami.com.ph>.

The Agenda is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the previous Annual Stockholders' Meeting held on June 30, 2022
4. Annual Report
5. Ratification of Corporate Acts
6. Election of the Members of the Board of Directors
7. Appointment of External Auditor
8. Adjournment

As a precautionary measure against the spread of COVID-19, the Company will not be conducting a physical annual shareholders' meeting. The conduct of the annual shareholders' meeting will be streamed live, and shareholders may attend the meeting by registering on or before 12:00 noon on June 21, 2023. Due to the limitations of available technology, voting will not be possible during the Zoom webinar, but participants may send in questions or remarks via the Zoom webinar platform.

In case you cannot attend the meeting in person and Center you wish to be represented, you may designate your authorized representative by submitting a signed proxy documents on or before June 2, 2023, through email at asm@fami.com.ph and hardcopies at 18th Floor, PS Bank, 777 Paseo de Roxas corner Sedeño St., Makati City.

Only stockholders of record at the close of business on May 19, 2023 are entitled to notice of, and to vote at the said meeting.

Makati City, May 26, 2023.


MELISSA B. REYES
Corporate Secretary

PROXY

The undersigned stockholder of **FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.** hereby appoints _____ or in his absence, the Chairman of the meeting, 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 Wednesday, June 21, 2023 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 30, 2022.			
2. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for fiscal year 2022.			
3. Election of the Members of the Board of Directors for the year 2023-2024	# of Votes		
Mr. Eduardo R. Carreon			
Mr. Michael G. Say			
Mr. Winston Andrew L. Peckson			
Ms. Karen Liza M. Roa			
Atty. Abelardo V. Cortez (Independent Director)			
Ms. Rhodora Angela F. Ferrer (Independent Director)			
Fr. Rafael K. Eloriaga, CM (Independent Director)			
Apply the votes equally to all the nominees.	Yes	No	
4. Appointment of External Auditor for the year 2023			

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

DATE

¹ Please fill-out and sign the proxy form and return via mail/email/Metrobank Branches on or before 5:00 p.m. on June 2, 2023.
Via Mail: To the Corporate Secretary, 18th Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City
Via Email: asm@fami.com.ph | Via Fax: (02) 816-0467
Via Metrobank Branches: Use Pouch Code 90020. This service is free of charge.

²This proxy shall be valid for a period of five (5) years from the date of its execution. This proxy shall continue to be in effect until and unless withdrawn by written notice delivered to the Corporate Secretary, but shall not apply in instances wherein the undersigned personally attends the meeting.

³If no name is provided; the Chairman of the Meeting will act as the proxy.

THIS PROXY NEED NOT BE NOTARIZED. IF THE STOCKHOLDER ATTENDS IN PERSON AND EXPRESSES HIS INTENTION TO VOTE IN PERSON, 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
[X] 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:
CS201300728
5. BIR Tax Identification Code:
008-447-745-000
6. Address of Principal Office
18th Floor, PSBank Center 777 Paseo de Roxas Makati City, Philippines
7. Telephone Number:
(632) 88912860
8. Date, time, place, of the meeting of security holders:
Date : June 21, 2023
Time : 2:00 p.m.
**Place : Zoom webinar at the link provided in
<https://fami.com.ph>**
9. Approximate date on which the Information Statement is first to be sent or given to security holders:
May 30, 2023
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of each class	Number of Shares*
Common Shares	21,801,260
11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?
Yes.
If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

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

PART I - INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Date : Wednesday, June 21, 2023
Time : 02:00 p.m.
Place : Zoom webinar at the link provided in <https://fami.com.ph>

Mailing Address of the Registrant

18th Floor, PSBank Center 777 Paseo de Roxas Makati City

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

May 30, 2023

Item 2. Right of Appraisal:

There are no actions or matters to be taken up at the Annual Stockholders Meeting that will give rise to a possible exercise by security holders of their right of appraisal.

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

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.

No one among the incumbent Directors has informed the Corporation in writing that he/she intends to oppose any action to be taken at the Annual Stockholders Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof:

a) Class of Voting Shares :

Class of Voting Securities	Total Outstanding Shares*	Votes Entitlement
Common Shares	21,801,260 shares	One (1) vote per share

b) Record Date:

Stockholders of record as of May 19, 2023 are entitled to notice and to vote in the Annual Stockholders Meeting.

c) Manner of voting

A shareholder may vote in person or by proxy. Article III, Section 7 of the By-Laws of the Corporation provides that:

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Section 7. Voting. 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 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.

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In the election of Directors, cumulative voting is allowed. Article IV of the By-Laws states:

Section 3. Election of Directors. 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. The nomination and election of independent directors shall be made in accordance with the Securities Regulation Code Rule 38.

d) Security Ownership of Certain Record and Beneficial Owners and Management:

The following stockholder own more than 5% of the common voting securities as of March 31, 2023:

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizen	No. of Shares Held	Percent to Outstanding Shares
Common	<i>First Metro Securities Brokerage Corporation (FMSBC)</i> 8 th Floor PSBank Centre, 777 Paseo de Roxas Ave. cor. Sedeño St., Salcedo Village, Makati City, Philippines 1226	Various Clients	Filipino	10,153,851	47.62%
Common	<i>COL Financial Group, Inc.</i> 2403-B East Tower, PSE Center, Exchange Road Ortigas Center, Exchange Rd, Ortigas Center, Pasig, 1605 Kalakhang Maynila	Various Clients	Filipino	4,398,886	20.63%
Common	<i>BDO Securities Corporation</i> BDO Corporate Center, BDO South Tower, 20th, 1226 Makati Ave, Makati, Metro Manila	Various Clients	Filipino	1,122,961	5.27%

First Metro Securities Brokerage Corp. (FMSBC), is the registered owner of the shares in the books of the Company. The Board of Directors of FMSBC has the right to appoint an actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of FMSBC is Mr. Gonzalo Ordonez or Mr. Jose Patricio A. Dumlao or any officers appointed by the Board.

COL Financial Group, Inc (COL), is the registered owner of the shares in the books of the Company. The Board of Directors of COL has the right to appoint an actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of COL is Mr. Conrado F. Bate or any officers appointed by the Board.

BDO Securities Corporation, is the registered owner of the shares in the books of the Company. The

Board of Directors of BDO Securities Corporation has the right to appoint an actual person or persons acting individually or jointly to direct the voting or disposition of the shares held by the corporation. The person who will exercise the voting powers over the shares of BDO Securities Corporation, is Mr. Jose Eduardo A. Quimpo II or any officers appointed by the Board.

Security Ownership of Directors/Management:

Following are the securities owned by directors and officers of the Company as of March 31, 2023:

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

Voting Trust Holders of 5% or More

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

Changes in Control

The Fund is an open-end investment company engaged in the business of investing, reinvesting and trading in and issuing and redeeming its shares of stock in creation unit in exchange for basket of equity securities representing an index. The fund has an initial paid-up capitalization of ₱750 million that is paid by First Metro Investment Corporation. The fund’s shares were listed with the Philippine Stock Exchange (PSE) on December 2, 2013. As of March 31, 2023, the majority of the shares are held by First Metro Securities Brokerage Corporation.

Item 5. Directors and Executive Officers

All directors are elected for a term of one year. Each Director shall hold office until the next annual meeting of shareholders and until his/her successor shall have been elected and qualified.

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 as of May 19, 2023 with positions held for the last Five (5) years.

Term of Office: One (1) Year

Mr. Eduardo R. Carreon, 74, Filipino, term of office is one year. Chairman

Mr. Carreon has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013, First Metro Save and Learn Money Market Fund, Inc. since June 2018, and First Metro Save and Learn FOCCUS Dynamic Fund, Inc. (since June 2022).

He is President and CEO of CVLF Consultancy and Outsourcing Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise Financial Services (2003-2008). He served as Consultant for Capital

Advisors for Private Enterprise Expansion Inc. from 1998-1999. He was also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank - 1974-1979; and Pro Manager, Citibank from 1970-1973.

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

Mr. Michael G. Say, 63, Filipino, term of office is one year. President.

Mr. Say has been serving as a member of the Board of Director of First Metro Asia Focus Equity Fund, Inc., First Metro Consumer Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Save and Learn Money Market Fund, Inc. (Chairman), and First Metro Save and Learn Philippine Index Fund, Inc. (Chairman).

He is currently Chairman of the following companies: Capitalwise Groups Ltd., (2008 to present), Atlantic Archers Achiever Corporation (2004 to present), Hiratsuka Int'l Corp., Londonstar Corporation, and White Knight Productions Corporation.

He was the former Chairman for the following companies: Poc and Poc Corporation (2010 to 2016), Chic Uniform, Inc. (2002 to 2013) and Tokagawa Global Corporation (2004 to 2013).

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

Mr. Winston L. Peckson, 71, Filipino, term of office is one year.

Mr. Peckson has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013 and First Metro Save and Learn Philippine Index Fund, Inc. since June 2021.

He has 40 years of experience in the banking industry. Among his past positions were Head of Treasury Marketing of Philippine National Bank (PNB) from 2009-2010; Vice President and General Manager of the Manila Offshore Branch of ABN-AMRO NV from October 1999-2009; VP and Corporate Treasury Advisor of Bank of America- Manila Branch from 1996-1999; CEO and Director of Danamon Finance Company (HK) from 1991-1996 and Manager Corporate Banking of Lloyds Bank PLC (HK) from 1986-1991, and VP(Commercial) at the Manila Offshore Branch. He is presently the Chief Risk Officer of GT Capital Holdings, Inc.

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

Ms. Karen Liza M. Roa, 54, Filipino. term of office is one year.

Ms. Roa currently serves as director of First Metro Save and Learn Equity Fund, Inc. (since June 2022), First Metro Save and Learn Fixed Income Fund, Inc. (since June 2022), First Metro Save and Learn Balanced Fund, Inc. (since June 2022), First Metro Save and Learn Dollar Bond Fund, Inc. (since June 2022), First Metro Asia Focus Equity Fund, Inc. (since June 2022), First Metro Consumer Fund, Inc. (since June 2022), and First Metro Philippine Equity Exchange Traded Fund, Inc. (since June 2022).

She has over 25 years of expertise in the field of finance with a career that spans both domestic and international banking operations, she has a wealth of experience that fuels her financial skills. Has worked with some of the most renowned global companies in banking and asset management, such as

Chase Manhattan Bank, SunGard Asia Pacific, trust banking groups of Philam Bank, and Citibank NA. She also served as President and CEO of Philam Asset Management, Inc. (PAMI). She was also a lecturer at the country's top universities, Ateneo de Manila and UP, teaching business courses on strategy, investment management, and financial services. She is the currently the President and CEO of First Metro Asset Management, Inc. (FAMI).

Dr. Bernardo M. Villegas, Ph.D., 84, Filipino, term of office is one year.

He has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since April 2013, First Metro Save and Learn Money Market Fund, Inc. since June 2021, and First Metro Save and Learn FOCCUS Dynamic Fund, Inc. (since June 2022).

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

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

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

Fr. Rafael K. Eloriaga, 59 years old, Filipino, term of office is one year.

Fr. Eloriaga is also the Independent Director for First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc. and First Metro Consumer Fund, Inc.

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

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

Atty. Abelardo V. Cortez, 77, Filipino, term of office is one year.

Atty. Cortez has been serving as a member of the Board of Director of First Metro Philippine Equity

Exchange Traded Fund, Inc. since May 2014 and First Metro Save and Learn FOCCUS Dynamic Fund, Inc. (since June 2022).

He has over 25 years of banking experience both in the local and international banking industry, concentrating in treasury trust and private banking side of the business. Over this banking period, he held the following posts: Money Market Head- Rizal Banking Corporation (1978 to 1980); Vice President-Treasury Operations, Bank of the Philippine Island (1980 to 1986); Managing Director and CEO for 8 long years at BPI International Finance Ltd. (Hongkong) from 1987 to 1995; Vice President, Head/Private Banking Group- Bank of the Philippine Island (1995 to 1996); Director for Trust and Investments, ATR KimEng Capital Partners, Inc. (1996 to 2011); Independent Board Director, First Metro Investment Banking Corp. (2012) He was national FINEX President in 2007 and Co-Chairman of the country's Capital Market Development Council in 2008; he was a former director/trustee of FINEX Foundation. He was likewise former director of First Metro Asset Management Inc.

At present, he is Board Director and Executive Committee member of IAFEI (International Association of Financial Institutes), a more than 50 year-old global financial organization based in Europe.

Currently, he also sits as Independent Director of First Metro Securities Brokerage Corp.

Atty. Cortez earned his Bachelor of Laws degree from San Beda College of Law, and was awarded the school's most outstanding student award (the Abbott's Award). He also completed his other collegiate diploma studies at San Beda College, Bachelor of Arts in journalism, first honor, Cum Laude.

Atty. Cortez writes FINEX business columns both in the Businessworld and Manila Bulletin.

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

Executive Officers

Ms. Maricel L. Madrid, 44 years old, Filipino. She is a Senior Vice President of First Metro Investment Corporation and currently heads the company's Controllership Group. She also holds presidency and directorship with SBC Properties, Inc., Prima Ventures Development Corporation and FMIC Equities, Inc. Ms. Madrid also serves as the Treasurer of First Metro Securities Brokerage Corporation, First Metro Asset Management, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn FOCCUS Dynamic Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Fund, Inc. and First Metro Save and Learn Philippine Index Fund, Inc.

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

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

Mr. Mauro B. Placente, 57 years old, Filipino. He is the Vice President and Deputy Controller of First Metro Investment Corporation. He is the Chairman and President of First Metro Insurance Brokers Corporation and First Metro Insurance Agency, Inc. He is also the Director of FMIC Equities, Inc. He also

serves as the Treasurer of PBC Capital Investment Corp, SBC Properties, Inc., Prima Ventures Development Corporation, Resiliency (SPC), Inc. and Skyland Realty Development Corporation, Inc. and Assistant Treasurer of First Metro Philippine Equity Exchange Traded Fund, Inc.

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

Atty. Melissa B. Reyes, 53 years old, Filipino. She is Assistant Vice President and Legal Officer of First Metro Investment Corporation. She joined First Metro in November 2003. She is also the Corporate Secretary of First Metro Save and Learn Philippine Index Fund, Inc. and First Metro Philippine Equity Exchange Traded Fund, Inc.

Atty. Reyes was also Compliance Officer of FMSBC from 2004-2006. Prior to joining the First Metro group, she was Senior Consultant in the Corporate and Tax Services of J. Cunanan-Pricewaterhouse Philippines (2000-2003). She was previously the Chief Legislative Officer in the Office of Senator Loren Legarda from 1998-2000, and Court Attorney III in the Office of Supreme Court Justice Ricardo J. Francisco from 1997-1998.

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

Mr. Jonathan T. Tabac, 68 years old, Filipino, Compliance Officer. Term of office is one year and has served as such from January 29, 2007 up to present. He is also the Compliance Officer of First Metro Securities Brokerage Corporation, First Metro Save and Learn Fixed Income Fund, Inc., First Metro Save and Learn Money Market Fund, Inc., First Metro Save and Learn FOCCUS Dynamic Fund, Inc., First Metro Save and Learn Philippine Index Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Fund, Inc. and First Metro Asset Management, Inc. (from May 2005 to present). He served as AVP & Compliance Officer of Citystate Savings Bank (2002-2003), Vice President of Maybank Philippines (formerly PNB Republic Planters Bank)-1997-2001 and Chairman of the Board of RPB Provident Fund, Inc. (1997-2001). Mr. Tabac finished BSC-Accounting from University of Baguio. He is a Certified Public Accountant.

Dr. Edwin B. Valeroso, 58 years old, Filipino, Corporate Information Officer, term of office is one year. Mr. Valeroso serves as Director and President of First Metro Save and Learn FOCCUS Dynamic Fund, Inc. since November 2018. He is First Vice President of First Metro Asset Management, Inc. He is the President of the Capital Markets Institute of the Philippines, Inc. (2018-present). Dr. Valeroso was the President of First Metro Save & Learn Balanced Fund (Jan 2007 to June 2011), First Metro Save & Learn Fixed Income Fund and First Metro Save & Learn Equity Fund (from May 2005 to June 2011), and President of First Metro Save and Learn Dollar Bond Fund, Inc. (2008 to 2011). He is also the Chief Information Officer of First Metro Philippine Equity Exchange Traded Fund, Inc. He was Vice President and Trustee of Philippine Investment Funds Association, Inc. (2006-2018) and Professorial Lecturer at De La Salle University- Graduate School of Business (2000-present). He was a Mutual Fund Strategist/Consultant at First Metro Investment Corp. (2004-2005).

Dr. Valeroso has a Bachelor's degree in Actuarial Mathematics from University of Santo Tomas, a Master of Science degree in Applied Mathematics from University of the Philippines-Diliman, and a Doctor of Business Administration degree from De La Salle University-Manila. He is also an alumnus of the Trust Institute Foundation of the Philippines, an Accredited Financial Analyst of American Academy of Financial Management, an SEC-Certified Investment Solicitor and a PRC-licensed Real Estate Broker.

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

The executive officers were elected on June 30, 2022 and the term of office of each is for one (1) year.

Significant Employees

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

Nominee Directors

The persons listed below have been nominated to become directors for 2023-2024. All directors are elected for a term of one year and until their successors shall have been elected and qualified.

Mr. Eduardo R. Carreon
Mr. Michael G. Say
Mr. Winston Andrew L. Peckson
Ms. Karen Liza M. Roa
Atty. Abelardo V. Cortez*
Ms. Rhodora Angela F. Ferrer*
Fr. Rafael K. Eloriaga, CM*

**Independent Directors*

The nominees, with the exception of Ms. Rhodora Angela F. Ferrer, are incumbent directors of First Metro Philippine Equity Exchange Traded Fund, Inc. All seven (7) nominees confirmed and accepted their nomination to become directors.

Fr. Rafael K. Eloriaga, CM, Ms. Rhodora Angela F. Ferrer and Atty. Abelardo V. Cortez are nominees for independent directors of FMETF and they were recommended to the Nominations Committee for election of independent directors by Mhelvin F. Abajon, stockholder, in accordance with the foregoing rules. Mhelvin F. Abajon has no relations with any nominee. No other persons were nominated.

Nominee

Ms. Rhodora Angela F. Ferrer, 55, Filipino, term of office is one year.

Ms. Ferrer is an Independent Director of First Metro Save and Learn Dollar Bond Fund, Inc. (since 2014), First Metro Consumer Fund, Inc. (since 2019), and First Metro Save and Learn Balanced Fund, Inc. (since 2016).

Ms. Ferrer is currently the Executive Director of the Private Education Assistance Committee (PEAC), the Trustee of the Fund for Assistance to Private Education (FAPE). PEAC co-implements with the Department of Education, the JHS Education Service Contracting Program and the SHS Voucher Program with over 2 million grantees in the country.

Ms. Ferrer served as Executive Director for Catholic Educational Association of the Philippines (from 2010 to 2014); Asst. Professor, Education Department and Natural Science Department, St. Scholastica's College (since 2007); Trainer for Teacher-Training Programs, Foundation for Upgrading the Standards of Education (FUSE), since 2004. She also served as Chairperson of the Training Committee, Foundation for Upgrading the Standards of Education, Inc. (FUSE) (2009 to 2010); Associate

Professor, College of Education at the University of the East (2009 to 2012).

Ms. Ferrer finished her BS degree in Physics for Teachers (Cum Laude) at the Philippine Normal University and took up Masters in Education, Major in Physics at De La Salle University. She is currently pursuing her Ph.D. in Educational Leadership and Management (Executive Program) at De La Salle University.

Ms. Ferrer finished Executive Courses in the areas of public policy and private sector development at the Lee Kuan Yew School of Public Policy of the National University of Singapore.

For the complete background information of the nominee directors, please refer to Item 5. Directors and Officers.

Independent Directors

First Metro ETF 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.

The Nomination Committee of the Board of Directors is composed of Ms. Karen Liza M. Roa, as Chairman with Mr. Eduardo R. Carreon and Atty. Abelardo V. Cortez as members.

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.

Atty. Abelardo V. Cortez, Fr. Rafael K. Eloriaga, CM, and Ms. Rhodora Angela F. Ferrer were nominated for election as Independent Director. They were nominated to the Nomination Committee for election of independent directors by Mhelvin F. Abajon, stockholder in accordance with the foregoing rules. Mhelvin F. Abajon has no relations with any of the nominees.

Legal Proceedings:

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

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

1. involved in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
2. involved in or convicted by final judgment in any criminal proceeding, domestic or foreign, or subject to a pending criminal proceeding, foreign or domestic, excluding traffic violations and other minor offenses;

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

Family Relationships

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

Relationships and Related Transactions

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

Compliance with Manual on Corporate Governance

The Board approved the Fund's Corporate Governance Manual on June 19, 2013 to monitor and assess the level of the Fund's compliance with leading practices on good corporate governance as specified in Philippine SEC Circulars. Aside from establishing specialized committees to aid in complying with the principles of good corporate governance, the Manual also outlines specific investor's rights and protections and enumerates particular duties expected from the Fund's Board members, officers and employees. It also features a Disclosure System which highlights adherence to the principles of transparency, accountability and fairness. A Compliance Officer is tasked with the formulation of specific measures to determine the level of compliance with the Manual by the Fund's Board members, officers and employees. To date, the Fund has not encountered any deviation from the Manual's standards.

Item 6. Compensation of Executive Officers and Directors

Per Diem payments to directors and officers estimated for the year 2023, and for the years ended December 31, 2022, 2021 and 2020 are as follows:

	2023 (Estimated)	2022	2021	2020
Directors	P324,000	P276,989	P104,006	P276,603
Executive Officers	32,000	32,000	32,000	90,402
Aggregate Annual Per Diem	P356,000	P308,989	P136,006	P367,005

Per diem of Directors, Corporate Secretary and Officers of the Fund amounting to P10,000.00, P3,000.00, P2,500.00, respectively, are given during their Annual Stockholders' and regular board 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.

Warrants and Options Outstanding: Repricing

There are no stock warrants or options that First Metro-ETF has awarded to any of its directors or officers. Neither has the registrant's officers or directors own any stock warrants or options.

Item 7. Independent Public Accountants:

The present auditor of the Fund is Sycip, Gorres, Velayo and Co. (SGV & Co.). Representatives of SGV & Co. are expected to be present at the stockholders meeting on June 21, 2023. 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.

For the year 2023, FMETF will still be engaging the services of SGV.

In compliance with SRC Rule 68, par. 3 (b)(ix), the signing partner of the auditing firm is rotated every after five (5) years of engagement. Redgienald G. Radam signed the independent auditors' for the year 2022. The reports of auditors on the financial statements of the company for the years ended December 31, 2022, 2021 and 2020 contained unqualified opinions.

The fees paid for the professional services rendered by SGV & Co. for the audit of our Financial Statements is ₱89,443, ₱89,443 and ₱92,400 for the year 2022, 2021 and 2020, respectively. These cover the following:

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

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

SGV & Co. conducted the audit in accordance with auditing standards generally accepted in the Philippines to obtain reasonable assurance about whether the financial statements are free of material misstatements. Their audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. There are no tax fees paid for the last year for professional services rendered by SGV & Co. for tax accounting compliance, advice, planning and any other form of tax service.

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

Audit Committee's Approval Policies and Procedures

The recommendations of the external auditor are presented to the Audit Committee, which then endorse the same to the Board of Directors for approval.

FMETF's Audit Committee is chaired by Ms. Bernadette M. Nepomuceno with Ms. Ma. Teresa D. Villanueva and Rev. Fr. Albert N. Delvo, Ph.D as members.

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

meeting.

C. ISSUANCES AND EXCHANGE OF SECURITIES- Not Applicable.

D. Other Matters

Item 18. Other Proposed Action

1. Approval of the minutes of the meetings of the stockholders held on June 30, 2022 with the following points:
 - i. Annual report to the Stockholders
 - ii. Ratification and approval of all acts and resolutions of the Board of Directors for the fiscal year 2022; and
 - iii. Amendment of by-laws to align with the provisions of the revised corporation code
 - iv. Election of Directors (including independent directors)
 - v. Appointment of External Auditor
2. Ratification of Corporate Acts
The matters that will be ratified are:
 - a) The minutes of the meeting of the Board of Directors and the Executive Committee and all acts, transactions and resolutions of the Board of Directors, the Executive Committee and the Management in 2022 adopted in the ordinary course of business
3. Election of Directors (including independent directors)
4. Appointment of External Auditor for the year 2023.

Item 19. Voting Procedure

- A) The votes of all the shares present or represented at the meeting will be on a per share basis.
- B) For the approval of the minutes of 2022 meetings and ratification/approval of the acts or resolutions of the board, every shareholder shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Corporation at the time of closing. A majority vote of the stockholders present in the meeting is sufficient to approve and ratify the Corporate acts mentioned.
- C) For the election of Directors

Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name in the books of the corporation as of the record date multiplied by the whole number of directors to be elected. If the number of nominees does not exceed the number of Directors to be elected, the Secretary of the meeting, upon motion made, will be instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of Directors to be elected, voting shall be done by secret ballot.

- D) Methods by which votes will be counted

Voting shall be made viva voce, through the raising of the hands or electronically by poll during the meeting, and counted manually/electronically by the Corporate Secretary. The duly accomplished

proxy forms indicating votes for the particular items, sent by the stockholder prior the meeting, shall be tallied in advance by the Corporate Secretary accordingly.

The Board of Directors in its special meeting held on May 26, 2020, approved the adoption of guidelines to allow participation through remote/electronic means of communication in board/shareholders' meeting. 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 2022 ANNUAL REPORT OR SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH STOCKHOLDER UPON WRITTEN REQUEST ADDRESSED TO:

Atty. Melissa B. Reyes
Corporate Secretary
First Metro Philippine Equity Exchange Traded Fund, Inc.
18th Floor, Floor, PSBank Center 777 Paseo de Roxas Makati City, Philippines

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information setforth in this report is true, complete and correct. This report is signed in Makati City on May 26, 2023.

First Metro Philippine Equity Exchange Traded Fund, Inc.

By:


MELISSA B. REYES
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. Shares of the Fund may be directly redeemed in exceptional circumstances as approved by the SEC. 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.

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, 2022, the registrant’s total sales were ₱364.05 million.

The Fund earned some awards and recognitions based on its performance from Philippine Investment Fund Association (PIFA) for the year 2021 as shown below:

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

Compliance with the Manual on Corporate Governance

The Board approved the Fund's Corporate Governance Manual on June 19, 2013 to monitor and assess the level of the Fund's compliance with leading practices on good corporate governance as specified in Philippine SEC Circulars. Aside from establishing specialized committees to aid in complying with the principles of good corporate governance, the Manual also outlines specific investor's rights and protections and enumerates particular duties expected from the Fund's Board members, officers and employees. It also features a Disclosure System which highlights adherence to the principles of transparency, accountability and fairness. A Compliance Officer is tasked with the formulation of specific measures to determine the level of compliance with the Manual by the Fund's Board members, officers and employees. To date, the Fund has not encountered any deviation from the Manual's standards. The Compliance Officer has submitted to SEC a Certification of Compliance covering the year 2022.

Risk Factors

Various risk factors can affect the market value of the assets of the Fund and cause the Fund's net asset value to vary. Consequently, there are instances 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 Registrant's Common Equity and Related Stockholder Matters:

The shares are listed and traded in the Philippine Stock Exchange.

Market Price

The Fund shares were traded in the Philippine Stock Exchange (PSE). Below is the history of NAVPS of the Fund for the first quarter of 2023 and the years ended 2022, 2021 and 2020.

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2023	High	109.2333	-	-	-
	Low	98.7674	-	-	-
2022	High	113.9473	109.7046	105.4378	104.3852
	Low	103.9081	93.1769	88.2491	88.2491
2021	High	110.0123	105.7854	106.6632	113.0064
	Low	96.7201	93.5272	95.0742	104.8360
2020	High	117.3051	99.3013	96.1805	110.004
	Low	69.8498	80.5404	86.3414	88.6761

Top 20 Stockholders

As of March 31, 2023, there are 3,275* account holders of the Fund's outstanding common stock. Shown below are the top twenty (20) shareholders, including the number of shares and percentage of ownership held by each as of the same date.

No	Name of Owner	No. of Shares Held	Percent to Outstanding Shares
1	First Metro Securities Brokerage Corp.	10,153,851	47.62%
2	COL Financial Group, Inc.	4,398,886	20.63%
3	BDO Securities Corporation	1,122,961	5.27%
4	BPI Securities Corporation	1,048,449	4.92%
5	AB Capital Securities, Inc.	949,196	4.45%
6	China Bank Securities Corporation	767,510	3.60%
7	MBTC - Trust Banking Group	720,000	3.38%
8	Unicapital Securities Inc.	333,827	1.57%
9	RCBC Trust & Investment Division	288,310	1.35%
10	Philstocks Financial Inc	248,056	1.16%
11	Securities Specialists, Inc.	100,000	0.47%
12	AAA Southeast Equities, Incorporated	97,700	0.46%

13	Citibank N.A.	82,563	0.39%
14	Abacus Securities Corporation	75,876	0.36%
15	The Hongkong And Shanghai Banking Corp. Ltd. -Clients' Acct.	62,000	0.29%
16	Eastern Securities Development Corporation	61,579	0.29%
17	SB Equities, Inc.	61,369	0.29%
18	R. Nubla Securities, Inc.	54,362	0.25%
19	Regina Capital Development Corporation	53,519	0.25%
20	First Integrated Capital Securities, Inc.	51,440	0.24%

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

Dividends

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

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

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

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

Legal Proceedings:

There are no pending material legal proceedings to which First Metro - ETF or any of its subsidiaries or affiliates is a party since its inception in 2013.

PART IV - MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The Fund's Statement of Financial Position and Statement of Comprehensive Income as of March 31, 2023, and the years ended December 31, 2022 and 2021 are presented below.

Statements of Financial Position

	As of		
	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	December 31, 2021 (Audited)
ASSETS			
Cash in banks	₱18,262,147	₱5,421,590	₱11,518,004
Financial assets at fair value through profit or loss	2,129,490,212	2,200,286,703	2,179,031,834
Receivables	15,694,881	715,729	822,744
Other assets	-	265,848	-
TOTAL ASSETS	₱2,163,447,240	₱2,206,689,870	₱2,191,372,582
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable and accrued expenses	₱1,904,836	₱2,168,603	₱4,956,684
EQUITY			
Capital stock	₱2,132,126,000	₱2,180,126,000	₱2,020,126,000
Additional paid-in capital	65,651,460	70,238,408	160,717,541
Deficit	(36,235,056)	(45,843,141)	5,572,357
	₱2,161,542,404	₱2,204,521,267	₱2,186,415,898
TOTAL LIABILITIES AND EQUITY	₱2,163,447,240	₱2,206,689,870	₱2,191,372,582

Statements of Comprehensive Income

	For the Period Ended March 31 (Unaudited)		For the Period Ended December 31 (Audited)	
	2023	2022	2022	2021
INVESTMENT INCOME (LOSS)				
Trading and securities gain (loss)	(P17,259,169)	P28,824,945	(P152,172,623)	P23,739,945
Dividend income	32,355,410	18,912,739	44,383,317	35,338,087
Interest income	279	12,284	16,066	7,371
	15,096,520	47,749,968	(P107,773,240)	P59,085,403
OPERATING EXPENSES				
Management fees	3,094,023	3,124,456	12,097,836	11,408,679
Brokers' commission	932,811	1,955,016	1,213,363	2,224,659
Information technology expenses	281,374	160,357	650,338	831,282
Taxes and licenses	256,962	355,850	3,719,969	3,436,494
Fund admin fees	183,871	96,533	840,443	173,571
Regulatory and filing fees	150,858	150,858	611,813	611,813
Custodian and transfer agency fees	122,468	123,093	630,409	888,089
Directors' and officers' fees	90,493	90,493	308,989	136,006
Professional fees	22,055	22,055	278,156	231,535
Miscellaneous	313,350	49,089	265,547	249,759
	5,448,265	6,127,800	P20,616,863	P20,191,887
NET INVESTMENT INCOME BEFORE FINAL TAX	P9,648,255	P41,622,168	(128,390,103)	38,893,516
PROVISION FOR FINAL TAX	56	2,457	1,612,873	1,474
NET INVESTMENT INCOME /TOTAL COMPREHENSIVE INCOME*	P9,648,199	P41,619,711	(P130,002,976)	P38,892,042
EARNINGS PER SHARE	P0.4550	P2.0418	(P6.1101)	P2.2159

FINANCIAL POSITION (March 31, 2023 vs December 31, 2022)

As of March 31, 2023, the Fund's total assets stood at P2.16 billion, lower by P0.04 billion from P2.20 billion as of December 31, 2022. Total liabilities ended at P1.90 million from P2.16 million, lower by P0.26 million during the year.

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 0.125% per annum. This account ended at P18.26 million, increased by 236.84% or P12.84 million from P5.42 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 P0.07 billion from P2.20 billion to P2.13 billion was mainly due to sale and result of changes in fair value of equity securities during the period.

c. Receivables

This account consists of dividends and other receivables. The increase of 2092.85% or ₱14.98 million from ₱0.71 million to ₱15.69 million was due to higher dividends earned but not yet received this year.

d. Other assets

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

e. 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 12.16% or ₱0.26 million from ₱2.16 million to ₱1.90 million was mainly due to lower accounts payable and accrued expenses this year.

f. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱0.04 billion from ₱2.20 billion to ₱2.16 billion was mainly due to the net redemption during the period.

Capital stock ended at ₱2.13 billion, a decrease of ₱0.05 billion from ₱2.18 billion, mainly due to redemptions during the period. The Fund's authorized capital stock remained at ₱3.00 billion divided into 30.00 million redeemable shares with par value of ₱100.00 per share with each share carrying one vote. As of March 31, 2023 and December 31, 2022, the total issued and outstanding shares were 21,321,260 and 21,801,260, respectively, while the total number of holders of redeemable common shares is 3,275 and 3,288, respectively.

Additional paid-in capital declined by 6.53% or ₱4.59 million from ₱70.24 million to ₱65.65 million this year mainly due to net redemption during the period.

Deficit decreased by ₱9.60 million or 20.96% from ₱45.84 million to ₱36.24 million as of March 31, 2023 mainly due to the Fund's results of operation recognized during the period.

RESULTS OF OPERATIONS (January 1 - March 31, 2023 vs January 1 - March 31, 2022)

For the period ended March 31, 2023, the Fund recognized a net income of ₱9.65 million, a decrease of ₱31.97 million or 76.82% from last year's net income of ₱41.62 million.

Detailed discussions of the changes in the statement of comprehensive income accounts are as follows:

a. Trading and securities gain (loss)

This account represents realized gain (loss) from the sale and unrealized gain (loss) from changes in fair value of equity securities held for trading during the year. The decrease of ₱46.08 million or 159.88% from ₱28.82 million gain to ₱17.26 million loss was mainly due to the result of changes in the fair value of equity securities during the period.

b. Dividend income

This account totaled ₱32.36 million, an increase of 71.08% or ₱13.44 million from ₱18.92 million mainly due to higher cash dividends earned from shares held during the year.

c. Interest income

This account pertains to interest earned from cash in bank of the Fund. The decrease of 97.73% was due to lower interest earned during the period.

d. Management fees

This account decreased by ₱0.03 million from ₱3.12 million to ₱3.09 million this year mainly due to the decrease in management fees and other professional fees incurred the Fund.

e. Broker's commission

This account decreased by 52.29% or ₱1.02 million from last year's ₱1.96 million to ₱0.93 million mainly due to lower volume of rebalancing trades executed during the period.

f. Information technology expenses

This account totaled ₱0.28 million as of March 31, 2023, which consists of Funds service acquired from prime portal service during the period. The increase of ₱0.12 million or 75.47% from ₱0.16 million for the same period last year was due to higher fees incurred by the Fund.

g. Taxes and licenses

This account decreased by 27.79% or ₱0.10 million from last year's ₱0.36 million to ₱0.26 million mainly due to lower documentary stamp taxes paid during the period.

h. Fund admin fee

This account totaled ₱0.18 million which pertains to payment of the fund admin fee during the period. The increase of 90.47% or ₱0.08 million from ₱0.10 million was due to higher fees paid during the period.

i. Regulatory and filing fees

This account remained at ₱0.15 million as of March 31, 2023 and 2022, which consists of Funds' listing and filing fees paid to regulatory bodies.

j. Custodian and transfer fees

This account pertains to charges incurred relative to the purchase and sale of securities and remained at ₱0.12 million as of March 31, 2023 and 2022.

k. Directors' fees per diem

This account remained at ₱0.09 million which pertains to per diem paid to Fund's officers and directors during board meetings and annual stockholders' meeting.

l. Professional fees

This account remained at ₱0.02 million and this represents audit fees incurred by the Fund.

m. Miscellaneous expenses

This account increased by 538.33% or ₱0.26 million which includes membership fees and dues, bank charges and other miscellaneous expenses. This account ended at ₱0.31 million and ₱0.05 million for the period ended March 31, 2023 and 2022, respectively.

2022

Financial Position (December 31, 2022 vs. December 31, 2021)

The total resources of the Fund increased by ₱15.37 million from ₱2.19 billion at the beginning of the year to ₱2.21 billion as of December 31, 2022. Liabilities decreased by ₱2.79 million or 56.25% during the year.

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

a) Cash in banks

Cash in banks went down by ₱6.10 million or 52.93% from ₱11.52 million on December 31, 2021 to ₱5.42 million as of December 31, 2022. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.125% in 2022 and 2021.

b) Financial assets at fair value through profit or loss

Financial assets at FVTPL consist of quoted equity securities held for trading amounting to ₱2.20 billion and ₱2.18 billion as of December 31, 2022 and 2021, respectively. This account went up by ₱0.02 billion due to additional investment in equity securities relative to net subscription of shares made during the year.

c) Receivables

Loans and receivables consist of dividends and other receivables. This account went down by ₱0.10 million or 13.01% from last year's balance of ₱0.82 million to ₱0.72 million mainly due to the lower dividend declaration made by Investee Companies as of December 31, 2022.

d) Other assets

This account ended at ₱0.27 million as of December 31, 2022 and this pertains to other miscellaneous asset of the Fund.

e) Accounts payable and accrued expenses

This account is composed of payable to FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. The decrease of ₱2.79 million or 56.25% from ₱4.96 million at the beginning of the year to ₱2.17 million as of December 31, 2022 pertains to lower accounts payable as of reporting date.

f) Equity

Capital Stock

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

	2022	2021
Authorized	30,000,000 shares	30,000,000 shares
Issued	21,801,260 shares	20,201,260 shares

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

Additional paid-in capital amounted to ₱70.24 million and ₱160.72 million in 2022 and 2021, respectively. The decrease of ₱90.48 million or 56.30% was affected by the net subscription position of the fund as of December 31, 2022.

As of December 31, 2022, the Fund realized a *Net Loss* amounting to ₱130.00 million from ₱38.89 million income in 2021. The decrease of ₱51.42 million or 922.69% in *Retained Earnings* was primarily due to the results of operations net loss for the year.

Results of Operations (*January 1- December 31, 2022 vs. January 1- December 31, 2021*)

For the year ended December 31, 2022, the Fund posted a net loss of ₱130.00 million or a decrease of ₱168.90 million or 434.27% compared to ₱38.89 million income in 2021.

The highlights of the results of operations for the year ended December 31, 2022 are as follows:

a) *Trading and securities gains (losses)*

This account totaled ₱152.17 million loss this year, which consists of realized income from the sale and unrealized income on marking-to-market of equity securities. The decrease of ₱175.91 million or 741.00% from ₱23.74 million gain in 2021 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 ₱9.05 million or 25.60% from last year's ₱35.34 million to ₱44.38 million due to higher cash dividends received from equity securities during the year.

c) *Interest income*

The increase of ₱0.009 million or 117.96% from ₱0.007 million in 2021 to ₱0.016 million this year was primarily due to higher interest earned during the year.

d) *Management fees*

Management fees amounting to ₱12.10 million and ₱11.41 million in 2022 and 2021, respectively, consist of fees accrued and paid to the Fund's Investment Adviser. The increase of ₱0.69 million or 6.04% pertains to higher asset under management level in 2022.

e) *Taxes and licenses*

This account went up by ₱0.28 million or 8.25% compared with last year's balance of ₱3.44 million to ₱3.72 million primarily due to higher local taxes paid during the year.

f) *Brokers' commission*

Brokers' commission amounting to ₱1.21 million was incurred in 2022 relative to purchase and sale transactions equity securities. This account is ₱1.01 million or 45.46% lower compared to last year's amount of ₱2.22 million due to the lower volume of rebalancing trades during the year.

g) *Fund administration fee*

This account totaled ₱0.84 million in 2022 and pertains to the payment of the fund administration fee during the year. The increase of ₱0.67 million or 384.21% from ₱0.17 million last year was due to higher asset under management of the Fund.

h) *Information technology expenses*

Information technology decreased by ₱0.18 million or 21.77% from ₱0.83 million to ₱0.65 million this year. This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day.

i) *Regulatory and filing fees*

This account totaled ₱0.61 million for the years 2022 and 2021.

j) *Custodian and transfer agency fees*

This account decreased by ₱0.26 million or 29.02% from ₱0.89 million to ₱0.63 million this year mainly due to lower fees 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 ₱0.17 million or 127.19% from ₱0.14 million to ₱0.31 million during the year was due to higher attendees on meetings held on the current year as compared to last year.

l) Professional fees

This account pertains to audit fees and other professional fees. The increase of ₱0.05 million or 20.14% from ₱0.23 million to ₱0.28 million during the year was due to higher fees during the year.

m) Miscellaneous expense

Miscellaneous expense consists of various operational expenses incurred by the Fund. This account increased by ₱0.02 million or 6.12% from ₱0.25 million to ₱0.27 million this year due to higher miscellaneous expenses during the year.

2021

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

The total resources of the Fund increased by 15.84% or ₱299.72 million from ₱1.89 billion at the beginning of the year to ₱2.19 billion as of December 31, 2021. Liabilities increased as well by ₱1.01 million or 25.69% during the year.

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

a) Cash in banks

Cash in banks went down by ₱2.02 million or 14.93% from ₱13.54 million in December 31, 2020 to ₱11.52 million as of December 31, 2021. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.125% in 2021 and 2020.

b) Financial assets at fair value through profit or loss

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

c) Receivables

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

d) Accounts payable and accrued expenses

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

e) Equity

Capital Stock

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

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

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

Additional paid-in capital amounted to ₱160.72 million and ₱160.52 million in 2021 and 2020, respectively.

As of December 31, 2021, the Fund realized a *Net Income* amounting to ₱38.89 million from ₱ 55.62 million loss in 2020. The increase of ₱33.51 million in *Retained Earnings* was primarily due to the results of operations net income for the year.

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

For the year ended December 31, 2021, the Fund posted a net income of ₱38.89 million or an increase of 169.92% compared to ₱55.62 million loss in 2020.

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

a) *Trading and securities gains (losses)*

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

b) *Dividend income*

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

c) *Interest income*

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

d) *Management fees*

Management fees amounting to ₱11.41 million and ₱8.82 million in 2021 and 2020, respectively, consist of fees accrued and paid to the Fund's Investment Adviser. The increase of ₱2.59 million or 29.30% pertains to higher asset under management level in 2021.

e) *Taxes and licenses*

This account went down by ₱0.62 million or 13.63% compared with last year's balance of ₱4.56 million to ₱3.44 million primarily due to lower local taxes paid during the year.

f) *Brokers' commission*

Brokers' commission amounting to ₱2.22 million was incurred in 2021 relative to purchase and sale transactions equity securities. This account is ₱0.74 million or 49.63% higher compared to last year's amount of ₱1.49 million due to the higher volume of rebalancing trades during the year.

g) Custodian and transfer agency fees

This account decreased by ₱0.07 million or 7.65% from ₱0.96 million to ₱0.89 million this year mainly due to lower volume of rebalancing trades during the year.

h) Information technology expenses

Information technology increased by ₱0.18 million or 27.82% from ₱0.65 million to ₱0.83 million this year. This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day.

i) Regulatory and filing fees

This account went up by ₱0.09 million or 17.42% from ₱0.52 million to ₱0.61 million due to higher asset under management which is the basis for the listing and filing fees charged by regulatory bodies.

j) Directors' and officers' fees

This account pertains to the allowances and per diem of directors and officers during the meetings convened. The decrease of ₱0.23 million or 62.94% from ₱0.37 million to ₱0.14 million during the year was due to lower attendees on meetings held on the current year as compared to last year.

k) Fund administration fee

This account totaled ₱0.17 million and pertains to the payment of the fund administration fee during the year.

l) Miscellaneous expense

Miscellaneous expense consists of audit fees and various operational expenses incurred by the Fund. This account increased by ₱0.06 million or 31.05% from ₱0.19 million to ₱0.25 million this year due to higher miscellaneous expenses during the year.

2020

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

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

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

a) Cash in banks

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

b) Financial assets at fair value through profit or loss

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

c) Receivables

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

d) Accounts payable and accrued expenses

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

e) Equity

Capital Stock

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

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

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

Additional paid-in capital amounted to ₱160.52 million and ₱156.65 million in 2020 and 2019, respectively. The rise of ₱3.88 million was affected by the net subscription position of the fund as of December 31, 2020.

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

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

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

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

a) Trading and securities gains (losses)

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

b) Dividend income

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

c) Interest income

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

d) Management fees

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

e) Taxes and licenses

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

f) Brokers' commission

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

g) Custodian and transfer agency fees

This account increased by ₱0.33 million or 36.89% from ₱0.89 million to ₱0.96 million this year mainly due to higher volume of rebalancing trades during the year.

h) Information technology expenses

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

i) Regulatory and filing fees

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

j) Directors' and officers' fees

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

k) Miscellaneous expense

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

Plan of Action

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

Subsequent Events

There were no subsequent events that took place after the quarter ended March 31, 2023.

Other Matters

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

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

DISCUSSION OF KEY PERFORMANCE INDICATORS

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

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

The Fund started with an initial paid-up capitalization of ₱0.75 billion. The Fund's paid-up capital is now ₱2.20 billion.

- *Net Asset Value Per Share* - Net Asset Value per share rose from ₱101.1190 as of December 31, 2022 to ₱101.3797 as of March 31, 2023, increased by ₱0.2607. The Fund's net asset value decreased by ₱0.04 billion from ₱2.20 billion as of December 31, 2022 to ₱2.16 billion as of March 31, 2023.
- *Sales for the period ended* - The Fund had total sales of ₱24.27 million for the period ended March 31, 2023. This is ₱13.92 million or 36.45% lower than ₱38.19 million total sales for the same period last year.
- *Redemptions for the period ended* - The Fund had redemptions of ₱76.90 million for the period ended March 31, 2023. This is 1630.85% or ₱72.46 million higher than ₱4.44 million redemptions for the same period last year.
- *Net Income vs. Benchmark* - The Fund posted a net income of ₱9.65 million and ₱41.62 million for the period ended March 31, 2023 and 2022, decreased by 76.82% or ₱31.97 million.
- *Market Share vs. Benchmark* - As of March 31, 2023, the Fund garnered 3.09% share in the Equity Funds category in terms of net assets. On the basis of account holders, the Fund has 3,275 account holders or 0.50% 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 0.0415% and 0.0384% respectively.

The following basic ratios measure the financial performance of the Company for the period ended March 31, 2023 and for the years ended 2022 and 2021:

PERFORMANCE INDICATORS	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)	December 31, 2021 (Audited)
Return on average asset ^{1/}	1.77%	(5.91%)	1.91%
Return on average equity ^{2/}	1.77%	(5.92%)	1.92%
Cost-to-income ratio ^{3/}	36.09	(20.63%)	33.95%
Net asset value per share ^{4/}	₱101.3797	₱101.1198	₱108.2317
Earnings (Loss) per share ^{5/}	₱0.4550	(₱6.1093)	₱2.2159

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

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

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

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

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

Financial and Other Information

a. Information Required

1. The following are attached as annexes hereto:

Statement of Management Responsibility
Audited Financial Statements
With Report of Independent Auditors

Annex "1"
Annex "2"

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 26, 2023.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.

By:


MARICEL L. MADRID
TREASURER

QUEZON CITY

CERTIFICATION OF INDEPENDENT DIRECTOR


I, Abelardo V. Cortez, Filipino of legal age and resident of 791 Pantaleon Mandaluyong, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of First Metro Philippine Equity Exchange Traded Fund, Inc. on June 21, 2023 and have been its independent director since May 14, 2014;
2. I am affiliated with the following company/ies or organizations:

Company/Organizations	Period of Service	Position/ Relationship
First Metro Securities Brokerage Corporation	May 16, 2018 to present	Independent Director
First Metro Save and Learn FOCCUS Dynamic Fund, Inc.	June 29, 2022	Independent Director


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and Regulations and other SEC issuances;
4. I am NOT related to any director/officer/substantial shareholder (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities and Regulation Code;
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of First Metro Philippine Equity Exchange Traded Fund, Inc. of any changes in the abovementioned information within five (5) days from its occurrence.

Done this MAY 19 2023 day of May 2023, Mandaluyong City.


Abelardo V. Cortez
Independent Director

SUBSCRIBED AND SWORN to before me on MAY 19 2023 day of May 2023 in Makati City, Philippines, affiant exhibiting to me his TIN: 158-209-919.

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Book No. 72
Series of 2023.


NOTARY PUBLIC
ATTY. ROGER [Signature]
Until December 31, 200__.
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 280816 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916689 D 01/03/2023 / Roll No. 30832 / TIN # 129-871 009-000
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2026
Address: 31-F Harvard St. Cubao, Q.C.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Rhodora Angela F. Ferrer, Filipino of legal age and with office address at 25th Floor Philippine Axa Life Centre Sen. Gil Puyat Avenue corner Tindalo St. Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of First Metro Philippine Equity Exchange Traded Fund, Inc. on June 21, 2023;
2. I am affiliated with the following company/ies or organizations:

Company/Organizations	Period of Service	Position
First Metro Consumer, Inc.	October 18, 2019 - Present	Independent Director
First Metro Save and Learn Balanced Fund, Inc.	2016 to present	Independent Director
First Metro Save and Learn Dollar Bond Fund, Inc.	2014 to present	Independent Director
Private Education Assistance Committee (PEAC)	since 2014 to present	Executive Director

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and other SEC issuances;
4. I am NOT related to any director/officer/substantial shareholder (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities and Regulation Code;
5. To the best of my knowledge, I am NOT subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with the duties and responsibilities as independent director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;
7. I shall inform the Corporate Secretary of First Metro Philippine Equity Exchange Traded Fund, Inc. of any changes in the above mentioned information within five (5) days from its occurrence.

Done this MAY 19 2023 day of May 2023, Makati City, QUEZON CITY

Rhodora Ferrer
Rhodora Angela F. Ferrer
Independent Director

SUBSCRIBED AND SWORN to before me on _____ day of May 2023 in Makati City, Philippines, affiant exhibiting to me her TIN No. 116-066-828.

[Signature]
ATTY. NOTARY PUBLIC BOLIVAR
NOTARY PUBLIC IN THE PHILIPPINES
Until December 31, 2007
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.

Doc. No. 84;
Page No. 18;
Book No. 746;
Series of 2023.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Fr. Rafael K. Eloriaga, CM, Filipino of legal age and with office address at Provincial House, St. Vincent Seminary Complex 221 Tandang Sora Avenue, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of First Metro Philippine Equity Exchange Traded Fund, Inc. on June 21, 2023 and have been its independent director since October 18, 2019;
2. I am affiliated with the following company/ies or organizations:

Company/Organizations	Period of Service	Position
First Metro Consumer Fund, Inc.	June 30, 2018 - Present	Independent Director
First Metro Save and Learn Money Market Fund, Inc.	June 18, 2018 - Present	Independent Director
First Metro Save and Learn Fixed Income Fund Inc.	June 18, 2016 - Present	Independent Director
First Metro Save and Learn Equity Fund, Inc.	June 18, 2016 - Present	Independent Director
Universidad de Sta. Isabel- Naga City	2016-present	Member, Board of Trustees
Adamson University	April 2016-present	Vice President for Finance

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and other SEC issuances;
4. I am NOT related to any director/officer/substantial shareholder (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities and Regulation Code;
5. To the best of my knowledge, I am NOT subject of any pending criminal or administrative investigation or proceeding;
6. I shall faithfully and diligently comply with the duties and responsibilities as independent director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;
7. I shall inform the Corporate Secretary of First Metro Philippine Equity Exchange Traded Fund, Inc. of any changes in the above mentioned information within five (5) days from its occurrence.

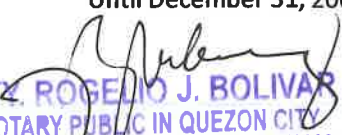
Done this MAY 1-9 2023 day of May 2023. **QUEZON CITY**


Fr. Rafael K. Elorriaga, CM
Independent Director

SUBSCRIBED AND SWORN to before me on MAY 1-9 2023 day of May 2023 in **QUEZON CITY** City, Philippines, affiant exhibiting to me her TIN No. 135-548-979.

NOTARY PUBLIC
Until December 31, 200__.

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Book No. 58
Series of 2023


ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 158 (2023-2024)
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000
MCLE No. 788 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
Address: 31-F Harvard St. Cubao, Q.C.