COVER SHEET

C	S	2	0	1	3	-	0	0	7	2	8

SEC Registration Number

F	I	R	S	T		M	E	T	R	O		P	H	I	L	I	P	P	I	N	E		E	Q	U	I	T	Y				-
E	X	C	H	A	N	G	E		T	R	A	D	E	D		F	U	N	D	,		I	N	C	.								
(	A	n		O	p	e	n	-	E	n	d		M	u	t	u	a	l		F	u	n	d		C	o	m	p	a	n	y	)	

(Company's Full Name)

4	t	h		F	l	o	o	r	,		T	o	w	e	r		O	n	e		&		E	x	c	h	a	n	g	e		
P	l	a	z	a	,		A	y	a	l	a		T	r	i	a	n	g	l	e	,		A	y	a	l	a						
A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y																

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

Maria Avalen A. Dianco	+6327777-4100
(Contact Person)	(Company Telephone Number)

1	2	3	1	SEC Form-17Q	2nd Wednesday of May
Month	*Day*			(Form Type)	
(Fiscal Year)					(Annual Meeting)

Investment Company
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.	Amended Articles Number/Section

	Total Amount of Borrowings	
3,238		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document ID	Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended: **March 31, 2026**

2. Commission identification number: **CS201300728**

3. BIR Tax Identification No.: **008-447-745-000**

4. Exact name of issuer as specified in its charter:
FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code
4th Floor Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226

8. Issuer's telephone number, including area code: **+6327777-4100**

9. Former name, former address and former fiscal year, if changed since last report: **N/A**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

(a) Authorized capital stock: **30,000,000 shares** **₱3,000,000,000.00**

(b.) Number of shares outstanding as at March 31, 2026:

Common shares **12,291,260**

(c.) Amount of debt outstanding (unpaid subscriptions): **None**

11. Are any or all of the securities listed in the Philippine Stock Exchange?

Yes [✔] No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [✔] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✔] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

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

INTERIM STATEMENTS OF FINANCIAL POSITION

		As at	
	Note	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
ASSETS			
Cash in banks	6	**₱11,731,247**	₱2,113,381
Financial assets at FVTPL	7	**1,208,912,523**	1,307,803,858
Receivables		**3,923,206**	584,934
TOTAL ASSETS		**₱1,224,566,976**	₱1,310,502,173
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts payable and accrued expenses	8	**₱1,466,889**	₱2,230,742
EQUITY			
Capital stock	9	**1,229,126,000**	1,308,126,000
Additional paid-in capital	9	**35,740,196**	37,848,876
Deficit		**(41,766,109)**	(37,703,445)
		1,223,100,087	1,308,271,431
TOTAL LIABILITIES AND EQUITY		**₱1,224,566,976**	₱1,310,502,173

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

INTERIM STATEMENTS OF COMPREHENSIVE INCOME

		For the Period Ended March 31 (Unaudited)	
	Note	**2026**	2025
INVESTMENT INCOME			
Net trading and securities gains (losses)	7	**(₱15,162,186)**	(₱71,928,860)
Dividend income	7	**17,934,216**	16,553,174
Interest income	6	**86**	–
		2,772,116	(55,375,686)
OPERATING EXPENSES			
Management and retainer fees	11	**1,816,489**	1,889,811
Custodian and transfer agency fees		**439,962**	169,342
Information technology expenses		**317,859**	325,285
Regulatory and filing fees		**150,858**	150,858
Brokers' commissions		**145,933**	172,009
Professional fees		**122,447**	84,783
Fund administration fees		**98,565**	101,240
Directors' and officers' fees	11	**84,000**	95,738
Rent	11	**28,373**	–
Taxes and licenses		**16,070**	425,570
Miscellaneous		**117,357**	37,225
		3,337,913	3,451,861
NET INVESTMENT LOSS BEFORE FINAL TAX		**(565,797)**	(58,827,547)
FINAL TAX EXPENSE		**69,826**	409,603
NET INVESTMENT LOSS/TOTAL COMPREHENSIVE LOSS*		**(₱635,623)**	(₱59,237,150)
BASIC/DILUTED LOSS PER SHARE	10	**(₱0.0508)**	(₱4.3836)

**There are no other comprehensive income items for the period ended March 31, 2026 and 2025.*

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

INTERIM STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 9)	Additional Paid-in Capital (Note 9)	Retained Earnings (Deficit)	Total Equity
Balance at January 1, 2026	**₱1,308,126,000**	**₱37,848,876**	**(₱37,703,445)**	**₱1,308,271,431**
Redemptions of capital stock	**(87,000,000)**	**(2,523,424)**	**(3,427,041)**	**(92,950,465)**
Subscriptions of capital stock	**8,000,000**	**414,744**	**–**	**8,414,744**
Net investment loss/Total comprehensive loss	**–**	**–**	**(635,623)**	**(635,623)**
Balance at March 31, 2026	**₱1,229,126,000**	**₱35,740,196**	**(₱41,766,109)**	**₱1,223,100,087**
Balance at January 1, 2025	₱1,320,126,000	₱40,310,996	₱28,936,451	₱1,389,373,447
Redemptions of capital stock	–	–	–	–
Subscriptions of capital stock	41,000,000	165,354	(932,967)	40,232,387
Net investment loss/Total comprehensive loss	–	–	(59,237,150)	(59,237,150)
Balance at March 31, 2025	₱1,361,126,000	₱40,476,350	(₱31,233,666)	₱1,370,368,684

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

INTERIM STATEMENTS OF CASH FLOWS

		For the Period Ended March 31 (Unaudited)	
	Note	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Net investment loss before final tax		**(₱565,797)**	(₱58,827,547)
Adjustments for unrealized trading and securities losses (gains)	7	**23,365,815**	60,738,355
Investment income before working capital changes		**22,800,018**	1,910,808
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Financial assets at FVTPL		**75,525,520**	(33,808,153)
Receivables		**(3,338,272)**	(3,354,816)
Decrease in accounts payable and accrued expenses		**(763,853)**	(416,878)
Net cash generated from operations		**94,223,413**	(35,669,039)
Final taxes paid		**(69,826)**	(409,603)
Net cash provided by (used in) operating activities		**94,153,587**	(36,078,642)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for redemptions of capital stock		**(92,950,465)**	–
Proceeds from subscriptions of capital stock		**8,414,744**	40,232,387
Net cash provided by (used in) financing activities		**(84,535,721)**	40,232,387
NET INCREASE IN CASH IN BANKS		**9,617,866**	4,153,745
CASH IN BANKS AT BEGINNING OF PERIOD		**2,113,381**	8,522,144
CASH IN BANKS AT END OF PERIOD	6	**₱11,731,247**	₱12,675,889
OPERATING CASH FLOWS			
Dividend received		**₱14,595,944**	₱13,198,359
Interest received		**86**	–

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 March 31, 2026, 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.

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 statements of financial position in order of liquidity.

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 is 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 markets 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 March 31, 2026 and December 31, 2025, 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 the profit or loss. Dividend income is reported in profit or loss when the right to receive payment has been established.

As at March 31, 2026 and December 31, 2025, the Fund's financial assets at FVTPL consist of quoted equity investments.

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 (losses)
Trading and securities gains (losses) represent results arising from trading activities and unrealized gains and losses 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 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 March 31, 2026 and December 31, 2025, 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 contracts 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.

Estimates

Recognition of deferred tax asset

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.

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 to perform certain daily investment, research, and statistical functions, consistent with the Fund's prospectus and investment guidelines. In

February 2026, the Sub-Fund Management Agreement was terminated, effective March 31, 2026, and ATRAM ceased providing these services to the Fund.

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 them are 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 March 31, 2026 and December 31, 2025, 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:

	March 31, 2026 (Unaudited)		
	Cash in banks	**Receivables**	**Total**
Financial Intermediaries	₱11,731,247	₱–	₱11,731,247
Services	–	2,189,535	2,189,535
Industrial companies	–	1,673,569	1,673,569
Holding firms	–	60,102	60,102
	₱11,731,247	₱3,923,206	₱15,654,453

	December 31, 2025 (Audited)		
	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

As at March 31, 2026 and December 31, 2025, 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 March 31, 2026 and December 31, 2025.

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.

	March 31, 2026 (Unaudited)						
	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	₱11,731,247	₱–	₱–	₱–	₱–	₱–	₱11,731,247
Financial assets at FVTPL	–	1,208,912,523	–	–	–	–	1,208,912,523
Receivables	–	3,923,206	–	–	–	–	3,923,206
	11,731,247	1,212,835,729	–	–	–	–	1,224,566,976
Financial Liabilities							
Accounts payable and accrued expenses*	–	1,417,836	–	–	–	–	1,417,836
Net asset	₱11,731,247	₱1,211,417,893	₱–	₱–	₱–	₱–	₱1,223,149,140

**Excludes statutory obligations*

	December 31, 2025 (Audited)						
	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*

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 March 31, 2026 and December 31, 2025, 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 as at March 31, 2026 and December 31, 2025:

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
Changes in PSEi	**17.92%**	**(17.92%)**	17.31%	(17.31%)
Changes in fair value of financial assets at FVTPL by industry classification:				
Holdings	₱51,300,485	(₱51,300,485)	₱56,273,110	(₱56,273,110)
Financial	29,289,233	(29,289,233)	52,694,760	(52,694,760)
Services	26,334,689	(26,334,689)	50,205,277	(50,205,277)
Property	58,922,743	(58,922,743)	36,531,319	(36,531,319)
Industrial	45,619,035	(45,619,035)	26,698,398	(26,698,398)
Mining and oil	1,004,208	(1,004,208)	1,183,342	(1,183,342)
Total	₱212,470,393	(₱212,470,393)	₱223,586,206	(₱223,586,206)
As a percentage of the Fund's net unrealized gain (loss) for the year	**(909.32%)**	**909.32%**	(289.37%)	289.37%

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.

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Actual change in underlying index	(1.72%)	(7.43%)
Actual changes in net assets and profit or loss	(₱15,654,453)	(₱2,698,315)

5. Fair Value Measurement

As at March 31, 2026 and December 31, 2025, 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 March 31, 2026 and December 31, 2025, 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 March 31, 2026 and December 31, 2025, the Fund's cash in banks amounted to ₱11.73 million and ₱2.11 million, respectively. This account represents the Fund's savings and checking accounts with local banks that bear annual interest rates of up to 0.0625% in 2026 and 2025.

Interest income on cash in banks amounted to ₱86 and ₱379 at March 31, 2026 and December 31, 2025, respectively.

7. Financial Assets at FVTPL

As at March 31, 2026 and December 31, 2025, financial assets at FVTPL amounting to ₱1,208.91 million and ₱1,307.80 million, respectively, pertain to investments in quoted equity securities. The related dividend amounted to ₱17.93 million and ₱46.43 million as at March 31, 2026 and December 31, 2025, 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:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Unrealized losses	(₱23,365,815)	(₱77,265,730)
Realized gain (loss)	8,203,629	(18,756,874)
	(₱15,162,186)	(₱96,022,604)

8. Accounts Payable and Accrued Expenses

This account consists of:

	Note	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Financial liabilities:			
Accrued expenses		₱753,015	₱1,002,665
Payable to related parties:	11		
ATR FAMI		427,552	382,220
ATRAM		232,269	711,975
Accounts payable		5,000	64,362
		1,417,836	2,161,222
Nonfinancial liabilities:			
Withholding taxes payable		49,053	69,250
		₱1,466,889	₱2,230,472

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 payment to other miscellaneous expenses. Accrued expenses include professional, custodianship, and retainer fees.

9. Equity

Capital Stock

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

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Shares	**Amount**	Shares	Amount
Authorized	30,000,000	₱3,000,000,000	30,000,000	₱3,000,000,000
Issued and outstanding				
Balance at the beginning of the period	13,081,260	₱1,308,126,000	13,201,260	₱1,320,126,000
Redemptions	(870,000)	(87,000,000)	(900,000)	(90,000,000)
Subscriptions	80,000	8,000,000	780,000	78,000,000
Balance at the end of the period	12,291,260	₱1,229,126,000	13,081,260	₱1,308,126,000

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

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.

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 March 31, 2026 and December 31, 2025, NAV per share is computed as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Net asset value attributable to holders of redeemable shares	₱1,223,100,087	₱1,308,271,431
Number of redeemable shares	12,291,260	13,081,260
NAV per share	₱99.5097	₱100.0111

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.

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 March 31, 2026 and December 31, 2025, 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 loss per share computations:

	March 31 (Unaudited)	
	2026	2025
Net investment loss	(₱635,623)	(₱59,237,150)
Weighted average number of shares outstanding	12,520,038	13,513,371
Basic/diluted earnings (loss) per share	(₱0.0508)	(₱4.3836)

As at March 31, 2026, there were no outstanding dilutive potential common shares.

11. 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.

Related party transactions and balances as at and for the year ended March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026 (Unaudited)		
Category	**Amount/ Volume**	**Outstanding Balance**	**Terms and Conditions/Nature**
Related parties*			
Management and retainer fees/Payable to ATR FAMI	₱1,233,975	₱427,552	Monthly fee based on average NAV
Rent/payable to ATR FAMI	28,373	–	Sharing office expenses
Directors' and officers' fees	84,000	–	Per diem given to directors and officers during board meetings
Advisory Fee/Payable to ATRAM	727,688	232,269	Monthly fee based on average NAV

**Pertain to ATR FAMI & ATRAM*

	December 31, 2025 (Audited)		
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*

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, the Sub-Fund Management Agreement entered into by the Fund and ATR FAMI, which appointed ATRAM to perform certain day-to-day investment, research, and statistical functions in accordance with the Fund's prospectus and investment guidelines, was terminated in February 2026, effective March 31, 2026. Accordingly, ATRAM ceased providing these services to the Fund.

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 period	Number of shares disposed during the period	Number of shares held at March 31	% interest held at March 31
As at March 31, 2026 (Unaudited)						
Directors and officers	7	0.00	–	–	7	0.00
As at December 31, 2025 (Audited)						
Directors and officers	396	0.00	6	395	7	0.00

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION (March 31, 2026 vs. December 31, 2025) AND RESULTS OF OPERATIONS (January 1 – March 31, 2026 vs. January 1 – March 31, 2025)

FINANCIAL POSITION

As at March 31, 2026, the Fund's total assets stood at ₱1.22 billion, lower by ₱0.09 billion or 6.56% from ₱1.31 billion as at December 31, 2025. Total liabilities ended at ₱1.47 million from ₱2.23 million, lower by ₱0.76 million or 34.24% as at reporting date. The changes in total assets and liabilities are primarily due to the movements in the following accounts:

1. ***Cash in banks***
   This represents the Fund's savings and checking accounts in local banks. This account ended at ₱11.73 million, increased by ₱9.62 million or 455.09% from ₱2.11 million as at December 31, 2025 mainly due to higher cash dividends received during the period.

2. ***Financial assets at FVTPL***
   This consists of quoted equity securities held for trading. This account ended at ₱1.21 billion, decreased by ₱0.10 billion or 7.56% from ₱1.31 billion was mainly due to sale of investments during the period.

3. ***Receivables***
   This account consists of dividend receivable. The increase of ₱3.34 million or 570.71% from ₱0.58 million to ₱3.92 million was due to higher uncollected dividend receivable as at reporting date.

4. ***Accounts payable and accrued expenses***
   This account consists of accounts payable, payable to ATR FAMI, accrued expenses and withholding tax payable. The decrease of ₱0.76 million or 34.24% from ₱2.23 million to ₱1.47 million was mainly due to lower accrued expenses incurred as at reporting date.

5. ***Equity***
   The Fund's equity is comprised of its capital stock, additional paid-in capital and retained earnings. The decrease of ₱0.09 billion or 6.51% from ₱1.31 billion to ₱1.22 billion was due to net redemptions and results of operations during the period.

Capital stock ended at ₱1.23 billion, decreased by ₱0.08 billion or 6.04% from ₱1.31 billion due to net redemptions during the period. As at March 31, 2026 and December 31, 2025, the total number of holders of redeemable common shares are 3,238 and 3,329, respectively.

Additional paid-in capital decreased by ₱2.11 million or 5.57% from ₱37.85 million to ₱35.74 million this year due to net redemptions during the period.

Deficit increased by ₱4.07 million or 10.78% from ₱37.70 million to ₱41.77 million deficit as at March 31, 2026 due to net redemptions and results of operations during the period.

RESULTS OF OPERATIONS

For the period ended March 31, 2026, the Fund incurred a net loss of ₱0.64 million, a decrease of ₱58.60 million or 98.93% from the same period last year's net loss of ₱59.24 million. Detailed discussions of the changes in the statement of comprehensive income accounts are as follows:

1. ***Net trading and securities gains (losses)***
   This account represents realized losses from the sale and unrealized losses from changes in the fair value of equity securities held for trading during the period. The increase of ₱56.77 million or 78.92% from ₱71.93 million loss to ₱15.16 million loss was mainly due to the result of changes in the fair value and trading of equity securities during the period.

2. ***Dividend income***
   This is recognized when the Fund's right to receive cash dividend is established. This account totaled ₱17.93 million, an increase of ₱1.38 million or 8.34% from same period last year's ₱16.55 million mainly due to higher cash dividends earned from shares held during the period.

3. ***Interest income***
   This account pertains to interest earned from cash in bank of the Fund. This account totaled ₱86 and nil for the period ended March 31, 2026 and 2025, respectively.

4. ***Management and retainer fees***
   This account decreased by ₱0.07 million from same period last year's ₱1.89 million to ₱1.82 million this year due to the lower management fees incurred relative to the decrease in the Fund's assets under management during the period.

5. ***Custodian and transfer fees***
   This account pertains to charges incurred relative to the purchase and sale of securities. This account totaled ₱0.44 million and ₱0.17 million for the period ended March 31, 2026 and 2025, respectively, resulting to ₱0.27 million or 159.81% increase due to the higher volume of equity securities held during the period.

6. ***Information technology expenses***
   This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day. This account totaled P0.32 million and P0.33 million for the period ended March 31, 2026 and 2025, respectively.

7. ***Regulatory and filing fees***
   This account totaled ₱0.15 million for the period ended March 31, 2026 and 2025, which consists of Funds' listing and filing fees paid to regulatory bodies.

8. ***Broker's commission***
   This pertains to fees paid to brokers for executing trade transactions. This account decreased by ₱0.02 million or 15.16% from same period last year's ₱0.17 million to ₱0.15 million this year due to lower volume of rebalancing trades during the period.

9. ***Professional fees***
   This account totaled ₱0.12 million and ₱0.08 million for the period ended March 31, 2026 and 2025, respectively, and this represents audit and legal fees incurred by the Fund. The increase of ₱0.04 million or 44.42% was due to higher legal fees incurred during the period.

10. ***Fund administration fee***
    This account totaled ₱0.10 million for the period ended March 31, 2026 and 2025, which pertains to payment of the fund admin fee during the period.

11. ***Directors' fees per diem***
    This account pertains to per diem paid to the Fund's officers and directors during board meetings and annual stockholders' meeting. This account increased by ₱0.02 million or 12.26% from ₱0.10 million for the same period last year to ₱0.08 million this year due to lower attendees at meetings held during the period.

12. ***Rent expense***
    This account pertains to the Fund's share in office rent with the Fund Manager effective June 2025. This totaled ₱0.03 million and nil for the period ended March 31, 2026 and 2025, respectively.

13. ***Taxes and licenses***
    This account decreased by ₱0.41 million or 96.22% from the same period last year's ₱0.43 million to ₱0.02 million mainly due to the exemption from documentary stamp tax on subscriptions effective July 1, 2025.

14. ***Miscellaneous expenses***
    This account includes membership fees and dues, bank charges and other miscellaneous expenses. The increase of ₱0.08 million or 215.26% from same period last year's ₱0.04 million to ₱0.12 million this year was mainly due to higher miscellaneous expenses paid during the period.

DISCUSSION OF KEY PERFORMANCE INDICATORS

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

- *Net Asset Value Per Share* - Net Asset Value per share decreased by ₱0.5014 from ₱100.0111 as at December 31, 2025 to ₱99.5097 as at March 31, 2026. The Fund's net asset value decreased by ₱0.09 billion or 6.51% from ₱1.31 billion as at December 31, 2025 to ₱1.22 billion as at March 31, 2026.

- *Sales for the period ended* - The Fund had total sales of ₱8.41 million for the period ended March 31, 2026. This is ₱31.82 million or 79.08% lower than ₱40.23 million total sales for the same period last year.

- *Redemptions for the period ended* - The Fund had total redemptions of ₱92.95 million and nil for the period ended March 31, 2026 and 2025, respectively.

- *Net Income vs*. *Benchmark* - The Fund incurred a net loss of ₱0.64 million for the period ended March 31,2026, lower by ₱58.60 million or 98.93% compared to same period last year's ₱59.24 million net loss.

- *Market Share vs. Benchmark* - As at March 31, 2026, the Fund garnered 2.50% share in the Equity Funds category in terms of net assets. On the basis of account holders, the Fund has 3,238 account holders or 0.30% of the total accounts in the Equity Funds category.

- *NAVPS vs. Benchmark* - The Fund NAVPS is tracked using the PSEi. The Fund's tracking error will not exceed 5%. The highest and lowest tracking error during the period are 0.0419% and 0.0401%, respectively.

COMMITMENTS, MATERIAL EVENTS AND UNCERTAINTIES

1. To date, the Fund has no plans of entering into any material commitments for capital expenditures in the future.
2. To the knowledge and information of the Fund, there are no events or uncertainties that will have a material impact on the Fund's liquidity.
3. There are no known events that will trigger direct or contingent financial obligation that is material to the Fund, including any default or acceleration of an obligation.
4. Also, there were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities or other persons created during the reporting period.
5. Likewise, there are no known trends, events or uncertainties that have had or that are reasonably expected to cause a material favorable or unfavorable impact on income from continuing operations.
6. Similarly, there were no significant elements of income or loss that did not arise from the Fund's continuing operations.
7. Lastly, there were no seasonal aspects that had any material effect on the financial condition or results of operations of the Fund.

FINANCIAL SOUNDNESS INDICATORS

	As at		
Performance Indicators	**March 31, 2026 (Unaudited)**	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Current ratio [1/]	83480.55%	104920.77%	58747.37%
Acid test ratio [2/]	83480.55%	104920.77%	58747.37%
Solvency ratio [3/]	0.12%	0.10%	0.17%
Debt-to-equity ratio [4/]	0.12%	0.10%	0.17%
Asset-to-equity ratio [5/]	100.12%	100.10%	100.17%
Profitability ratios:			
Return on assets [6/]	(0.20%)	(17.15%)	(4.67%)
Return on equity [7/]	(0.20%)	(17.17%)	(4.67%)

[1/] *Current Assets divided by Current Liabilities*
[2/] *Quick Assets (Cash and cash equivalents, financial assets at FVTPL securities and Current receivables) divided by Current Liabilities*
[3/] *Total Liabilities divided by Total Assets*
[4/] *Total Liabilities divided by Total Equity*
[5/] *Total Assets divided by Total Equity*
[6/] *Annualized Net Investment Income divided by Average Total Assets*
[7/] *Annualized Net Investment Income divided by Average Total Equity*

OTHER RELEVANT PERCENTAGES

	As at	
	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
Liquid/Semi liquid assets to total assets	100.00%	100.00%
Total operating expenses to total net worth	0.26%	0.95%

[1/] *Liquid/Semi Liquid Assets (Cash and cash equivalents and Financial assets at FVPL securities Current receivables) divided by Total Assets*
[2/] *Total Operating Expenses divided by Average Equity*

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
OTHER RATIOS REQUIRED FOR MUTUAL FUNDS
AS AT MARCH 31, 2026

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds or notes	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)
Financial assets at fair value through profit or loss				
Aboitiz Equity Ventures, Inc.	839,853	₱25,027,619	2.05%	0.02%
ACEN Corp.	3,343,438	9,863,142	0.81%	0.01%
AREIT, Inc.	460,455	18,187,973	1.49%	0.01%
Ayala Corporation	108,689	54,724,912	4.47%	0.02%
Ayala Land, Inc.	2,220,628	35,840,936	2.93%	0.02%
Bank of the Philippine Islands	891,269	89,037,773	7.28%	0.02%
BDO Unibank, Inc.	805,431	90,852,617	7.43%	0.02%
Century Pacific Food Inc.	413,433	14,470,155	1.18%	0.01%
China Banking Corporation	536,960	34,365,440	2.81%	0.02%
Converge ICT Solutions Inc	769,222	9,384,508	0.77%	0.01%
Digiplus Interactive Corporation	696,890	11,136,302	0.91%	0.02%
DMCI Holdings, Inc.	1,189,029	11,866,509	0.97%	0.01%
Emperador Inc	1,082,387	17,318,192	1.42%	0.01%
Globe Telecom, Inc.	10,922	17,748,250	1.45%	0.01%
GT Capital Holdings, Inc.	32,525	16,913,000	1.38%	0.02%
International Container Terminal Services, Inc.	354,707	244,038,416	19.95%	0.02%
JG Summit Holdings, Inc.	1,071,474	29,572,682	2.42%	0.01%
Jollibee Foods Corporation	178,460	31,712,342	2.59%	0.02%
LT Group, Inc.	965,738	14,157,719	1.16%	0.01%
Manila Electric Company	101,222	62,504,585	5.11%	0.01%
Metropolitan Bank & Trust Company	749,288	47,579,788	3.89%	0.02%
Monde Nissin Corp	2,478,047	16,528,574	1.35%	0.01%
PLDT, Inc.	26,695	34,570,025	2.83%	0.01%
Puregold Price Club Inc.	348,218	14,276,938	1.17%	0.01%
RL Commercial REIT Inc.	2,585,500	17,141,865	1.40%	0.01%
San Miguel Corporation	171,719	12,329,424	1.01%	0.01%
Semirara Mining and Power Corporation	351,871	10,081,105	0.82%	0.01%
SM Investments Corporation	197,131	122,221,220	9.99%	0.02%
SM Prime Holdings, Inc.	3,655,520	74,755,384	6.11%	0.01%
Universal Robina Corporation	317,077	20,705,128	1.69%	0.01%
	26,953,798	**₱1,208,912,523**	**98.84%**	**N/A**

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
FORM AND CONTENT OF SCHEDULES
AS AT MARCH 31, 2026

Schedule A - Financial Assets

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds or notes	Amount shown in the balance sheet (ii)	Value based on market quotation at end of reporting period (iii)	Income received and accrued
Financial assets at fair value through profit or loss				
Aboitiz Equity Ventures, Inc.	839,853	₱25,027,619	₱25,027,619	₱1,280,232
ACEN Corp.	3,343,438	9,863,142	9,863,142	–
AREIT, Inc.	460,455	18,187,973	18,187,973	286,288
Ayala Corporation	108,689	54,724,912	54,724,912	538,182
Ayala Land, Inc.	2,220,628	35,840,936	35,840,936	781,969
Bank of the Philippine Islands	891,269	89,037,773	89,037,773	–
BDO Unibank, Inc.	805,431	90,852,617	90,852,617	885,424
Century Pacific Food Inc.	413,433	14,470,155	14,470,155	251,360
China Banking Corporation	536,960	34,365,440	34,365,440	–
Converge ICT Solutions Inc	769,222	9,384,508	9,384,508	379,467
Digiplus Interactive Corporation	696,890	11,136,302	11,136,302	578,419
DMCI Holdings, Inc.	1,189,029	11,866,509	11,866,509	–
Emperador Inc	1,082,387	17,318,192	17,318,192	155,444
Globe Telecom, Inc.	10,922	17,748,250	17,748,250	280,925
GT Capital Holdings, Inc.	32,525	16,913,000	16,913,000	–
International Container Terminal Services, Inc.	354,707	244,038,416	244,038,416	6,349,191
JG Summit Holdings, Inc.	1,071,474	29,572,682	29,572,682	–
Jollibee Foods Corporation	178,460	31,712,342	31,712,342	–
LT Group, Inc.	965,738	14,157,719	14,157,719	292,361
Manila Electric Company	101,222	62,504,585	62,504,585	1,673,569
Metropolitan Bank & Trust Company	749,288	47,579,788	47,579,788	2,609,383
Monde Nissin Corp	2,478,047	16,528,574	16,528,574	–
PLDT, Inc.	26,695	34,570,025	34,570,025	1,231,650
Puregold Price Club Inc.	348,218	14,276,938	14,276,938	–
RL Commercial REIT Inc.	2,585,500	17,141,865	17,141,865	300,251
San Miguel Corporation	171,719	12,329,424	12,329,424	60,101
Semirara Mining and Power Corporation	351,871	10,081,105	10,081,105	–
SM Investments Corporation	197,131	122,221,220	122,221,220	–
SM Prime Holdings, Inc.	3,655,520	74,755,384	74,755,384	–
Universal Robina Corporation	317,077	20,705,128	20,705,128	–
	26,953,798	**₱1,208,912,523**	**₱1,208,912,523**	**₱17,934,216**

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

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.

Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders are subject to usual terms in the normal course of business.

Schedule C – Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

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.

Schedule D – Intangible Assets – Other Assets

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.

Schedule E - Long-Term Debt

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.

Schedule F - Indebtedness to Related Parties (Long-Term Loans from Related Parties)

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.

Schedule G - Guarantees of Securities of Other Issuers

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.

Schedule H - Capital Stock

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	12,291,260	–	–	7	The Fund issued 80,000 shares and 870,000 redeemed shares during the period.

(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.

Schedule I – Aging of Receivables as at March 31, 2026

Description	Total	Current	0-30 days	31-60 days	61-90 days	More than 90 Days
Individual	₱–	₱–	₱–	₱–	₱–	₱–
Corporate	3,923,206	3,923,206	3,923,206	–	–	–
Total Trade Receivables, gross	3,923,206	3,923,206	3,923,206	–	–	–
Less: Allowance for Doubtful Accounts	–	–	–	–	–	–
Total Trade Receivables, net	3,923,206	3,923,206	3,923,206	–	–	–
Other receivables	–	–	–	–	–	–
Total trade and other receivables	**₱3,923,206**	**₱3,923,206**	**₱3,923,206**	**₱–**	**₱–**	**₱–**

PART II – OTHER INFORMATION

- **Seasonality or Cyclicality of Interim Operations**
  The Fund's operations is driven mainly by prevailing market and economic conditions, as well as, by the demands and or needs of the investors and borrowers and is not influenced by seasonal or cyclical pulls.

- **No Unusual Items**
  There are no items affecting assets, liabilities, equity, net income or cash flows, which may be considered unusual by virtue of their nature, size or incidence.

- **Dividends**
  There were no dividends declared for the period ended March 31, 2026.

- **Material Events**
  There is no material disclosure that have not been reported under SEC Form 17-C during the period covered by this report.

- **Subsequent Events**
  There were no material subsequent events that took place after the period ended March 31, 2026.

- **Commitments and Contingent Accounts**
  There were no commitments and contingent accounts for the period ended March 31, 2026.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Issuer

EDUARDO R. CARREON
President

MARIA AVALEN A. DIANCO
Treasurer

SUBSCRIBED AND SWORN to before me this 12 MAY 2026, affiants exhibiting to me their respective IDs, as follows:

Name	Passport No. / Date and Place of Issue
Eduardo R. Carreon	
Maria Avalen A. Dianco	

Doc. No. 407
Page No. 83
Book No. II
Series of 2026

JOSELITO B. GONZALES
Notary Public – Makati City
Commission No. M-257
Until December 31, 2027
PTR No. 10781028 Makati-1.15.26
IBP No. 564912/12.11.25/Roll #32836
8189 Sgt. F. Yabut street,
Guadalupe Nuevo, Makati City
MCLE Compliance No. VIII - 0042491