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Company Information

SEC Registration No.: CS201300728
Company Name: FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Industry Classification: J66910
Company Type: Stock Corporation

Document Information

Document ID: OST104142026811218494
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2025
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

FIRST METRO PHILIPPINE EQUITY
EXCHANGE-TRADED FUND, INC

March 19, 2026

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

The management of First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Manuel N. Tordesillas
Chairman

Eduardo R. Carreon
President

Maria Avalen A. Dianco
Treasurer

SUBSCRIBED AND SWORN to before me this ______ day APR 07 2026, 20____ affiants exhibiting to me their Identification Numbers, as follows:

Name	Valid ID / Date and Place of Issue
Manuel N. Tordesillas	TIN 178-610-428
Eduardo R. Carreon	TIN 160-247-790
Maria Avalen A. Dianco	TIN 210-299-856

ATTY. ADONAI JAN R. ASLAGONA Notary Public
Notary Public
Until December 31, 2026
IBP O.R No. 591537/01-07-2026/Pampanga
Appointment No. M-30 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769145/1-06-2026/Makati City
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat Avenue Corner, Tindalo Street, Makati City 1286

Doc. No. 521
Page No. 106
Book No. 6
Series of 2026

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 3 0 0 7 2 8

COMPANY NAME

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC. (AN OPEN-END MUTUAL FUND COMPANY)

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

4TH FLOOR TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVENUE, MAKATI CITY

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AAFS	CRMD	Investment Company

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
None	**+6327777-4100**	**N/A**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
3,329	**2nd Wednesday of May**	**December/31**

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Avalen A. Dianco	**avie.dianco@atrfami.com.ph**	**+6327777-4100**	**0947-996-2506**

CONTACT PERSON'S ADDRESS

4th Floor Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782-SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
First Metro Philippine Equity Exchange Traded Fund, Inc.
4th Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Opinion

We have audited the financial statements of First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund), an Open-End Mutual Fund Company, which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements as at and for the year ended December 31, 2025. We have determined that there is no key audit matter to communicate in our report.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS Definitive Information Statement and SEC Form 17-A Annual Report for the year ended December 31, 2025, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS Definitive Information Statement and SEC Form 17-A Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified in the foregoing when these become available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other Matter

The financial statements of the Fund as at and for the years ended December 31, 2024 and 2023 were audited by another auditor whose report dated April 14, 2025, expressed an unmodified opinion on those financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore considered key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Haydee M. Reyes.

REYES TACANDONG & CO.

HAYDEE M. REYES
Partner
CPA Certificate No. 83522
Tax Identification No. 102-095-265-000
BOA Accreditation No. 4782/P-006; Valid until June 6, 2026
SEC Accreditation No. 83522-SEC Group A
Issued March 10, 2020
Valid for Financial Periods 2023 to 2025
BIR Accreditation No. 08-005144-006-2025
Valid until August 10, 2028
PTR No. 10764037
Issued January 2, 2026, Makati City

March 19, 2026
Makati City, Metro Manila

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
(An Open-End Mutual Fund Company)

STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

(With Comparative Figures for 2024)

	Note	**2025**	2024
ASSETS			
Cash in banks	6	**₱2,113,381**	₱8,522,144
Financial assets at fair value through profit or loss	7	**1,307,803,858**	1,381,962,862
Receivables		**584,934**	612,664
		₱1,310,502,173	₱1,391,097,670
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accrued expenses	8	**₱2,230,742**	₱1,724,223
Equity			
Capital stock	9	**1,308,126,000**	1,320,126,000
Additional paid-in capital	9	**37,848,876**	40,310,996
Retained earnings (deficit)		**(37,703,445)**	28,936,451
		1,308,271,431	1,389,373,447
		₱1,310,502,173	₱1,391,097,670

See accompanying Notes to Financial Statements.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
(An Open-End Mutual Fund Company)

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2025
(With Comparative Figures for 2024 and 2023)

	Note	**2025**	2024	2023
INVESTMENT INCOME (LOSS)				
Net trading and securities gains (losses)	7	**(₱96,022,604)**	₱53,316,154	(₱29,192,833)
Dividend income	7	**46,434,280**	53,539,518	72,553,429
Interest income	6	**379**	955	2,325
Miscellaneous income		–	–	120,474
		(49,587,945)	106,856,627	43,483,395
EXPENSES				
Management and retainer fees	14	**7,559,357**	10,440,296	12,034,075
Custodian and transfer agency fees	14	**1,095,738**	889,608	719,115
Information technology expenses		**1,014,612**	989,842	1,025,535
Regulatory and filing fees		**611,813**	631,796	611,813
Taxes and licenses		**533,145**	398,211	775,737
Brokers' commissions		**521,233**	206,842	1,657,911
Professional fees		**435,512**	135,520	109,588
Fund administration fee		**407,773**	627,028	1,020,893
Directors' and officers' fees	14	**272,500**	328,500	299,500
Rent	14	**64,068**	–	–
Miscellaneous		**298,113**	136,702	449,664
		12,813,864	14,784,345	18,703,831
NET INVESTMENT INCOME (LOSS) BEFORE FINAL TAX EXPENSE		**(62,401,809)**	92,072,282	24,779,564
FINAL TAX EXPENSE	12	**621,708**	171,518	645,664
NET INVESTMENT INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱63,023,517)**	₱91,900,764	₱24,133,900
BASIC/DILUTED EARNINGS (LOSS) PER SHARE	10	**(₱4.7578)**	₱5.1146	₱1.1433

See accompanying Notes to Financial Statements

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
(An Open-End Mutual Fund Company)

STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2025
(With Comparative Figures for 2024 and 2023)

	Capital Stock (Note 9)	**Additional Paid-in Capital** (Note 9)	**Retained Earnings (Deficit)**	**Total Equity**
Balances at January 1, 2025	**₱1,320,126,000**	**₱40,310,996**	**₱28,936,451**	**₱1,389,373,447**
Redemptions of capital stock	**(90,000,000)**	**(2,652,434)**	**(1,329,056)**	**(93,981,490)**
Subscriptions of capital stock	**78,000,000**	**190,314**	**(2,287,323)**	**75,902,991**
Net investment loss	–	–	**(63,023,517)**	**(63,023,517)**
Balances at December 31, 2025	**₱1,308,126,000**	**₱37,848,876**	**(₱37,703,445)**	**₱1,308,271,431**
Balances at January 1, 2024	₱2,099,126,000	₱63,494,703	(₱22,854,074)	₱2,139,766,629
Redemptions of capital stock	(811,000,000)	(24,572,601)	(40,110,239)	(875,682,840)
Net investment income	–	–	91,900,764	91,900,764
Subscriptions of capital stock	32,000,000	1,388,894	–	33,388,894
Balances at December 31, 2024	₱1,320,126,000	₱40,310,996	₱28,936,451	₱1,389,373,447
Balances at January 1, 2023	₱2,180,126,000	₱70,238,408	(₱45,843,141)	₱2,204,521,267
Redemptions of capital stock	(156,000,000)	(7,138,012)	171,269	(162,966,743)
Subscriptions of capital stock	75,000,000	394,307	(1,316,102)	74,078,205
Net investment income	–	–	24,133,900	24,133,900
Balances at December 31, 2023	₱2,099,126,000	₱63,494,703	(₱22,854,074)	₱2,139,766,629

See accompanying Notes to Financial Statements.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
(An Open-End Mutual Fund Company)

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025
(With Comparative Figures for 2024 and 2023)

	Note	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net investment income (loss) before final tax		**(₱62,401,809)**	₱92,072,282	₱24,779,564
Adjustment for unrealized trading and securities gains (losses)	7	**77,265,730**	(15,385,121)	5,697,626
Investment income before working capital changes		**14,863,921**	76,687,161	30,477,190
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Financial assets at fair value through profit or loss		**(3,106,726)**	762,606,154	65,405,182
Receivables		**27,730**	1,457,531	(1,354,466)
Other assets		**–**	–	265,848
Increase (decrease) in accounts payable and accrued expenses		**506,519**	68,371	(512,751)
Net cash generated from operations		**12,291,444**	840,819,217	94,281,003
Final taxes paid	12	**(621,708)**	(171,518)	(645,664)
Net cash provided by operating activities		**11,669,736**	840,647,699	93,635,339
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for redemptions of capital stock		**(93,981,490)**	(875,682,840)	(162,966,743)
Proceeds from subscriptions of capital stock		**75,902,991**	33,388,894	74,078,205
Net cash used in financing activities		**(18,078,499)**	(842,293,946)	(88,888,538)
NET INCREASE (DECREASE) IN CASH IN BANKS		**(6,408,763)**	(1,646,247)	4,746,801
CASH IN BANKS AT BEGINNING OF YEAR		**8,522,144**	10,168,391	5,421,590
CASH IN BANKS AT END OF YEAR	6	**₱2,113,381**	₱8,522,144	₱10,168,391
OPERATING CASH FLOWS				
Dividends received		**₱46,462,010**	₱54,997,049	₱71,155,592
Interest received		**379**	955	2,325

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

(With Comparative Information for 2024 and 2023)

1. General Information

First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund) was established in the Philippines on January 15, 2013. The Fund's registration under Republic Act (RA) No. 2629, the *Philippine Investment Company Act*, Securities and Exchange Commission (SEC) Exchange Traded Fund (ETF) Rules, and the Securities Regulation Code 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 units in exchange for basket of equity securities representing an index. The Fund's shares were listed with the Philippine Stock Exchange (PSE) on December 2, 2013.

As a licensed ETF, the Fund offers to qualified trading participants, on a continuous basis, the shares of the Fund which are issuable and redeemable in predetermined creation units. The Board of Directors (BOD) approved on December 11, 2015, the reduction of the number of shares comprising one creation unit from the current 200,000 to 50,000 shares. On December 13, 2016, the BOD approved to reduce further the number of shares per creation unit from 50,000 to 10,000 shares. The shares of the Fund may be directly redeemed in exceptional circumstances as approved by the SEC. As at December 31, 2025, the minimum number of shares per creation unit is 10,000 shares.

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

In August 2024, following the disposal of FMIC holdings and portion of ATR FAMI's holdings in the Fund, the Fund ceases to be a subsidiary of ATR FAMI and an affiliate of FMIC and MBTC.

The registered office address of the Fund is at 4th Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

Approval for the Release of the Financial Statements
The financial statements were authorized for issue by the BOD of the Fund on March 19, 2026, as recommended for approval by the Audit Committee on March 16, 2026.

2. Material Accounting Policies Information

Statement of Compliance
The financial statements of the Fund have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Financial Statement Preparation
The financial statements have been prepared under the historical cost basis, except for investments in quoted equity securities that are classified and measured as financial assets at fair value through profit or loss (FVTPL). The financial statements are presented in Philippine peso (₱), the Fund's functional currency. All amounts in the financial statements are in absolute value, unless otherwise indicated.

Presentation of Financial Statements
The Fund presents the statement of financial position in order of liquidity. An analysis regarding recovery (asset) or settlement (liability) within 12 months after the reporting date (current) and more than 12 months after the reporting date (noncurrent) is presented in Note 11.

Adoption of Amendments to PFRS Accounting Standards
The material accounting policies applied are consistent with those of the previous financial year, except for the adoption of the amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability,* effective January 1, 2025.

The amendments clarify when a currency is considered exchangeable into another currency and how an entity determines the exchange rate for currencies that lack exchangeability. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact when a currency is not exchangeable. An entity does not apply the amendments retrospectively. Instead, an entity recognizes any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the cumulative amount of translation differences in equity. Earlier application is permitted.

The adoption of the amendments to PFRS Accounting Standards did not materially affect the financial statements of the Fund. Additional disclosures were included in the financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue but Not yet Effective or Adopted
Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

    - Amendments to PFRS 7 – The amendments remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure.

    - Amendments to PFRS 9, *Financial Instruments* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, *Financial Instruments,* the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments apply to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

- Amendments to PAS 7, *Statement of Cash Flows* – The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Fund. Additional disclosures will be included in the financial statements, as applicable.

Fair Value Measurement
The Fund measures financial instruments at fair value such as financial assets at FVTPL at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstance shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For quoted equity securities classified as financial assets at FVTPL, fair value is determined based on the closing prices published in the PSE.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For purposes of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of hierarchy.

Financial Instruments

Date of recognition

The Fund recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Initial recognition of financial instruments

All financial instruments are initially measured at fair value. The initial measurement of financial instruments includes transaction costs, except for financial assets and liabilities valued at FVTPL.

Classification and subsequent measurement of financial instruments

Classification of financial assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Fund's business model for managing financial assets. The Fund classifies its financial assets into the following categories: financial assets at FVTPL, financial assets at FVOCI and financial assets at amortized cost.

As at December 31, 2025 and 2024, the Fund has no financial assets at FVOCI and financial liabilities at FVTPL.

Financial assets at FVTPL

Financial assets that do not meet the amortized cost or FVOCI criteria, or that meet the criteria, but are designated by the Fund as FVTPL at initial recognition, are measured at fair value through profit or loss.

Investments in quoted equity securities are classified as at FVTPL, unless the Fund designates an investment that is not held for trading as at FVOCI at initial recognition.

Financial assets at FVTPL are recorded at fair value, with changes in the fair value included under the 'Trading and securities gains (losses)' account in profit or loss. Dividend income is reported in profit or loss when the right to receive payment has been established.

Financial assets at amortized cost

A debt financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the EIR.

The amortization is included in 'Interest income' in the profit or loss and is calculated by applying the EIR to the gross carrying amount of the financial asset. The Fund's financial assets at amortized cost consist of cash in banks and receivables.

Reclassifications of financial instruments
The Fund reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Fund and any previously recognized gains, losses or interest shall not be restated. Reclassification of equity financial assets designated at FVOCI is prohibited.

Financial liabilities at amortized cost
Issued financial instruments or their components, which are not designated at FVTPL, are classified as financial liabilities at amortized cost. After initial measurement, financial liabilities at amortized cost are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. This policy applies to the Fund's accounts payable and other accrued expenses excluding statutory liabilities.

Impairment of Financial Assets
PFRS 9 requires the Fund to recognize expected credit losses (ECL) for all loans and other debt financial assets not classified as at FVTPL.

ECL represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

Since the Fund's financial assets measured at amortized cost consist mainly of cash in banks and receivables that are held with investment grade financial institutions, these financial assets are considered low credit risk. As a result, the ECL are assessed to be immaterial. The Fund incorporates available forward-looking information in assessing ECL but does not have any significant exposure to credit-impaired assets.

Derecognition of Financial Instruments
Financial asset
A financial asset is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Fund has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control over the asset.

Financial liability
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Revenue Recognition
The following specific recognition criteria must be met before revenue is recognized.

Trading and securities gains
Trading and securities gains represent results arising from trading activities and gains from changes in the fair values of financial assets at FVTPL.

Dividend income
Dividend income is recognized when the Fund's right to receive payment is established.

Interest income
Interest income on financial assets measured at amortized cost is recognized using the effective interest rate (EIR) method.

Expense Recognition
Expenses are recognized when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are recognized as incurred.

The specific recognition criteria described below must also be met before expense is recognized:

Management and retainer fees
Management fees include distribution and service fees which are recognized over time at 0.50% of average daily NAV of the Fund. Retainer fees are being charged at a fixed amount and recognized as incurred.

Custodian and transfer agency fees
This includes custodian fees and transaction charges which are being charged at a fixed amount and 0.01% of the prevailing price of securities upon purchase/sale, respectively, and are recognized as incurred.

Brokers' commissions
Brokers' commissions are recognized upon execution of trade.

Income Taxes
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred tax
Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits from unused net operating loss carryover (NOLCO) to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO can be utilized.

Deferred income tax assets and liabilities are measured at the income tax rates that are applicable to the period when the asset is realized or the liability is settled, based on corporate income tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Earnings Per Share
Basic earnings per share (EPS) is computed by dividing net investment income for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period after giving retroactive effect to stock dividends declared and stock rights exercised during the period, if any.

Diluted EPS is calculated by dividing the profit attributable to ordinary shareholders (after adjusting for interest on any convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

As at December 31, 2025 and 2024, there were no potential common shares with dilutive effect on the basic earnings (losses) per share of the Fund.

Net Asset Value (NAV) per share

NAV per share is computed by dividing net assets (total assets less total liabilities) by the total number of outstanding redeemable shares as at the statement of financial position date.

Capital Stock Transactions

The Fund issues redeemable shares, which are redeemable at the holder's option at any time for cash equal to a proportionate share of the Fund's NAV.

The Fund's redeemable shares have the following features which qualify them as puttable instruments classified as equity instruments:

- The shares entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The shares are in the class of instruments that is subordinate to all other classes of instruments.
- All instruments in this subordinate class have identical features.
- The shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's right to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the shares over their life are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the shares.

Further, the Fund does not have other financial instruments or contract that have:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund; and
- The effect of substantially restricting or fixing the residual return to the holders of redeemable shares.

The Fund continuously assesses the classification of its redeemable shares. If the redeemable shares cease to have all the features or meet the conditions stated above, the Fund will reclassify the shares as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in equity.

If the redeemable shares subsequently have all the features and meet the above conditions again, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of reclassification.

The issuance, acquisition and resale of redeemable shares are accounted for as equity transactions. Upon issuance, the proceeds received are allocated first to capital stock at par value, with any excess over par recognized as 'Additional paid-in capital' (APIC). Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs. No gain or loss is recognized in the statement of comprehensive income on the purchase, sale or issuance or cancellation of the Fund's own equity instruments. Redemptions are recorded as charges against equity.

Transaction costs incurred by the Fund in issuing, acquiring or selling its own equity instruments are deducted against APIC. If APIC is not sufficient to absorb these transaction costs, any excess is charged against 'Retained earnings (deficit)'.

Retained Earnings (Deficit)
This pertains to accumulated investment income (losses) reduced by the excess of redemption costs over the original issuance price of redeemed shares.

Dividend Distribution
Dividend distribution is at the discretion of the Fund. A dividend distribution to the Fund's shareholders is accounted for as a deduction from retained earnings.

Provisions and Contingencies
Provisions are recognized when the Fund has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the statement of income.

Segment Reporting
For management purposes, the Fund is organized into one main operating segment, which is investing in equity securities. All of the Fund's activities are interrelated and interdependent.

Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

Events after the Reporting Date
Post year-end events up to the date of the approval by the BOD of the financial statements that provide additional information about the Fund's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed in the notes when material to the financial statements.

Reclassification of Comparative Cash Flow Information
As a mutual fund, interest income forms part of investment income, which is part of the Fund's main operating revenue. In the prior year statement of cash flows, interest income was deducted from investment income before tax and separately presented as interest received under operating activities. In the current year, the presentation was revised to better reflect the Company's nature as an investment entity.

Interest received continues to be separately presented under operating cash flows. The change relates only to the operating cash flow reconciliation and did not affect the classification, amount, or total cash flows reported for the year.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements requires the Fund to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities, if any. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as these become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Classification of financial assets
The Fund classifies its financial assets depending on the business model for managing those financial assets.

The Fund performs the business model assessment based on observable factors such as:

- Performance of the business model and the financial assets held within that business model are evaluated and reported to the Fund's key management personnel;
- Risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- Compensation of business units whether based on the fair value of the assets managed or on the contractual cash flows collected; and
- Expected frequency, value and timing of sales of financial assets.

Classification of redeemable shares as equity
The Fund issues redeemable shares that are redeemable at the option of the shareholders at NAV per share. In determining the appropriate classification, the Fund continually assesses whether the redeemable shares meet all of the conditions for classification as equity instruments under puttable instruments exception.

In applying its judgment, management considers the rights and claims that each shareholder is entitled to and from the Fund on shares held, the type and features of issued shares including the terms of any contractual obligation, and the basis for the cash flows attributable to the entirety of the term of the shares.

<u>Estimates</u>
Recognition of deferred tax assets
Deferred income tax assets are recognized to the extent that it is probable that sufficient future taxable profits will be available against which these can be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Fund has reported tax loss position in the past as significant items comprising the Fund's revenue are already subjected to final tax or are tax-exempt. Management assessed that it is not probable that sufficient future taxable income will be available against which the NOLCO may be applied. Accordingly, the Fund did not recognize the deferred tax asset on NOLCO amounting to ₱16.62 million as at December 31, 2025 (₱19.91 million as at December 31, 2024) (see Note 12).

4. **Financial Risk Management Objectives and Policies**

The Fund's activities are exposed to a variety of financial risks: credit risk, liquidity risk, and market risk, which includes fair value interest rate risk, equity price risk, and index risk.

The principal financial assets of the Fund are cash in banks, financial assets at FVTPL, and receivables.

Risk Management Framework
The Fund's BOD has overall responsibility for overseeing the Fund's risk management process. Assisting the BOD in this role is the Risk Management and Audit Committee.

Prior to December 2024, the Audit Committee was supported by the Internal Audit Group of MBTC through a Service Level Agreement (SLA) with ATR FAMI and FMIC. Under this arrangement, MBTC's Internal Audit Group performed regular and ad-hoc reviews of ATR FAMI's processes and operations, including risk management controls applied to the Fund. Their reports were submitted directly to the Audit Committee.

In December 2024, the SLA with MBTC was terminated following the sale of FMIC's holdings in ATR FAMI. From this point onward, MBTC no longer had any involvement in the Fund's risk oversight activities.

The Fund's ongoing risk and compliance functions are performed within ATR FAMI. The Compliance and Risk Management Unit of ATR FAMI monitors the Fund's adherence to regulatory requirements and to the rules and investment policies outlined in the Fund's prospectus. The unit also communicates regulatory updates and compliance requirements to the Fund.

ATR FAMI's Risk Management team is responsible for identifying, analyzing, measuring, controlling, and evaluating the Fund's market and liquidity risk exposures. The team recommends risk-related policies, establishes standards for risk measurement, performs stress tests and simulations, and investigates limit exceptions. The Risk Officer prepares daily risk monitoring reports for ATR FAMI's senior management and provides periodic reports to the Fund's Risk and Audit Committee.

To reflect the change in arrangements after the termination of the SLA, an amended risk management framework was approved by the BOD on November 20, 2025.

Under the Fund's Management and Distribution Agreement, ATR FAMI continues to serve as the Investment Manager and Principal Distributor. In February 2025, the Fund and ATR FAMI also entered into a Sub-Fund Management Agreement appointing ATRAM Asset Management Inc. (ATRAM) to perform certain daily investment, research, and statistical functions, consistent with the Fund's prospectus and investment guidelines.

Nature of Risks and Risk Management Objectives and Policies
The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of such unpredictability on the Fund's financial performance.

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 (ICA), 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 the members is prohibited.
- It shall not engage in lending operations.

As an ETF, the Fund is not subject to the maximum or minimum investment limitations or liquidity requirements provided under the ICA.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Fund manages its credit risks by setting limits for issuers/borrowers. As credit ratings can change and affect the Fund's returns, a credit analysis is adopted to standardize operational procedure that will support in assessing the credit quality and the credit worthiness of the counterparty. Credit exposures are closely monitored to ensure payments are made on time.

Maximum Exposure to Credit Risk
The maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are reflected in the statements of financial position and the related notes.

As at December 31, 2025 and 2024, the Fund does not hold collateral nor any other credit enhancements for the outstanding financial assets.

Concentration of risks of financial assets with credit risk exposure
An analysis of concentrations of credit risk by industry is shown below:

	December 31,2025		
	Cash in banks	**Receivables**	**Total**
Financial Intermediaries	**₱2,113,381**	**₱–**	**₱2,113,381**
Industrial companies	–	**426,680**	**426,680**
Holding firms	–	**158,254**	**158,254**
	₱2,113,381	**₱584,934**	**₱2,698,315**

	December 31,2024		
	Cash in banks	Receivables	Total
Financial Intermediaries	₱8,522,144	₱–	₱8,522,144
Holding firms	–	612,664	612,664
	₱8,522,144	₱612,664	₱9,134,808

As at December 31, 2025 and 2024, the Fund's financial assets are all located in the Philippines.

Credit quality per class of financial assets
The Fund's basis in grading its financial assets is as follows:

High grade - Entities that are highly liquid, sustain operating trends, unlikely to be affected by external factors and have competent management that uses current business models.

Standard grade - Entities that meet performance expectations, unlikely to be affected by external factors and have competent management that uses current business models.

Substandard grade - Entities with marginal liquidity and have a declining trend in operations or an imbalanced position in their statements of financial position, though not to the point that repayment is jeopardized.

Unrated - Entities for which there is no established credit rating.

Credit risk of cash in banks and receivables is minimal since these are placed in banks and recoverable from private corporations with high external credit ratings (high grade). The related ECL allowance measured using 12-month ECL (Stage 1) is considered insignificant as at December 31, 2025 and 2024.

Liquidity Risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with the financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

The Fund is also exposed to daily cash redemptions of redeemable shares. The Fund therefore invests the majority of its assets in the basket of securities as indicated in the Fund's prospectus.

The Fund anticipates a gradual turnover in its portfolio with the aim of ensuring the preservation of capital and liquidity.

The table below, for the period indicated, shows the maturity profile of the financial assets at amortized cost and financial liabilities of the Fund based on contractual undiscounted cash flows. For financial assets at FVTPL, analysis of maturity groupings is based on the expected period these assets will be realized.

	December 31, 2025						
	On demand	**Up to 1 month**	**More than 1 to 3 months**	**More than 3 to 6 months**	**More than 6 to 12 months**	**Beyond 1 year**	**Total**
Financial Assets							
Cash in banks	**₱2,113,381**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱2,113,381**
Financial assets at FVTPL	**–**	**1,307,803,858**	**–**	**–**	**–**	**–**	**1,307,803,858**
Receivables	**–**	**584,934**	**–**	**–**	**–**	**–**	**584,934**
	2,113,381	**1,308,388,792**	**–**	**–**	**–**	**–**	**1,310,502,173**
Financial Liabilities							
Accounts payable and accrued expenses*	**–**	**2,161,222**	**–**	**–**	**–**	**–**	**2,161,222**
Net asset	**₱2,113,381**	**₱1,306,227,570**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,308,340,951**

**Excludes statutory obligations*

	December 31, 2024						
	On demand	Up to 1 month	More than 1 to 3 months	More than 3 to 6 months	More than 6 to 12 months	Beyond 1 year	Total
Financial Assets							
Cash in banks	₱8,522,144	₱–	₱–	₱–	₱–	₱–	₱8,522,144
Financial assets at FVTPL	–	1,381,962,862	–	–	–	–	1,381,962,862
Receivables	–	612,664	–	–	–	–	612,664
	8,522,144	1,382,575,526	–	–	–	–	1,391,097,670
Financial Liabilities*							
Accounts payable and accrued expenses*	–	1,471,100	–	–	–	–	1,471,100
Net asset	₱8,522,144	₱1,381,104,426	₱–	₱–	₱–	₱–	₱1,389,626,570

**Excludes statutory obligations*

Market Risk
Market risk is the risk of change in fair value of financial instruments from fluctuations in equity prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Fund's exposure to market risk relates to index risk and equity price risk.

As at December 31, 2025 and 2024, the Fund does not have debt instruments that would expose it to interest rate risk.

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 basket of securities 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. Fluctuations in the value of securities in which the Fund invests will cause the NAV of the Fund to fluctuate.

The Fund's financial instruments comprise equity investments. The Fund Manager uses an indexing approach in achieving its investment objective. The Fund's investment objective is not to outperform the Philippine Stock Exchange index (PSEi) but to track this index as close as possible. Consequently, the Fund does not intend to seek provisional defensive position during instances of market decline or overvaluation.

The approach used to select the Underlying Index may prevent the Fund from considerably outperforming the PSEi, however, the indexing approach may also result to the reduction of the risks that the Fund is faced with.

To meet the Fund's investment objectives, ATR FAMI intends to manage the Fund using an index replication strategy, which involves investing in substantially all of the securities and in approximately the same weights as in the PSEi. When conditions permit, as determined by ATR FAMI, the Fund may use a representative sampling indexing strategy, instead of full replication strategy, to manage the Fund. This would involve investing in a representative sample of securities that collectively has as investment profile optimally similar to the PSEi, which it aims to track. The securities selected, in this particular case, are expected to have, in the aggregate, investment and fundamental characteristics, as well as liquidity measures, substantially similar to those in the PSEi. The use of representative sampling may result in higher chances of incurring tracking error risk as opposed to replication of an index.

A change in the index tracking strategy may result in a change in the composition of the securities in the Underlying Index but shall not be a change in the investment objective or policy of the Fund in accordance with the SEC ETF Rules.

The Fund will at times be substantially fully invested. In case when rebalancing the portfolio is required due to changes in the index composition or diminishing liquidity of certain index component stock, the portfolio may be under invested but limited to at least 80.00% of its assets. The Fund may then temporarily invest the remainder of its assets in liquid investments, including cash, cash equivalents, money market instruments, and shares of money market funds as advised by ATR FAMI.

Equity price risk
The Fund's price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices. Such investment securities are subject to price risk due to changes in the market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The Fund measures the sensitivity of its investment securities by using the PSEi fluctuations.

The following table sets forth the impact of changes in the PSEi on the Fund's unrealized gain (loss) on its financial assets at FVTPL in 2025, 2024 and 2023:

	2025		2024		2023	
Changes in PSEi	**17.31%**	**(17.31%)**	15.36%	(15.36%)	16.49%	(16.49%)
Changes in fair value of financial assets at FVTPL by industry classification:						
Holdings	**₱56,273,110**	**(₱56,273,110)**	₱59,436,712	(₱59,436,712)	₱125,261,636	(₱125,261,636)
Financial	**52,694,760**	**(52,694,760)**	49,063,858	(49,063,858)	63,172,887	(63,172,887)
Services	**50,205,277**	**(50,205,277)**	38,077,566	(38,077,566)	41,340,488	(41,340,488)
Property	**36,531,319**	**(36,531,319)**	34,663,480	(34,663,480)	70,230,985	(70,230,985)
Industrial	**26,698,398**	**(26,698,398)**	28,803,777	(28,803,777)	48,174,545	(48,174,545)
Mining and oil	**1,183,342**	**(1,183,342)**	1,552,821	(1,552,821)	4,211,479	(4,211,479)
Total	**₱223,586,206**	**(₱223,586,206)**	₱211,598,214	(₱211,598,214)	₱352,392,020	(₱352,392,020)
As a percentage of the Fund's net unrealized gain (loss) for the year	**(289.37%)**	**289.37%**	(1,375.34%)	1,375.34%	(6,183.14%)	6,183.14%

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, as the Underlying Index, which is rebalanced every six 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.

The table below provides an analysis of the effect on net assets and profit (loss) of the Fund due to a change in market index with all other variables held constant.

	2025	2024	2023
Actual change in underlying index	**(7.43%)**	1.38%	(1.77%)
Actual changes in net assets and profit or loss	**(₱2,698,315)**	₱9,134,808	(₱12,238,586)

5. Fair Value Measurement

As at December 31, 2025 and 2024, the carrying values of the Fund's financial assets and liabilities as reflected in the statements of financial position and related notes approximate their fair values.

The methods and assumptions used by the Fund in estimating fair values of financial instruments are as follows:

Cash in banks, receivables, accounts payable and accrued expenses
The carrying amounts of these financial assets and liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

Financial assets at FVTPL
Fair values are based on closing market prices as published by the PSE, which are considered as Level 1 inputs.

As at December 31, 2025 and 2024, the Fund has no financial instruments that are reported under levels 2 and 3 fair value measurements, and there were no transfers made among the three levels in the fair value hierarchy.

6. Cash in Banks

As at December 31, 2025, the Fund's cash in banks amounted to ₱2.11 million (₱8.52 million as at December 31, 2024). This account represents the Fund's savings and checking accounts with local banks that bear annual interest rates of up to 0.0625% in 2025 and 2024.

Interest income on cash in banks amounted to ₱379 in 2025 (₱955 and ₱2,325 in 2024 and 2023, respectively).

7. Financial Assets at FVTPL

As at December 31, 2025, financial assets at FVTPL amounting to ₱1,307.80 million (₱1,381.96 million as at December 31, 2024), pertain to investments in quoted equity securities. The related dividend amounted to ₱46.43 million in 2025 (₱53.54 million and ₱72.55 million in 2024 and 2023, respectively).

Trading and securities gains (losses) consist of realized gains (losses) from the sale of financial assets and unrealized gains (losses) from changes in the fair value of financial assets outstanding as at the reporting date, as follows:

	2025	2024	2023
Unrealized gain (loss)	**(₱77,265,730)**	₱15,385,121	(₱5,697,626)
Realized gain (loss)	**(18,756,874)**	37,931,033	(23,495,207)
	(₱96,022,604)	₱53,316,154	(₱29,192,833)

8. Accounts Payable and Accrued Expenses

This account consists of:

	Note	**2025**	2024
Financial liabilities:			
Accrued expenses		**₱1,002,665**	₱829,269
Payable to related parties:	14		
ATRAM		**711,975**	–
ATR FAMI		**382,220**	582,339
Accounts payable		**64,362**	59,492
		2,161,222	1,471,100
Nonfinancial liabilities:			
Withholding taxes payable		**69,250**	93,123
Documentary stamp tax payable		–	160,000
		69,250	253,123
		₱2,230,472	₱1,724,223

Payable to ATR FAMI pertains to the management and retainer fees payable while payable to ATRAM pertains to the advisory fee payable.

Accounts payable represent unpaid redemptions, subscriptions of shares without confirmation yet from clients and other miscellaneous expenses. A subscription is confirmed once the client has submitted the required subscription documents. Once confirmed, these subscriptions are reclassified to equity.

Accrued expenses include professional, custodianship, and retainer fees.

9. **Equity**

Capital Stock

The Fund's authorized, issued and outstanding capital stock follow:

	2025		2024		2023	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized	**30,000,000**	**₱3,000,000,000**	30,000,000	₱3,000,000,000	30,000,000	₱3,000,000,000
Issued and outstanding						
Balance at the beginning of the year	**13,201,260**	**₱1,320,126,000**	20,991,260	₱2,099,126,000	21,801,260	₱2,180,126,000
Redemptions	**(900,000)**	**(90,000,000)**	(8,110,000)	(811,000,000)	(1,560,000)	(156,000,000)
Subscriptions	**780,000**	**78,000,000**	320,000	32,000,000	750,000	75,000,000
Balance at the end of the year	**13,081,260**	**₱1,308,126,000**	13,201,260	₱1,320,126,000	20,991,260	₱2,099,126,000

As at December 31, 2025, the total number of shareholders owning at least one board lot (equivalent to 10 ETF shares) is 3,329 (3,211 as at December 31, 2024 and 2023).

APIC amounted to ₱37.85 million as at December 31, 2025 (₱40.31 million and ₱63.49 million as at December 31, 2024 and 2023, respectively).

Issuance, repurchase and resale of redeemable shares are based on NAV per share (NAVPS) attributable to the holders of redeemable shares. The shares are entitled to dividends when declared and to payment of a proportionate share of the Fund's NAV on the redemption date or upon winding up of the Fund.

NAV per Share

NAV per share is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and subscribed as at the date of the statements of financial position.

As at December 31, 2025, 2024 and 2023, NAV per share is computed as follows:

	2025	2024	2023
Net assets	**₱1,308,271,431**	₱1,389,373,447	₱2,139,766,629
Number of shares outstanding	**13,081,260**	13,201,260	20,991,260
NAV per share	**₱100.0111**	₱105.2455	₱101.9361

The shares of the Fund are listed in the PSE. The shares may be bought and sold through the secondary market at the quoted market price through the trading participants of the PSE. The quoted market price of the share may differ from its NAVPS which are disclosed in the PSE board. However, shares of the Fund may be issued and redeemed only through the authorized participants in creation units. The subscription or redemption of shares in creation units are based on the NAVPS on the date of creation or redemption of the units. The quoted market prices of the Fund's shares as at December 31, 2025 amounted to ₱101.00 (₱105.60 and ₱102.70 as at December 31, 2024 and 2023, respectively).

Securities Regulation Code Rule 68 requires mutual funds to disclose the net asset value per share in the face or in the notes of financial statements.

Capital Management

The Fund aims to provide returns which would reflect the performance of the Philippine equities market by investing in a basket of securities included in the PSEi. The portfolio of the Fund is to be rebalanced and reconstituted every six months in order to adjust to the current composition of the PSEi.

Minimum Capital Requirements
As an ETF registered with the SEC, the Fund must continually comply with the minimum subscribed and paid-up capital of ₱250.00 million. As at December 31, 2025 and 2024, the Fund has complied with the externally imposed capital requirement.

10. Basic/Diluted Earnings (Loss) per Share

The following reflects the income and share data used in the basic earnings (loss) per share computations:

	2025	2024	2023
Net investment income (loss) (a)	**(₱63,023,517)**	₱91,900,764	₱24,133,900
Weighted average number of shares outstanding (b)*	**13,246,219**	16,665,003	21,109,260
Basic/diluted earnings (loss) per share (a/b)	**(₱4.7578)**	₱5.5146	₱1.1433

**Based on monthly average.*

In 2025, 2024 and 2023, there were no outstanding dilutive potential common shares.

11. Maturity Analysis of Assets and Liabilities

All assets and liabilities of the Fund are due to be realized and settled within 12 months from reporting date.

12. Income Taxes

Final tax expense pertains to the 20.00% final withholding tax on interest income on peso-denominated deposits with local banks and stock transaction tax (STT) incurred on sale of equity securities listed and traded through the PSE.

Pursuant to Republic Act 12214, otherwise known as Capital Markets Efficiency Promotion Act or CMEPA, the STT was reduced from 0.60% to 0.10% effective July 1, 2025. The change in tax rate applies prospectively to all applicable transactions from the effectivity date. The Fund is exempted from paying documentary stamp tax pertaining to the original issuance, redemption, or any disposition of shares effective July 1, 2025.

Final tax expense amounted to ₱0.62 million in 2025 (₱0.17 million and ₱0.65 million in 2024 and 2023, respectively).

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 (bbbb) of “Bayanihan to Recover As One Act” which states that NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

Details of NOLCO follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2020	₱5,347,281	₱5,347,281	₱–	2025
2021	20,191,887	–	20,191,887	2026
2022	20,616,863	20,616,863	–	2025
2023	18,703,832	–	18,703,832	2026
2024	14,784,345	–	14,784,345	2027
2025	12,813,864	–	12,813,864	2028
	₱92,458,072	₱25,964,144	₱66,493,928	

The Fund did not recognize the deferred tax asset on NOLCO amounting to ₱16.62 million as at December 31, 2025 (₱19.91 million as at December 31, 2024). The Fund assessed that it is not probable that sufficient future taxable income will be available against which the NOLCO may be applied.

The reconciliation of the statutory income tax rate to effective income tax rates follows:

	2025	2024	2023
Statutory income tax	**25.00%**	25.00%	25.00%
Tax effect of:			
Nontaxable income on fair value adjustment of equity securities	**(30.95)**	(4.18)	(0.12)
Expired NOLCO	**(10.40)**	–	–
Income subject to final tax and tax-exempt	**10.09**	(24.65)	(73.20)
Changes in unrecognized deferred tax asset	**5.27**	4.01	18.87
Nondeductible expenses/losses	–	–	32.06
Effective income tax	**(1.00%)**	0.18%	2.61%

13. Segment Information

For management purposes, the Fund is organized into one main operating segment, which is investing in equity securities. All of the Fund’s activities are interrelated and interdependent. Accordingly, all significant operating decisions are based upon analysis of the Fund as one segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

The Fund Manager (with its president as Chief Operating Decision Maker (CODM)) monitors and assesses the performance of the Fund based on the daily NAV and NAVPS.

The segment’s net assets reported to the CODM and net assets under PFRS Accounting Standards as at December 31, 2025, 2024 and 2023 follow:

	2025	2024	2023
Financial assets at FVTPL	**₱1,307,803,858**	₱1,381,962,862	₱2,129,183,895
Cash in bank	**2,113,381**	8,522,144	10,168,391
Receivables	**584,934**	612,664	2,070,195
Total segment assets	**1,310,502,173**	1,391,097,670	2,141,422,481
Total segment liabilities	**2,230,742**	1,724,223	1,655,852
Net assets reported to CODM and under PFRS	**₱1,308,271,431**	₱1,389,373,447	₱2,139,766,629

The table below analyzes the Fund's investment income (loss) per investment type:

	2025	2024	2023
Equity securities	**(₱49,588,324)**	₱106,855,671	₱43,360,596
Deposit placements	**379**	955	2,325
	(₱49,587,945)	₱106,856,626	₱43,362,921

The Fund's assets producing revenue are all located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

No investment income was derived from a single customer that constitutes 10% or more of the Fund's investment income (loss) in 2025, 2024 and 2023.

14. Related Party Transactions and Balances

In the ordinary course of business, the Fund has transactions with related parties. Parties are related if one party has the ability, directly or indirectly, to control the other parties or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. The Fund's related parties also include key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members.

As discussed in Note 1, prior to August 2024, the Fund is a subsidiary of ATR FAMI and FMIC. It ceased to be a subsidiary following the disposals of FMIC's holdings and a portion of ATR FAMI's holdings in the Fund.

Related party transactions and balances as at and for the years ended December 31, 2025, 2024 and 2023 are as follows:

	December 31, 2025		
Category	**Amount/ Volume**	**Outstanding Balance**	**Terms and Conditions/Nature**
Related parties*			
Management and retainer fees/Payable to ATR FAMI	**₱5,376,681**	**₱382,220**	Monthly fee based on average NAV
Rent/payable to ATR FAMI**	**64,068**	–	Sharing office expenses
Directors' and officers' fees	**272,500**	–	Per diem given to directors and officers during board meetings
Advisory Fee/Payable to ATRAM***	**2,545,099**	**711,975**	Monthly fee based on average NAV

**Pertain to ATR FAMI & ATRAM*
***Effective June 2025*
****Effective February 2025*

	December 31, 2024 *(subsequent to disposal of FMIC)*		
Category	**Amount/ Volume**	**Outstanding Balance**	**Terms and Conditions/Nature**
Other related parties*			
Management and retainer fees/Payable to ATR FAMI	**₱10,440,296**	**₱582,339**	Monthly fee based on average NAV
Directors and officers			
Directors' and officers' fees	**₱328,500**	**₱81,500**	Per diem given to directors and officers during board meetings

**Other related parties refer to ATR FAMI*

			August 31, 2024 (prior to disposal of FMIC)
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Related parties as at August 31, 2024			
MBTC			
Cash in bank	₱–	₱1,858,116	Savings accounts earning at an interest rate of 0.25%
Interest income	440	–	Income from cash in bank
Equity investments	–	66,100,236	Shares issued by MBTC
Dividend income/receivable	4,390,341	–	Income from dividend on equity securities issued by MBTC
Retainer's fee/accrued expenses	103,201	20,632	Stock and transfer agency fee
FMIC			
Redemption of common stock	601,162,625	–	Full redemption of common stock held by FMIC
Payable to brokers	65,110,740	–	Amount receivable from / payable to FMSBC for the sale and purchase of equity securities which are due within two
Receivable from brokers	28,249,548	–	(2) working trading days following the settlement convention: non-interest bearing.
Equity investments	–	24,251,240	Shares issued by GT Capital Holdings, Inc.
Dividend income/receivable	389,070	–	Income from dividend on equity securities issued by GT Capital Holdings, Inc.
Brokers' commissions	170,778	–	For purchases and sale of equity securities

			December 31, 2023
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Ultimate parent company			
Cash in banks	₱–	₱1,179,283	Savings account with 0.25% interest rate
Interest income	880	–	Income from cash in bank
Financial Assets at FVTPL	–	66,153,556	Shares issued by MBTC
Dividend income	3,756,365	–	Income from dividend on equity securities issued by MBTC
Custodian fees	549,095	54,336	Fees paid as stock transfer agent
Transfer agency fees	170,020	80,968	Stock and transfer agency fee
Other related parties*			
Management fees	12,034,075	885,023	0.50%; Monthly fee based on average NAV
Financial Assets at FVTPL	–	33,381,020	Shares issued by GT Capital Holdings, Inc.
Dividend income	185,466	–	Income from dividend on equity securities issued by GT Capital Holdings, Inc.
Brokers' commissions	1,657,911	–	For purchases and sale of equity securities
Key management personnel			
Directors' and officers' fees	299,500	–	Per diems given to directors and officers during board meetings

**Other related parties include FAMI, FMSBC, GT Capital Holdings*

Pursuant to the Management and Distribution Agreement (the Agreement) between the Fund and ATR FAMI, the Fund shall pay a monthly fee as compensation for the services provided by ATR FAMI equivalent up to 0.50% per annum of the average NAV of the Fund. The NAV shall be determined by computing the total value of the Fund's assets less its liabilities.

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

As discussed in Note 4, in February 2025, the Fund and ATR FAMI entered into a Sub-Fund Management Agreement appointing ATRAM to perform certain daily investment, research, and statistical functions, consistent with the Fund's prospectus and investment guidelines.

On June 10, 2025, the BOD approved that the Fund shall pay a fixed monthly share in the office rental, effective June 2025.

The fees accruing during each calendar month shall be paid to ATR FAMI during the first week of the succeeding month.

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured, non-interest bearing and are normally settled in cash. There have been no guaranties provided or received for any related party receivables and payables.

Details of investments in the Fund by related parties are set out below:

	Number of shares held at January 1	**% interest held at January 1**	**Number of shares acquired during the year**	**Number of shares disposed during the year**	**Number of shares held at December 31**	**% interest held at December 31**
As at December 31, 2025						
Directors and officers	**396**	**0.00**	**6**	**395**	**7**	**0.00**
As at December 31, 2024 *(subsequent to disposal of FMIC)*						
Directors and officers	397	0.00	–	1	396	0.00
As at August 31, 2024 *(prior to disposal of FMIC)*						
FMIC	5,384,909	25.65	–	5,384,909	–	–
Directors and officers	397	0.00	–	–	397	0.00

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782-SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

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**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES FOR FILING WITH THE
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors
First Metro Philippine Equity Exchange Traded Fund, Inc.
4th Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

We have audited, in accordance with the Philippine Standards on Auditing, the accompanying financial statements First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund), an Open-End Mutual Fund Company, as at and for the year ended December 31, 2025 (with comparative figures for 2024 and 2023), and have issued our report dated March 19, 2026. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules for submission to the Securities and Exchange Commission are the responsibility of the Fund's management. These supplementary schedules include the following:

- Schedule of Retained Earnings Available for Dividend Declaration as at December 31, 2025
- Schedules required by Part II of Revised Securities Regulation Code Rule 68
- Schedule of Financial Soundness Indicators as at and for the year ended December 31, 2025

The Schedule of Financial Soundness Indicators, including their definitions, formulas, calculations and their appropriateness or usefulness to the intended users, are the responsibility of the Fund's management.

The financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. The components of these financial soundness indicators have been traced to the Fund's financial statements as at and for the year ended December 31, 2025.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The supplementary schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

REYES TACANDONG & CO.

Haydee M. Reyes

HAYDEE M. REYES
Partner
CPA Certificate No. 83522
Tax Identification No. 102-095-265-000
BOA Accreditation No. 4782/P-006; Valid until June 6, 2026
SEC Accreditation No. 83522-SEC Group A
Issued March 10, 2020
Valid for Financial Periods 2023 to 2025
BIR Accreditation No. 08-005144-006-2025
Valid until August 10, 2028
PTR No. 10764037
Issued January 2, 2026, Makati City

March 19, 2026
Makati City, Metro Manila

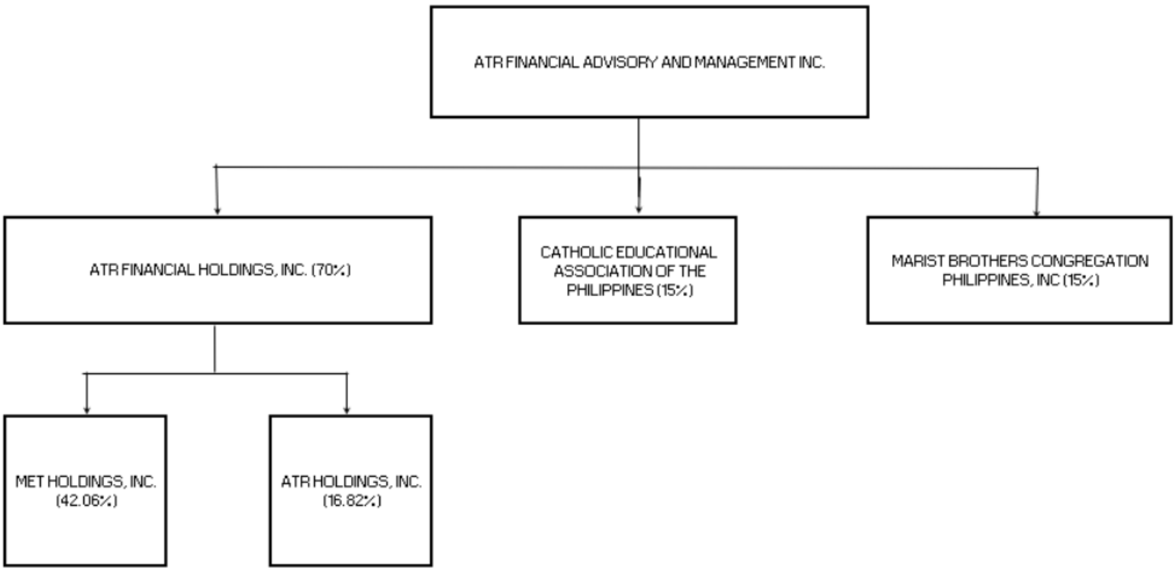
FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

Schedules Required under Securities Regulation Code Rule 68

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS AT DECEMBER 31, 2025

Retained Earnings, beginning	**₱13,551,330**
Less: Items that are directly debited to Retained Earnings	
Adjustment in retained earnings due to redemption of shares	(3,616,379)
Unappropriated Retained Earnings, as adjusted	**9,934,951**
Less: Net loss for the current year	(63,023,517)
Add: Unrealized income recognized in profit or loss in prior reporting periods but realized in the current period	–
Realized fair value adjustment (gains) of financial instruments at FVTPL	15,385,121
Adjusted Net Loss	**(47,638,396)**
Deficit, end of the reporting period	**(₱37,703,445)**

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
SCHEDULE II
CONGLOMERATE MAP
As at December 31, 2025



FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule A – Financial Assets
December 31, 2025

Name of issuing entity and association of each issue	Number of shares	Amount shown on the balance sheet	Valued based on market quotation at balance sheet date	Income received and accrued
Aboitiz Equity Ventures, Inc.	901,353	₱25,237,884	₱25,237,884	₱1,484,003
AC Energy Corporation	3,562,438	9,689,831	9,689,831	176,272
Alliance Global Group, Inc	947,056	7,756,389	7,756,389	93,656
AREIT, Inc.	452,355	19,677,442	19,677,442	1,082,238
Ayala Corporation	116,869	54,694,692	54,694,692	535,465
Ayala Land Inc.	2,461,728	55,265,794	55,265,794	1,464,298
Bank of the Philippine Islands	957,549	111,171,439	111,171,439	4,198,095
Banco de Oro Unibank, Inc	866,471	116,626,997	116,626,997	3,721,944
Century Pacific Food Inc	444,833	17,348,487	17,348,487	496,879
China Banking Corporation	579,890	33,053,730	33,053,730	1,487,625
Converge Information & Communication Tech.	828,122	12,686,829	12,686,829	365,396
Digiplus Interactive Corporation	614,890	9,961,218	9,961,218	–
DMCI Holdings, Inc.	1,271,129	13,397,700	13,397,700	1,390,015
Emperador, Inc.	1,164,187	18,626,992	18,626,992	231,327
Globe Telecom, Inc.	11,727	18,575,568	18,575,568	1,182,825
GT Capital Holdings Inc	34,875	20,750,625	20,750,625	283,020
International Container Terminal Services	381,197	216,138,699	216,138,699	5,515,207
JG Summit Holdings, Inc.	1,165,374	27,561,095	27,561,095	477,401
Jollibee Foods Corporation	190,280	34,250,400	34,250,400	662,907
LT Group, Inc.	1,045,038	15,445,662	15,445,662	1,300,228

Name of issuing entity and association of each issue	Number of shares	Amount shown on the balance sheet	Valued based on market quotation at balance sheet date	Income received and accrued
Manila Electric Company	108,292	₱62,159,608	₱62,159,608	₱2,735,645
Metropolitan Bank & Trust Co.	796,968	54,592,308	54,592,308	4,022,030
Monde Nissin Corporation	2,660,547	15,431,173	15,431,173	841,669
PLDT, Inc.	28,675	36,130,500	36,130,500	2,785,050
Puregold Price Club, Inc.	374,218	14,220,284	14,220,284	684,699
San Miguel Corporation	184,569	15,134,658	15,134,658	317,606
Semirara Mining and Power Corporation	377,771	10,672,031	10,672,031	1,236,516
SM Investment Corp.	212,701	148,784,349	148,784,349	2,942,433
SM Prime Holdings	3,951,820	89,903,904	89,903,904	1,952,414
Universal Robina Corporation	339,637	22,857,570	22,857,570	1,432,642
	27,032,559	**₱1,307,803,858**	**₱1,307,803,858**	**₱45,099,505**

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2025

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non- Current	Balance at end of period

None to report.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule C – Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2025

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected (i)	Amounts Written-off (ii)	Current	Non-Current	Balance at end of period

None to report.

(i) If collected was other than in cash, explain.
(ii) Give reasons to write-off.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule D – Intangible Assets – Other Assets
December 31, 2025

Description [i]	Beginning Balance	Additions at Cost [ii]	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions) [iii]	Ending Balance

None to report.

(i) The information required shall be grouped into (a) intangibles shown under the caption intangible assets and (b) deferrals shown under the caption Other Assets in the related balance sheet. Show by major classifications.
(ii) For each change representing other than an acquisition, clearly state the nature of the change and the other accounts affected. Describe cost of additions representing other than cash expenditures.
(iii) If provision for amortization of intangible assets is credited in the books directly to the intangible asset account, the amounts shall be stated with explanations, including the accounts charged. Clearly state the nature of deductions if these represent anything other than regular amortization.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule E - Long-Term Debt
December 31, 2025

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related balance sheet (ii)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)	Interest Rate %	Maturity Date

None to report.

(i) Include in this column each type of obligation authorized.
(ii) This column is to be totaled to correspond to the related balance sheet caption.
(iii) Include in this column details as to interest rates, amounts or numbers of periodic instalments, and maturity dates.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule F - Indebtedness to Related Parties
(Long Term Loans from Related Companies)
December 31, 2025

Name of Related Parties [(i)]	Balance at beginning of period	Balance at end of period [(ii)]

None to report.

(i) The related parties named shall be grouped as in Schedule C. The information called for shall be stated for any persons whose investments shown separately in such related schedule.
(ii) For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule G - Guarantees of Securities of Other Issuers
December 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding [(i)]	Amount owned by person of which statement is filed	Nature of guarantee [(ii)]

None to report.

(i) Indicate in a note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
(ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of Dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Schedule H - Capital Stock
December 31, 2025

Title of Issue [(i)]	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties [(ii)]	Directors, officers and employees	Others [(iii)]
Common	30,000,000	13,081,260	–	–	7	The Fund issued 780,000 shares and redeemed 900,000 shares during the year.

(i) Include in this column each type of issue authorized
(ii) Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.
(iii) Indicate in a note any significant changes since the date of the last balance sheet filed.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
FINANCIAL SOUNDNESS INDICATORS
AS AT DECEMBER 31, 2025
(With Comparative Figures for 2024)

Below are the financial ratios that are relevant to the Fund for the year ended December 31, 2025 (with comparative figures for 2024).

Ratio	Formula		2025	2024
Current ratio	*Total current assets* *÷ Total current liabilities* *= current ratio*	₱1,310,502,173 2,230,742 587.4737	587.4737	806.7968
Acid test ratio	*Total quick assets** *÷ Total current liabilities* *= current ratio*	₱1,310,502,173 2,230,742 587.4737	587.4737	806.7968
Debt-to-equity ratio	*Total liabilities* *÷ Total equity* *= Debt-to-equity ratio*	₱2,230,742 1,308,271,431 0.0017	0.0017	0.0012
Asset-to-equity ratio	*Total assets* *÷ Total equity* *= Asset-to-equity ratio*	₱1,310,502,173 1,308,271,431 1.0017	1.0017	1.0012
Return on average stockholder's equity	*Net loss* *÷ Average stockholder's equity* *= Return on average stockholder's equity*	(₱63,023,517) 1,348,822,439 (0.0467)	(0.0467)	0.0521
Return on assets	*Net loss* *÷ Average total assets* *= Return on average total assets*	(₱63,023,517) 1,350,799,922 (0.0467)	(0.0467)	0.0520

**Total quick assets consist of Cash in banks, Financial assets at FVPTL securities and Receivables*

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
OTHER RATIOS REQUIRED FOR MUTUAL FUNDS
DECEMBER 31, 2025

Name of issuing entity and association of each issue	Number of shares	Valued based on market quotation at balance sheet date	Percentage of Investment to Net Asset Value (i)	Percentage to Outstanding Shares of Investee Company (ii)
Aboitiz Equity Ventures, Inc.	901,353	₱25,237,884	1.93%	0.02%
AC Energy Corporation	3,562,438	9,689,831	0.74%	0.01%
Alliance Global Group, Inc	947,056	7,756,389	0.59%	0.01%
AREIT, Inc.	452,355	19,677,442	1.50%	0.01%
Ayala Corporation	116,869	54,694,692	4.18%	0.02%
Ayala Land Inc.	2,461,728	55,265,794	4.22%	0.02%
Bank of the Philippine Islands	957,549	111,171,439	8.50%	0.02%
Banco de Oro Unibank, Inc	866,471	116,626,997	8.92%	0.02%
Century Pacific Food Inc	444,833	17,348,487	1.33%	0.01%
China Banking Corporation	579,890	33,053,730	2.53%	0.02%
Converge Information & Communication Tech.	828,122	12,686,829	0.97%	0.01%
Digiplus Interactive Corporation	614,890	9,961,218	0.76%	0.01%
DMCI Holdings, Inc.	1,271,129	13,397,700	1.02%	0.01%
Emperador, Inc.	1,164,187	18,626,992	1.42%	0.01%
Globe Telecom, Inc.	11,727	18,575,568	1.42%	0.01%
GT Capital Holdings Inc	34,875	20,750,625	1.59%	0.02%
International Container Terminal Services	381,197	216,138,699	16.52%	0.02%
JG Summit Holdings, Inc.	1,165,374	27,561,095	2.11%	0.02%
Jollibee Foods Corporation	190,280	34,250,400	2.62%	0.02%
LT Group, Inc.	1,045,038	15,445,662	1.18%	0.01%
Manila Electric Company	108,292	62,159,608	4.75%	0.01%
Metropolitan Bank & Trust Co.	796,968	54,592,308	4.17%	0.02%
Monde Nissin Corporation	2,660,547	15,431,173	1.18%	0.01%
PLDT, Inc.	28,675	36,130,500	2.76%	0.01%
Puregold Price Club, Inc.	374,218	14,220,284	1.09%	0.01%
San Miguel Corporation	184,569	15,134,658	1.16%	0.01%
Semirara Mining and Power Corporation	377,771	10,672,031	0.82%	0.01%
SM Investment Corp.	212,701	148,784,349	11.37%	0.02%
SM Prime Holdings	3,951,820	89,903,904	6.87%	0.01%
Universal Robina Corporation	339,637	22,857,570	1.75%	0.02%
	27,032,559	**₱1,307,803,858**	**99.97%**	**N/A**

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Supplementary Schedule of External Auditor Fee-Related Information
As at December 31, 2025 and 2024

	2025	2024
Total Audit Fees ***(Section 2.1a)*** [1]	₱100,000	₱105,000
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Non-audit Fees ***(Section 2.1b)*** [2]	–	–
Total Audit and Non-audit Fees	₱100,000	₱105,000

Notes:
Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.