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(Company's Full Name)

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

Edwin B. Valeroso

(Contact Person)

8891-2860

(Company Telephone Number)

1	2	3	1
Month	Day	(Fiscal Year)	

SEC 20-IS / Definitive

(Form Type)

2nd Wednesday of June

(Annual Meeting)

Investment Company

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

3,225

Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC. (FMETF)
ANNUAL STOCKHOLDERS' MEETING
Tuesday, June 19, 2024, 02:00 PM via Zoom
Link provided in the website
<https://fami.com.ph/>

AGENDA


1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on June 21, 2023
4. Annual Report to the Stockholders
5. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2023
6. Election of the Members of the Board of Directors for the year 2024-2025
7. Renewal of the Management Distribution Agreement for the Year 2024
8. Appointment of External Auditor for the year 2024
9. Other Matters
 - a. Amendments to the Prospectus
10. Adjournment

Stockholders of record as of May 17, 2024 shall be entitled to vote at the meeting.

Pursuant to SEC regulations allowing holding of annual meetings online, there will be no physical venue for the Meeting. The conduct of the annual shareholders' meeting will be streamed live, and shareholders may attend the meeting by registering on or before 12:00 noon on June 12, 2024. Due to the limitations of available technology, voting will not be possible during the livestream, but participants may send in questions or remarks via the livestream platform.

We are not soliciting proxy, however, if you cannot attend the meeting and you wish to be represented, you may designate your authorized representative by submitting a signed proxy document on or before June 12, 2024, through email at asm@fami.com.ph or mail to FAMI, 18th Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City.

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


EDWIN B. VALEROSO
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 Tuesday, June 19, 2024 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 21, 2023			
2. Annual Report to the Stockholders			
3. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2023			
4. Election of the Members of the Board of Directors for the year 2024-2025	# of Votes		
Mr. Eduardo R. Carreon, Chairman			
Mr. Michael G. Say, President			
Mr. Winston Andrew L. Peckson, Director			
Ms. Karen Liza M. Roa, Director			
Mr. Jose C. Nograles, Independent Director			
Ms. Rhodora Angela F. Ferrer, Independent Director			
Fr. Rafael K. Eloriaga, CM, Independent Director			
	Yes	No	
5. Renewal of the Management Distribution Agreement for the Year 2024			
6. Appointment of External Auditor for the year 2024			
7. Other Matters:			
a. Amendments to the Prospectus			

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 12, 2024.
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 Metrobank Branches: Use Pouch Code 90020. This service is free of charge.

²If no name is provided; the Chairman of the Meeting will act as the proxy.

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

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

1. Check the appropriate box
 Preliminary Information Statement
 Definitive Information Statement
2. Name of registrant as specified in its charter:
FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
3. Province, Country or other jurisdiction of incorporation or organization;
Metro Manila, Philippines
4. SEC Identification number: **CS2013300728**
5. BIR Tax Identification Code: **008-447-745-000**
6. Address of Principal Office:
18th Floor, PS Bank Center, 777 Paseo de Roxas corner Sedeño St., Makati City
7. Telephone Number:
(632) 88912860
8. Date, time, place, of the meeting of security holders:
Date : June 19, 2024
Time : 2:00 p.m.
Place : Live via Zoom 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 28, 2024
10. In case of Proxy Solicitations:

We are not soliciting proxy.
11. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of each class	Number of Shares of Common Stock Outstanding (Par value of ₱100.00)
Common Shares	19,971,260 shares
12. Are any or all of registrant's securities listed on the Philippine Stock Exchange?
No.

PART I - INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Date : Tuesday, June 19, 2024
Time : 02:00 p.m.
Place : Live via Zoom at the link provided in <https://fami.com.ph/>

Mailing Address of the Registrant

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

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

May 28, 2024

Item 2. Right of Appraisal:

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

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

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

B. CONTROL & COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof:

I. Class of Voting Shares :

Class of Voting Securities	Total Outstanding Shares	Votes Entitlement
Common Shares	19,971,260	One (1) vote per share

II. Record Date:

Stockholders of record as of May 17, 2024 are entitled to notice and to vote in the Annual Stockholders Meeting .

III. Manner of Voting

A shareholder may vote in person, by proxy or by remote communication. Article III, Section 7 of the By-Laws of the Corporation provides that each stockholder shall at every meeting of the stockholders be entitled to one vote, in person or by proxy, for each share with voting right held by such stockholder. At all meetings of the stockholders, all elections and all questions, except in cases where other provision is made by statute or by these By-laws, shall be decided by the plurality vote of stockholders present in

person or by proxy and entitled to vote thereat, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

Pursuant to SEC Memorandum 6-2020, for the 2024 annual shareholders meetings, shareholders may opt to participate and vote through remote communication. The board in its meeting last March 22, 2024 approved to adopt the guidelines previously approved by the Board in 2020, for shareholders to participate via remote communication in the shareholder’s meeting.

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

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

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

The Corporate Secretary shall validate the identity and attendance of shareholders who signified their intention to participate through remote communication, at least thirty minutes before the scheduled time of the meeting. Officers and other staff may be deputized to make such validations. The shareholders shall initially be required to confirm the following:

- Full name and date of birth;
- Location;
- Confirmation that he/she can hear the other attendees;
- Confirmation that he/she had received the notices and other materials for the meeting; and
- Specify the gadget being used.

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

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

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

The following stockholder owns more than 5% of the common voting securities as of May 17, 2024:

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizen	No. of Shares Held	Percent to Outstanding Shares
Common Shares	<i>First Metro Securities Brokerage Corporation (FMSBC)</i> 8 th Floor PSBank Centre, 777 Paseo de Roxas Ave. cor. Sedeño St.,	Various Clients	Filipino	9,490,160	47.52%

	Salcedo Village, Makati City, Philippines 1226				
Common Shares	<i>COL Financial Group, Inc.</i> 2403-B East Tower, PSE Center, Exchange Road Ortigas Center, Pasig, 1605 Kalakhang Maynila	Various Clients	Filipino	4,193,105	21.00%
Common Shares	<i>BDO Securities Corporation</i> BDO Corporate Center, BDO South Tower, 20th, 1226 Makati Ave, Makati, Metro Manila	Various Clients	Filipino	1,162,209	5.82%
Common Shares	<i>AB Capital Securities, Inc.</i> 12th Floors PSE Tower 5th Avenue corner 28th Street Bonifacio Global City 1634 Taguig City, Philippines	Various Clients	Filipino	1,047,381	5.24%
Common Shares	<i>BPI Securities Corporation</i> 23rd Floor, Ayala Triangle Gardens Tower 2, Paseo De Roxas, Cor Makati Ave, Makati, 1226	Various Clients	Filipino	1,031,048	5.16%

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 Ordenez or Mr. Jose Patricio A. Dumlaog or any officers appointed by the Board.

COL Financial Group, Inc (COL), is the registered owner of the shares in the books of the Company. The Board of Directors of COL has the right to appoint 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. Gabriel U. Lim or any officers appointed by the Board.

AB Capital Securities, Inc., is the registered owner of the shares in the books of the Company. The Board of Directors of AB Capital Securities, Inc. 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 AB Capital Securities, Inc. is Mr. Michael B. Zalamea or any officers appointed by the Board.

BPI Securities Corporation, is the registered owner of the shares in the books of the Company. The Board of Directors of BPI 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 BPI Securities Corporation is Mr. Hermenegildo Z. Narvaez or any officers appointed by the Board.

Security Ownership of Directors/Management

Following are the securities owned by directors and officers of the Fund as of May 16, 2024:

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	Winston L. Peckson	1	Filipino	0.00000%
Common Shares	Karen Liza M. Roa	1	Filipino	0.00000%
Common Shares	Jose C. Nograles*	1	Filipino	0.00000%
Common Shares	Rhodora Angela F. Ferrer*	1	Filipino	0.00000%
Common Shares	Rafael K. Eloriaga*	1	Filipino	0.00000%

*Independent Director

Voting Trust Holders of 5% or More

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

Changes in Control

The Fund is an open-end investment company engaged in the business of investing, reinvesting and trading in and issuing and redeeming its shares of stock in creation unit in exchange for basket of equity securities representing an index. The fund has an initial paid-up capitalization of ₱750.00 million that was paid by First Metro Investment Corporation. The fund's shares were listed with the Philippine Stock Exchange (PSE) on December 2, 2013. As of March 31, 2024, the majority of the shares are held by First Metro Securities Brokerage Corporation.

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

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

Item 5. Directors and Executive Officers

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

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

The Board of Directors of the Fund as of May 17, 2024 are as follows:

Name	Experience
Mr. Eduardo R. Carreon Chairman	Mr. Eduardo R. Carreon, 75, Filipino, term of office is one year. Mr. Carreon has been serving as a member of the Board of Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013, First Metro Save and Learn Money Market Fund, Inc. since June 2018, and First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. (since June 2022). He is also the President of Jempan Development Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise Financial Services (2003-2008). He was

	<p>also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank – 1974-1979; and Pro Manager, Citibank from 1970-1973.</p> <p>Mr. Carreon graduated from 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.</p>
Mr. Michael G. Say President	<p>Mr. Michael G. Say, 64 years old, Filipino, term of office is one year.</p> <p>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 & Learn Philippine Index Fund (SALPHIN), Inc. (Chairman).</p> <p>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.</p> <p>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).</p> <p>Mr. Say graduated from De La Salle University with a degree in Management of Financial Institutions.</p>
Winston Andrew L. Peckson Director	<p>Mr. Winston Andrew L. Peckson, 71 years old, Filipino, term of office is one year.</p> <p>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 & Learn Philippine Index Fund (SALPHIN), Inc. since June 2021.</p> <p>He has more than 40 years of experience in the banking industry. Among his past positions were Chief Risk Officer and subsequently Consultant for Sustainability with GT Capital Holdings Inc. until August 2023. He was the 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.</p> <p>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.</p>

<p>Ms. Karen Liza M. Roa Director</p>	<p>Ms. Karen Liza M. Roa, 55, Filipino.</p> <p>Ms. Roa currently serves as director of First Metro Save and Learn Equity Fund, Inc. (since June 2022), First Metro Save & 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).</p> <p>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).</p>
<p>Ms. Rhodora Angela F. Ferrer Independent Director</p>	<p>Ms. Rhodora Angela F. Ferrer, 56 years old, Filipino.</p> <p>Ms. Ferrer is an Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. (since June 2023) First Metro Consumer Fund, Inc. (since 2019), and First Metro Save and Learn Balanced Fund, Inc. (since 2016).</p> <p>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.</p> <p>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).</p> <p>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.</p>

	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.
Fr. Rafael K. Eloriaga, CM Independent Director	<p>Fr. Rafael K. Eloriaga, 60 years old, Filipino, term of office is one year. Fr. Eloriaga is also the Independent Director for First Metro Save & 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.</p> <p>Fr. Eloriaga is currently the Vice-President for Financial Affairs 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).</p> <p>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.</p>

Executive Officers

Name	Experience
Mr. Mauro B. Placente Treasurer	<p>Mr. Mauro Placente, 58, Filipino, term of office is one year.</p> <p>He is a Vice President and Treasurer of First Metro Investment Corporation. He 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 & Learn Fixed-Income Fund, Inc., First Metro Save and 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 F.O.C.C.U.S Dynamic Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Fund, Inc. and First Metro Save & Learn Philippine Index Fund, Inc.</p> <p>He graduated from National College of Business and Arts with a degree of BSBA-Accounting.</p> <p>He is a Certified Public Accountant. He joined First Metro on September 1, 2000.</p>
Dr. Edwin B. Valeroso Corporate Secretary	Dr. Edwin B. Valeroso, 60 years old, Filipino, Corporate Secretary, term of office is one year.

	<p>Dr. Valeroso serves as Director and President of First Metro Save and Learn F.O.C.C.U.S 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 and Learn Balanced Fund, Inc. (Jan 2007 to June 2011), First Metro Save & Learn Fixed-Income Fund, Inc. and First Metro Save and Learn Equity Fund, Inc. (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 and Corporate Secretary of First Metro Philippine Equity Exchange Traded Fund, Inc. Dr. Valeroso is also the Corporate Secretary of First Metro Save & Learn Philippine Index Fund (SALPHIN), 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).</p> <p>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.</p>
<p>Mr. Jonathan T. Tabac Compliance Officer</p>	<p>Mr. Jonathan T. Tabac, 69, Filipino, term of office is one year.</p> <p>He has served as Compliance Officer from January 29, 2007 up to present. He is also the Compliance Officer of First Metro Securities Brokerage Corporation, First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Consumer Fund, Inc. and First Metro Asset Management, Inc. (from May 2005 to present). He was Vice President and Chief Compliance Officer of the investment banking arm of Metrobank. He served as AVP & Compliance Officer of Cystate 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.</p>

Significant Employees

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

Nominee Directors

The persons listed below have been nominated to become directors for 2024-2025. All directors are elected for a term of one year and until their successors shall have been elected and qualified.

- Mr. Eduardo R. Carreon, Chairman
 - Mr. Michael G. Say, President
 - Mr. Winston Andrew L. Peckson
 - Ms. Karen Liza M. Roa
 - Mr. Jose C. Nograles*
 - Ms. Rhodora Angela F. Ferrer*
 - Fr. Rafael K. Eloriaga, CM*
- *Independent Directors*

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

Nominee

<p>Mr. Jose C. Nograles Independent Director</p>	<p>Mr. Jose C. Nograles, 74, Filipino, term of office is one year.</p> <p>He currently serves as the Independent Director for First Metro Save and Learn Balanced Fund, Inc. (since June 2022) and First Metro Asia Focus Equity Fund, Inc. (since June 2022). He’s also an independent director of Bank of Commerce since April 2015 and Amalgamated Investment Bancorporation, Inc. since January 2019.</p> <p>He was an Independent Director of First Metro Asset Management, Inc. since June 2011. He was past President and Vice Chairman of the Board of Directors of the Philippine Deposit Insurance Corporation (Jan. 2008 to June 2011).</p> <p>He held various key positions with the Land Bank of the Philippines from 1995 to 2007. Mr. Nograles was also concurrently the Vice Chairman and President of the Land Bank Insurance Brokerage Inc. (2000 to 2007), and Vice Chairman of the Executive Committee (2002 to 2007). He joined the UCPB Board in March 2008 to Jan. 2011 where he was appointed as Chairman of the Audit Committee and member of the Executive Committee. He was also the Chairman of the Audit Committee and member of the Executive Council of the International Association of Deposit Insurers (Oct. 2008 to May 2011).</p> <p>He pursued collegiate studies at the Ateneo de Manila University, earning an AB degree in Economics and graduating as Cum Laude. He also completed a Master's Degree in Business Administration from the Asian Institute of Management. He is a government Career Executive Service Officer III; and was a Fellow of the Institute of Corporate Directors.</p>
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The three (3) independent directors, namely, Mr. Jose C. Nograles, Ms. Rhodora Angela F. Ferrer and Fr. Rafael K. Eloriaga, CM, possess the qualifications and none of the disqualifications of an independent director. They have submitted the Certification for Independent Directors.

Independent Directors

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

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

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

Mr. Jose C. Nograles, Ms. Rhodora Angela F. Ferrer and Fr. Rafael K. Eloriaga, CM are all nominees for independent directors of FMETF and they were recommended to the nominations committee for election of independent directors by First Metro Securities Brokerage Corporation represented by Mhelvin Abajon, stockholder, in accordance with the foregoing rules. Mhelvin Abajon has no relations with any nominees. No other persons were nominated.

The current members of the nomination committee are Ms. Karen Liza M. Roa as the Chairman and Mr. Eduardo R. Carreon and Atty. Abelardo V. Cortez as members of the Committee.

Legal Proceedings

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

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

Family Relationships

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

Relationships and Related Transactions

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

Except for the related party transactions stated in the notes to financial statements of the Fund as of and for the years ended December 31, 2023 and 2022, there has been no material transaction during the last two years nor is there any material transaction currently proposed to which the Fund was, or is a party, or in which any director or executive officer of the Fund, any nominee for election, any owner of more than five (5.00%) percent of the Fund's voting shares, or any member of the immediate family of any such director or officer, had or is to have a direct or indirect material interest.

Item 6. Compensation of Executive Officers and Directors

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

	Per Diem			
	2024 (Estimated)	2023	2022	2021
Directors	200,000	₱260,000	₱276,989	₱104,006
Executive Offices	32,000	39,500	32,000	32,000
Aggregate Annual Per Diem	₱232,000	₱299,500	₱308,989	₱136,006

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

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

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

Item 7. Independent Public Accountants:

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

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

For the year 2024, FMETF will still be engaging the services of SGV & Co.

Representatives of SGV & Co. are expected to be present at the stockholders meeting on June 19, 2024. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

In compliance with the Revised SRC Rule 68, par. 3 (B)(ix), the signing partner of the auditing firm is rotated every after five (5) years of engagement. A two-year cooling-off period shall be observed in the re-engagement of the same signing partner or individual auditor. Redgienald G. Radam signed the independent auditors' report for the year 2023, 2022 and 2021 and Janet Paraiso for the year 2020 and 2019. The reports of auditors on the financial statements of the company for the years ended December 31, 2023, 2022 and 2021 contained unqualified opinions.

Audit and Audit-related Fees

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

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

Audit Committee's Approval Policies and Procedures

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

FMETF's Audit Committee is being chaired by Ms. Rhodora Angela F. Ferrer with Mr. Michael G. Say and Atty. Abelardo V. Cortez as members of the committee.

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

C. ISSUANCES AND EXCHANGE OF SECURITIES

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

D. OTHER MATTERS

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

The proposed amendments to the prospectus include changes in the relevant policies and procedures to ensure alignment with actual requirements and current processes as well as updated summary financial information of the Fund.

Item 18. Other Proposed Item

1. Approval of the Minutes of the Annual Stockholders' Meeting held on June 21, 2023
2. Annual Report to the Stockholders

3. Ratification of all Acts and Resolutions of the Board of Directors, Management and All Committees for the fiscal year 2023
4. Election of the Members of the Board of Directors for the year 2024-2025
5. Renewal of the Management Distribution Agreement for the Year 2024
6. Appointment of External Auditor for the year 2024
7. Other Matters
 - a. Amendments to the Prospectus

During the Annual Stockholders' Meeting

The Fund conducted its last Annual Stockholders' Meeting (ASM) via remote communication on June 22, 2023, to provide the Directors, stockholders, and other stakeholders a safer mode of attendance and participation in the ASM and to comply with the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 6, Series of 2020. The items to be voted on were indicated in the Definitive Information Statement and sent to the shareholders at least 15 business days before the virtual meeting.

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

All members of the Board, the Chairperson of the Board, the President and representatives of the external auditors, and other key officers attended the virtual ASM. The Chairperson of the Board formally opened the 2023 ASM. The Corporate Secretary certified the existence of a quorum for a valid transaction of business at the meeting. There were no questions raised prior, during and after the ASM. The Corporate Secretary was responsible for the validation of proxies and counting of votes for the matters presented for approval of the stockholders at last year's ASM.

Item 19. Voting Procedure

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

1. For the approval of the minutes of the 2023 meetings and the ratification/approval of the acts and resolutions of the Board, the renewal of the management and distribution agreement and the appointment of the external auditor, a majority vote of the stockholders present in the meeting is sufficient.
2. For the election of Directors - The votes of all the shares present or represented by proxy at the meeting will be on a per share basis.

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

3. 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 to the meeting, shall be tallied in advance by the Corporate Secretary accordingly.

The Board of Directors in its special meeting held on May 22, 2020, approved the adoption of guidelines to allow participation through remote/electronic means of communication in board/shareholders' meeting. 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 2023 ANNUAL REPORT WILL BE PROVIDED WITHOUT CHARGE TO EACH STOCKHOLDER UPON WRITTEN REQUEST ADDRESSED TO:

Edwin B. Valeroso
Corporate Secretary
First Metro Philippine Equity Exchange Traded Fund, Inc.
18th Floor, PS Bank Center
777 Paseo de Roxas, corner Sedeño St., Makati City

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on May 27, 2024.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.

By:



EDWIN B. VALEROSO
Corporate Secretary

PART II - COMPANY PROFILE

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

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

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

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, 2023, the registrant’s total sales were ₱74.08 million.

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

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

Competition

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

As of March 31, 2024, First Metro Philippine Equity Exchange Traded Fund, Inc. is the only Fund in exchange traded fund category.

Principal Suppliers and Major Clients

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

Dependence to a Single Customer or Few Customers

First Metro Securities Brokerage Corporation (FMSBC) and IGC Securities (IGC) are the Authorized Participants (AP) of the Fund. The Authorized Participant is a registered broker-dealer and Trading Participant that entered into an Authorized Participant Agreement and participates in the creation and redemption of Shares of the Fund.

Effect of existing governmental regulation

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

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

- Investments in margin purchases of securities, commodity futures contracts, precious metals, unlimited liability investments, short-selling of currencies and securities are not allowed.
- It shall not incur any further debt or borrowing.
- It shall not participate in underwriting or selling activities in connection with the public distribution of securities except for its own capital stock.
- Investment in any company for the purpose of exercising control or management.
- Investment in the securities of other investment companies.
- Investment in real estate properties and developments.
- Purchasing or selling of securities other than capital stocks of the Fund from or to any of its officers or directors or the officers and directors of its investment adviser/s, manager or distributor/s or firm/s of which any of them are members is prohibited.
- It shall not engage in lending operations.

Executive Officers

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

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

Number of Employees

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

Compliance with the Manual on Corporate Governance

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

A Compliance Officer has been appointed to manage the Compliance System of the Company and to monitor and evaluate compliance with the Manual of Corporate Governance. In general, the Company is in compliance with the leading practices in good corporate governance. This was reported in a Certification by the Compliance Officer filed with the Commission on January 12, 2024. No director or officer of the Company was found in violation of the Manual.

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

Major Risks Involved

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

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

Market Risk. The Fund's investments in equity securities may decline in value due to factors affecting securities markets generally, or particular countries, segments, economic sectors, industries or companies within those markets. The value of a security may decline due to general economic and market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions or changes in interest or currency rates. Fluctuations in the value of securities in which the Fund invests will cause the NAV of the Fund to fluctuate. Historically, the markets have moved in cycles, and the value of the Fund's securities and other financial instruments may fluctuate drastically from day to day.

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

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

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

Liquidity Risk. Although the Underlying Index shall be comprised of securities included in the main index of the PSE, in certain circumstances, it may be difficult for the Fund to purchase and sell particular investments within a reasonable time at a fair price. In addition, the ability to assign an

accurate daily value to certain investments may be difficult, and the Fund Manager may be required to fair value the investments.

Tracking Error Risk. The tracking error is the divergence of the Fund's performance from that of the index it tracks. Tracking error may occur because of differences between the securities held in the Fund's portfolio and those included in the index, pricing differences, transaction costs, the Fund's holding of cash, differences in timing of the accrual of dividends, changes to the Underlying Index or the need to meet various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the Fund incurs fees and expenses, while the index it tracks does not.

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

Trading Halt Risk. Secondary market trading in the shares of the Fund may be halted or suspended by the PSE because of market conditions or other reasons. If a trading halt or suspension occurs, a shareholder may temporarily be unable to purchase or sell shares of the Fund.

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

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

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

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

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

Passive Investment Risk. The Fund is not actively managed, and the Fund Manager does not attempt to take defensive positions in declining markets. Therefore, the Fund may be subject to greater losses in a declining market compared to a fund that is actively managed.

Absence of Operating History. The Fund is a start-up company and may also be affected by risks associated with companies that do not have operating histories. However, people and companies behind the Fund have actual experience and a track record in mutual funds and other financial institutions.

The investors should be aware that their investment in exchange traded funds is not guaranteed by the Philippine Deposit Insurance Corporation. The Fund Manager is also not permitted by law to guarantee any yield to the investors in the Fund.

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

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

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

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

Regulation and Taxation Risk. The Fund is subject to a number of national and local laws and regulations. These include industry laws and regulations relating to investment and publicly- owned companies, the PSE and applicable taxes. The Fund cannot assure prospective investors that changes in laws or regulations, including those related to investment and publicly-owned companies, the PSE and applicable taxes, will not result in the Fund or the investors in the Fund having to incur substantial additional expenditures in relation to the Fund's investments or investments in the Fund.

Risks Relating to the Philippines. Substantially all of the Fund's Component Securities are shares of companies based in the Philippines, which exposes the Fund to the risks associated with the country, including the performance of the Philippine economy. Factors that may adversely affect the Philippine economy include: (1) decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally; (2) scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally; (3) exchange rate fluctuations; (4) inflation or increases in interest rates; (5) levels of employment, consumer confidence and income; (6) changes in the Philippine government's fiscal and regulatory policies; (7) re-emergence of SARS, avian influenza (commonly known as bird flu), or H1N1, or the emergence of another similar disease in the Philippines or in other countries in Southeast Asia; (8) natural disasters, including but not limited to tsunamis, typhoons, earthquakes, floods, fires and similar events; (9) political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and (10) other social, political or economic developments in or affecting the Philippines. There can be no assurance that the Philippines will achieve strong economic fundamentals in the future. Changes in the conditions of the Philippine economy could materially and adversely affect the performance of the Fund.

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

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

PART III - SECURITIES OF THE REGISTRANT

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

A. Market Information

The Fund shares were traded in the Philippine Stock Exchange (PSE). Below is the history of Net Asset Value per Share (NAVPS) of the Fund for the first quarter of 2024, and the years 2023, 2022 and 2021:

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2024	High	110.7042	–	–	–
	Low	101.9361	–	–	–
2023	High	109.2333	104.5962	104.7476	103.0212
	Low	98.7674	100.2981	95.1826	94.0111
2022	High	113.9473	109.7046	105.4378	104.3852
	Low	103.9081	93.1769	88.2491	88.2491
2021	High	110.0123	105.7854	106.6632	113.0064
	Low	96.7201	93.5272	95.0742	104.8360

B. Shareholders

As of March 31, 2024, there are 3,288* account holders of the Fund's outstanding common stock. In addition, FMETF is 91.20% owned by Filipinos and 8.80% by Non-Filipinos. Retail and Institutional investors owned 1.10% and 98.90%, respectively. Shown below are the top twenty (20) shareholders, including the number of shares and percentage of ownership held by each as of the same date.

No.	Client No.	No. of Shares	Percentage of Ownership*
1	First Metro Securities Brokerage Corp.	9,513,092	46.74%
2	COL Financial Group, Inc.	4,205,103	20.66%
3	BDO Securities Corporation	1,170,859	5.75%
4	AB Capital Securities, Inc.	1,051,321	5.17%
5	BPI Securities Corporation	1,039,036	5.11%
6	China Bank Securities Corporation	570,590	2.80%
7	First Integrated Capital Securities, Inc.	415,000	2.04%
8	MBTC-Trust Banking Group	343,000	1.69%
9	Unicapital Securities Inc.	320,757	1.58%
10	Philstocks Financial Inc	319,625	1.57%
11	RCBC Trust Corporation	288,310	1.42%
12	AAA Southeast Equities, Incorporated	86,430	0.42%
13	The Hongkong and Shanghai Banking Corp. Ltd.-Clients' Ac	72,000	0.35%
14	Abacus Securities Corporation	69,976	0.34%
15	R. Nubla Securities, Inc.	55,362	0.27%
16	Citibank N.A.	51,413	0.25%
17	Eastern Securities Development Corporation	48,050	0.24%
18	PNB Securities, Inc.	44,507	0.22%
19	Regina Capital Development Corporation	44,419	0.22%
20	Michael Andrew Brodie	39,940	0.20%

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

C. Dividends

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

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

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

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

Recent Sale of Unregistered Securities

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

Legal Proceedings

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

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

PART IV - MANAGEMENT DISCUSSION AND ANALYSIS

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

The Fund's Statements of Financial Position and Statements of Comprehensive Income as of March 31, 2024 and for the years ended December 31, 2023 and 2022 are presented below:

Statements of Financial Position

	As of March 31, 2024 (Unaudited)	As of December 31 (Audited)		Increase (Decrease)			
		2023	2022	2024 vs. 2023		2023 vs. 2022	
				Amount	%	Amount	%
ASSETS							
Cash in banks	₱21,118,554	₱10,168,391	₱5,421,590	₱10,950,163	107.69%	4,746,801	87.55%
Financial asset at FVTPL	2,211,932,497	2,129,183,895	2,200,286,703	82,748,602	3.89%	(71,102,808)	(3.23%)
Receivables	4,913,418	2,070,195	715,729	2,843,223	137.34%	1,354,466	189.24%
Other asset	–	–	265,848	–	–	(265,848)	(100.00%)
	₱2,237,964,469	₱2,141,422,481	₱2,206,689,870	₱96,541,988	4.51%	(65,267,389)	(2.96%)
LIABILITIES							
Accounts payable and accrued expenses	₱1,890,662	₱1,655,852	₱2,168,603	₱234,810	14.18%	(512,751)	(23.64%)
EQUITY							
Capital stock	2,035,126,000	2,099,126,000	2,180,126,000	(64,000,000)	(3.05%)	(81,000,000)	(3.72%)
Additional paid-in capital	58,218,639	63,494,703	70,238,408	(5,276,064)	(8.31%)	(6,743,705)	(9.60%)
Retained earnings (deficit)	142,729,168	(22,854,074)	(45,843,141)	165,583,242	724.52%	22,989,067	50.15%
	2,236,073,807	2,139,766,629	2,204,521,267	96,307,178	4.50%	(64,754,638)	(2.94%)
	₱2,237,964,469	₱2,141,422,481	₱2,206,689,870	₱96,541,988	4.51%	(65,267,389)	(2.96%)

Statements of Comprehensive Income

	Jan 1– March 31		Jan 1– December 31		Increase (Decrease)			
	(Unaudited)		(Audited)		2024 vs. 2023		2023 vs. 2022	
	2024	2023	2023	2022	Amount	%	Amount	%
INVESTMENT INCOME								
Trading and securities gains (losses)	₱148,875,097	(₱17,259,169)	(₱29,192,833)	(₱152,172,623)	166,134,266	(962.59%)	₱122,979,790	80.82%
Dividend income	20,964,233	32,355,410	72,553,429	44,383,317	(11,391,177)	(35.21%)	28,170,112	63.47%
Interest income	183	279	2,325	16,066	(96)	(34.62%)	(13,741)	(85.53%)
Miscellaneous income	–	–	120,474	–	–	–	120,474	100.00%
	169,839,513	15,096,520	43,483,395	(107,773,240)	154,742,993	1025.02%	151,256,635	140.35%
OPERATING EXPENSES								
Management fees	3,138,490	3,058,987	12,034,075	12,097,836	79,503	2.60%	(63,761)	(0.53%)
Fund Administration Fee	235,860	183,871	1,020,893	840,443	51,989	28.28%	180,450	21.47%
Custodian and transfer agency fees	225,253	157,504	719,115	630,409	67,749	43.01%	88,706	14.07%
Information technology expenses	162,139	281,374	1,025,535	650,338	(119,235)	(42.38%)	375,197	57.69%
Regulatory and filing fees	152,534	150,858	611,813	611,813	1,676	1.11%	–	–
Taxes and licenses	98,176	256,962	775,737	3,719,969	(158,786)	(61.79%)	(2,944,232)	(79.15%)
Directors' and officers' fees	76,500	90,493	299,500	308,989	(13,993)	(15.46%)	(9,489)	(3.07%)
Brokers' commissions	53,470	457,828	1,657,911	1,213,363	(404,358)	(88.32%)	444,548	36.64%
Professional fees	22,300	22,055	109,588	278,156	245	1.11%	(168,568)	(60.60%)
Miscellaneous	45,085	313,350	449,664	265,547	(268,265)	(85.61%)	184,117	69.33%
	4,209,807	4,973,282	18,703,831	20,616,863	(763,475)	(15.35%)	(1,913,032)	(9.28%)
NET INVESTMENT INCOME (LOSS) BEFORE TAX	165,629,706	10,123,238	24,779,564	(128,390,103)	155,506,468	1536.13%	153,169,667	119.30%
PROVISION FOR FINAL TAX	46,464	475,039	645,664	1,612,873	(428,575)	(90.22%)	(967,209)	(59.97%)
NET INVESTMENT INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	₱165,583,242	₱9,648,199	₱24,133,900	(₱130,002,976)	155,935,043	1616.21%	₱154,136,876	118.56%

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

As of March 31, 2024, the Fund's total assets stood at ₱2.24 billion, higher by ₱0.10 billion from ₱2.14 billion as of December 31, 2023. Total liabilities ended at ₱1.89 million from ₱1.66 million, higher by ₱0.23 million or 14.18% as of reporting date. The changes in total assets and liabilities are primarily due to the movements in the following accounts:

1. Cash in banks

This represents the Fund's savings and checking accounts in local banks and bear annual interest of 0.0625% per annum. This account ended at ₱21.12 million, increased by 107.69% or ₱10.95 million from ₱10.17 million mainly due to higher cash in bank balances as of reporting date relative to the sale of securities during the period.

2. Financial assets at FVTPL

This consists of quoted equity securities held for trading. The increase of ₱0.08 billion from ₱2.13 billion to ₱2.21 billion was mainly due to result of changes in fair value of equity securities during the period.

3. Receivables

This account consists of dividend receivable. The increase of ₱2.84 million or 137.34% from ₱2.07 million to ₱4.91 million was due to higher uncollected dividend receivable as of reporting date.

4. 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 increase of 14.18% or ₱0.23 million from ₱1.66 million to ₱1.89 million was mainly due to higher payable to FAMI relative to the increase of the Fund's assets under management as of reporting date.

5. Equity

The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The increase of ₱0.10 billion from ₱2.14 billion to ₱2.24 billion was due to results of operations during the period.

Capital stock ended at ₱2.04 billion, a decrease of ₱0.06 billion from ₱2.10 billion, mainly due to net 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, 2024 and December 31, 2023, the total issued and outstanding shares were 20,351,260 and 20,991,260, respectively, while the total number of holders of redeemable common shares are 3,209 and 3,288, respectively.

Additional paid-in capital declined by 8.31% or ₱5.27 million from ₱63.49 million to ₱58.22 million this year mainly due to net redemptions during the period.

Retained earnings (deficit) increased by ₱165.58 million or 724.52% from ₱22.85 million deficit to ₱142.73 million earnings as of March 31, 2024 due to results of operations during the period.

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

1. Trading and securities gains (losses)

This account represents realized gains (losses) from the sale and unrealized gains (losses) from changes in fair value of equity securities held for trading during the period. The increase of ₱166.14 million or 962.59% from ₱17.26 million loss to ₱148.88 million gain was mainly due to the result of changes in the fair value and trading of equity securities during the period.

- 2. Dividend income**

This is recognized when the Fund's right to receive cash dividend is established. This account totaled ₱20.96 million, a decrease of 35.21% or ₱11.40 million from ₱32.36 million mainly due to lower cash dividends earned from shares held during the period.
- 3. Interest income**

This account pertains to interest earned from cash in bank of the Fund. The decrease of 34.62% was due to lower interest rate during the period.
- 4. Management fees**

This account increased by ₱0.08 million from ₱3.06 million to ₱3.14 million this year due to the higher management fees incurred relative to the increase of the Fund's assets under management during the period.
- 5. Fund admin fee**

This account totaled ₱0.24 million which pertains to payment of the fund admin fee during the period. The increase of 28.28% or ₱0.06 million from ₱0.18 million was due to the higher fees incurred relative to the increase of the Fund's assets under management during the period.
- 6. Custodian and transfer fees**

This account pertains to charges incurred relative to the purchase and sale of securities. This account totaled ₱0.23 million and ₱0.16 million for the period ended March 31, 2024 and 2023, respectively, resulting to ₱0.07 million or 43.01% increase due to higher volume equity securities transactions (subscriptions and redemptions) during the period.
- 7. Information technology expenses**

This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day. This account decreased by ₱0.12 million or 42.38% from the same period last year's ₱0.28 million to ₱0.16 million due to timing difference of payment and accrual adjustments made in 2023.
- 8. Regulatory and filing fees**

This account totaled ₱0.15 million for the period ended March 31, 2024 and 2023, which consists of Funds' listing and filing fees paid to regulatory bodies.
- 9. Taxes and licenses**

This account decreased by 61.79% or ₱0.16 million from the same period last year's ₱0.26 million to ₱0.10 million mainly due to lower documentary stamp taxes paid during the period.
- 10. Directors' fees per diem**

This account pertains to per diem paid to the Fund's officers and directors during board meetings and annual stockholders' meeting. This account decreased by ₱0.01 million or 15.46% from ₱0.09 million for the same period last year to ₱0.08 million this year due to lower attendees during the period.
- 11. Broker's commission**

This pertains to fees paid to brokers for executing trade transactions. This account decreased by ₱0.41 million or 88.32% from same period last year's ₱0.46 million to ₱0.05 million this year due to lower volume of rebalancing trades during the period.
- 12. Professional fees**

This account totaled ₱0.02 million for the period ended March 31, 2024 and 2023, and this represents audit fees incurred by the Fund.

13. Miscellaneous expenses

This account includes membership fees and dues, bank charges and other miscellaneous expenses. The decrease of 85.61% or ₱0.26 million from same period last year's ₱0.31 million to ₱0.05 million this year was mainly due to lower membership fees and miscellaneous expenses paid during the period.

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

1. Cash in banks

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

2. Financial assets at fair value through profit or loss

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

3. Receivables

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

4. Other assets

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

5. Accounts payable and accrued expenses

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

6. Equity

Capital Stock

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

	2023	2022
Authorized	30,000,000 shares	30,000,000 shares
Issued	20,991,260 shares	21,801,260 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 ₱63.49 million and ₱70.24 million in 2023 and 2022, respectively. The decrease of ₱6.75 million or 9.60% was affected by the net redemptions position of the fund as of December 31, 2023.

Deficit decreased by ₱22.99 million or 50.15% mainly due to results of operations for the year.

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

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

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

1. Trading and securities loss

This account recorded a ₱29.19 million loss this year, which consists of realized loss from the sale and unrealized loss on marking-to-market of equity securities. The decrease of ₱122.98 million or 80.82% from ₱152.17 million in 2022 was mainly due to the change in fair market value of equity securities during the year.

2. Dividend income

This is recognized when the Fund's right to receive a cash dividend is established. This account increased by ₱28.17 million or 63.47% from last year's ₱44.38 million to ₱72.55 million due to higher cash dividends received from equity securities during the year.

3. Interest income

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

4. Management fees

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

5. Brokers' commission

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

6. Information technology expenses

Information technology increased by ₱0.38 million or 57.69% from ₱0.65 million to ₱1.03 million this year. This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day.

7. Fund administration fee

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

8. Taxes and licenses

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

9. Custodian and transfer agency fees

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

10. Regulatory and filing fees

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

11. Directors' and officers' fees

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

12. Professional fees

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

13. Miscellaneous expense

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

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

The total resources of the Fund increased by ₱0.02 billion 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% from ₱4.96 million to ₱2.17 million as of December 31, 2022.

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

1. 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.

2. 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.

3. Receivables

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.

4. Other assets

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

5. 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.

6. 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, 2021.

Deficit decreased by ₱51.41 million or 922.69% mainly due to results of operations 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 ₱168.89 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:

1. Trading and securities gains (losses)

This account totaled ₱152.17 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 ₱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.

2. Dividend income

This is recognized when the Fund's right to receive a cash dividend is established. This account increased by ₱9.04 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.

3. 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.

4. 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.

5. 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 and DST paid during the year.

6. 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.

7. 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.

8. 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.

9. 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 custody and transfer agency fees paid during the year.

10. Regulatory and filing fees

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

11. 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 this year was due to higher attendees on meetings during the year.

12. 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 this year was due to higher fees paid during the year.

13. Miscellaneous expense

Miscellaneous expense consists of various operational expenses incurred by the Fund. This account increased by ₱0.02 million or 6.32% from ₱0.25 million to ₱0.27 million this year due to higher miscellaneous expenses during the year.

Plan of Action

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

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

Subsequent Events

There were no material subsequent events that occurs after the period ended March 31, 2024.

Other Matters

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

- will have a material impact on liquidity
- will trigger direct or contingent obligation that is material to the Fund including any default or acceleration of obligation
- will have an impact on all material off-balance sheet transactions, arrangement, obligations and other relationships of the Fund
- is a significant element of income or loss that did not arise from the Fund's continuing operations

- there are no material commitments for capital expenditures during the past year and in the subsequent year.

DISCUSSION OF KEY PERFORMANCE INDICATORS

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

- *Net Asset Value Per Share* - Net Asset Value per share increased by 7.9379 or 7.79% from ₱101.9361 as of December 31, 2023 to ₱109.8740 as of March 31, 2024. The Fund's net asset value increased by ₱0.10 billion from ₱2.14 billion as of December 31, 2023 to ₱2.24 billion as of March 31, 2024.
- *Sales for the period ended* - The Fund had total sales of ₱8.34 million for the period ended March 31, 2024. This is ₱15.93 million or 65.66% lower than ₱24.27 million total sales for the same period last year.
- *Redemptions for the period ended* - The Fund had redemptions of ₱77.61 million for the period ended March 31, 2024. This is ₱0.71 million higher than ₱76.90 million redemptions for the same period last year.
- *Net Income vs. Benchmark* - The Fund recognized a net income of ₱165.58 million for the period ended March 31, 2024, higher by ₱155.93 million compared to same period last year's ₱9.65 million income.
- *Market Share vs. Benchmark* - As of March 31, 2024, the Fund garnered 3.22% share in the Equity Funds category in terms of net assets. On the basis of account holders, the Fund has 3,209 account holders or 0.34% of the total accounts in the Equity Funds category.
- *NAVPS vs. Benchmark* - The Fund NAVPS is tracked using the PSEi. The Fund's tracking error will not exceed 5%. The highest and lowest tracking error during the period are 0.0409% and 0.0403%, respectively.

The following basic ratios measure the financial performance of the Fund for the period ended March 31, 2024 and for the years ended 2023 and 2022:

PERFORMANCE INDICATORS	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	December 31, 2022 (Audited)
Return on assets ^{1/}	30.25%	1.11%	(5.91%)
Return on equity ^{2/}	30.27%	1.11%	(5.92%)
Cost to income ratio ^{3/}	2.48%	43.01%	(19.13%)
Net asset value per share ^{4/}	₱109.8740	₱101.9361	₱101.1190
Earnings(Loss) per share ^{5/}	₱8.0302	₱1.1433	(₱6.1101)

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

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

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

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

Item 7. Financial Statements

- 1. Statement of Management’s Responsibility for Financial Statements**
- 2. Audited Financial Statements**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on May 27, 2024.

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

By:


MAURO B. PLACENTE
TREASURER 

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 19, 2024 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

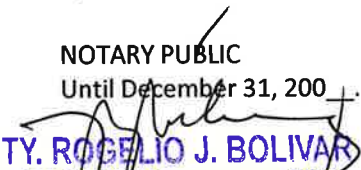
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. as provided for in Section 38 of the Securities and Regulation Code, its Implementing Rules and other SEC issuances;
4. I am NOT related 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 24 2024 day of May 2024. QUEZON CITY


Fr. Rafael K. Eloriaga, CM
Independent Director

SUBSCRIBED AND SWORN to before me on MAY 24 2024 day of May 2024 in QUEZON CITY
City, Philippines, affiant exhibiting to me her TIN No. 135-548-979.

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Series of 2024.

NOTARY PUBLIC
Until December 31, 2004.

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. 1000 Matter No. NP 549 (2023-2024)
IBP O.R. No. 180816 2024 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 Date of Issue / Roll No. 33832 / TIN # 129-671-009-000
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
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 19, 2024 and have been its independent director since 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
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 24 2024 day of May 2024, **QUEZON CITY** Makati City.


Rhodora Angela F. Ferrer
Independent Director

SUBSCRIBED AND SWORN to before me on MAY 24 2024 day of May 2024, **QUEZON CITY** Philippines, affiant exhibiting to me her TIN No. 116-066-828.

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Book No. 10
Series of 2024.

NOTARY PUBLIC
Until December 31, 200

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180816 2022 & IBP O.R. No. 180816 2024
PTR O.R. No. 4127771 D-0103/0261 Rol No. 33832 / TIN # 129-871-008-000

CERTIFICATION OF INDEPENDENT DIRECTOR

I, JOSE C. NOGRALES, Filipino of legal age and resident of 35 San Martin Village, Magallanes, 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 19, 2024.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organizations	Period of Service	Position/Relationship
Bank of Commerce	April 2015 - Present	Independent Director
Amalgamated Investment Bancorporation, Inc.	January 2019 - Present	Independent Director
First Metro Asia Focus Equity Fund, Inc.	June 29, 2022 - Present	Independent Director
First Metro Save and Learn Balanced Fund, Inc.	June 29, 2022 - Present	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 24 2024 day of May 2024, Makati City, QUEZON CITY


JOSE C. NOGRALES
Independent Director

SUBSCRIBED AND SWORN to before me on MAY 24 2024 day of May 2024 in Makati City, Philippines, affiant exhibiting to me his Senior Citizen ID No. 72343 issued on February 1, 2008 at Quezon City.

NOTARY PUBLIC

Until December 31, 200


ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY

Commission No. Adm. Matter No. NP 549 (2023-2024)
IBP O.R. No. 180516 2023 & IBP O.R. No. 180516 2024


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Series of 2024.

Certification

I, Edwin Valeroso, the Corporate Secretary of First Metro Philippine Equity Exchange Traded Fund, Inc. a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS201300728 and with principal office at 18th floor PSBank Center, Paseo de Roxas corner Sedeno St. Makati City, on oath state:

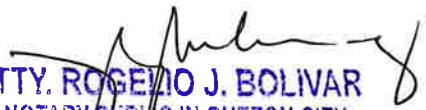
- 1) That I have caused this Definitive 20 IS to be prepared on behalf of First Metro Philippine Equity Exchange Traded Fund, Inc.;
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the company First Metro Philippine Equity Exchange Traded Fund, Inc. will comply with the requirements set forth in SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28 , s. 2020 shall be used by the company in its online submission to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of May, 2024.



 Affiant

SUBSCRIBED AND SWORN to before me this 22nd day of May, 2024, in **QUEZON CITY** Philippines.


ATTY. ROGELIO J. BOLIVAR
 NOTARY PUBLIC IN QUEZON CITY
 Commission No. Admin. Order No. NP 549 (2023-2024)
 IBP O.R. No. 180816 2023 & IBP O.R. No. 180816 2024
 PTR O.R. No. 4127771 D O.R. No. 33832 / TIN # 129-271-009-000
 MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025
 Address: 31-F Harvard St. Cubao, Q.C.

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