

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended: **December 31, 2025**
2. SEC Identification Number: **CS201300728**
3. BIR Tax Identification No.: **008-447-745**
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 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: **(632)7777-4100**
9. Former name, former address, and formal fiscal year, if changed since last report:
18th Flr., PSBank Center, Paseo de Roxas corner Sedeño St., Makati City 1226
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding (Par Value ₱100.00)
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Common Stock	13,081,260 shares
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11. Are any or all of these securities listed on a Stock Exchange?

Yes No

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

12. Check whether the issuer:

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

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

Not Applicable

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Description of Business

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

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

The Fund aims to provide returns which would reflect the performance of the Philippine equities market by investing in a basket of securities which are included in the PSEi of the PSE (the “Underlying Index”). The portfolio of the Fund is to be rebalanced and reconstituted every six (6) months in order to adjust to the current composition of the PSEi. Price volatility of the constituent shares of stock can affect the market value of the assets of the Fund and cause the Fund’s Net Asset Value (“NAV”) to vary.

The Fund is the only mutual fund traded on the Philippine Stock Exchange (PSE) and the shares of the Fund is listed on the ETF Board of the PSE. The shares of the Fund may be bought and sold on the secondary market at the quoted market price in the PSE through the Trading Participants of the PSE which may require payment of brokerage commissions, stock transaction tax and/or other fees and charges (e.g. clearing house fees). However, shares of the Fund may be issued and redeemed only through Authorized Participants in creation units. Investors who are interested in creating or redeeming shares in creation units may contact any one of the Authorized Participants or request his or her existing registered broker/Trading Participant to place such an order with any of the Authorized Participants. Interested investors should be aware that the Authorized Participants and the Trading Participants are required to comply with Philippine general laws, rules and regulations including any “know-your- customer” requirements under existing regulations.

First Metro Investment Corporation (FMIC) is the Fund Sponsor. As Fund Sponsor, FMIC organized the Fund and has provided the initial capital of the Fund totaling ₱750.00 million.

Prior to August 2024, ATR Financial Advisory and Management Inc. (ATR FAMI) formerly First Metro Asset Management, Inc. (FAMI) is majority-owned by 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 product being sold by the Fund is its shares of stock, being a mutual fund company. As of December 31, 2025, the registrant’s total sales were ₱75.90 million.

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

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

- In 2021, the Fund ranked 2nd place on both 1-year and 5-year return categories and 1st place on 3-year return category.
- In 2022, the Fund ranked 1st place in 1-year, 3-year and 5-year return categories.
- In 2023 and 2024, the Fund ranked 1st place in 3-year, 5-year and 10-year return categories and 2nd place in 1-year return category.
- In 2025, the Fund ranked 1st place in 1-year, 3-year, 5-year and 10-year return categories.

Contribution to Sales/Revenues

The Fund generates its revenue from trading activities, disposal of investment securities and changes in the fair values of financial instruments at FVTPL, dividend income from equity securities and interest income from cash and cash equivalent.

The following are the details of the Fund’s revenue generating activities in terms of its total amount and percentage contribution for the last three years:

	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
INVESTMENT INCOME						
Dividend income	₱46,434,280	(93.64%)	₱53,539,518	50.10%	₱72,553,429	166.85%
Trading and securities gains (losses)	(96,022,604)	193.64%	53,316,154	49.90%	(29,192,833)	(67.14%)
Interest income	379	0.00%	955	0.00%	2,325	0.01%
Miscellaneous income	–	–	–	–	120,474	0.28%
TOTAL REVENUE	(₱49,587,945)	100.00%	₱106,856,627	100.00%	₱43,483,396	100.00%

Distribution Methods of Products and Services

ATR FAMI acts as the Fund Manager and Principal Distributor. ATR FAMI aims to initially market the Fund and list the same in the PSE. ATR FAMI will continue to perform all the functions of a Fund Manager with regard to the Fund as described under the SEC ETF Rules and in its Prospectus. As Principal Distributor, ATR FAMI will market and accept orders of the shares of the Fund in creation units from the Authorized Participants as described in the body of the Prospectus.

The Fund’s Authorized Participants are First Metro Securities Brokerage Corporation (“FMSBC”) and IGC Securities, Inc. (“IGC”). A creation fee, inclusive of documentary stamp tax and other charges, of approximately twenty-nine basis points (0.29%) of the total value of the Creation Order or a redemption fee, inclusive of other charges, of approximately thirty-nine basis points (0.39%) of the total value of the Redemption Order is charged by an Authorized Participant to each investor who places a Creation or Redemption Order. FMSBC is also the appointed Market Maker of the Fund. There are no fees charged by and payable to the Market Maker.

The Fund appointed Deutsche Bank AG Manila (“DB”) as Custodian. As Custodian, DB shall hold in safe custody the assets of the Fund in accordance with the terms and conditions contained in the Custodian Agreement. DB shall charge an annual safe custody fee as per the agreed Tariff Schedule between ATR FAMI and DB.

The Fund designated Interactive Data Corporation as Indicative Net Asset Value (“INAV”) Calculator. The INAV Calculator shall provide INAV calculations every one (1) minute during the Trading Day, which shall be disclosed on the websites of the Fund and the PSE as well as the PSE’s ETF Board.

The total fee payable by the Fund to ATR FAMI is a monthly fee equivalent to fifty basis points (0.50%) per annum of the average NAV of the Fund, computed on a daily basis. The NAV of the Fund is the aggregate value of the Fund's assets as determined by the market value of its underlying securities holdings, including any cash in the portfolio, interest receivables, dividend receivables, less liabilities such as taxes, accrued fees and expenses computed after the close of trading hours of the PSE.

Up to 30,000,000 shares of the Fund shall be continuously offered to the public through the Authorized Participants who directly transact with the Fund for Creation Orders. The shares of the Fund may also be bought and sold in the secondary market, in board lots, through the PSE, and investors who wish to trade the shares of the Fund may contact his or her Trading Participant. The Fund's investments shall be guided by investment guidelines and restrictions, which are set out in detail in the body of its Prospectus.

An application for listing the Fund (comprising of all issued and outstanding, and unissued shares of the Fund) was approved on October 9, 2013 by the Board of Directors of the PSE, subject to the fulfillment of certain listing conditions. All issued and outstanding shares of the Fund shall be listed on the ETF Board of PSE, while unissued shares of the Fund shall be subject to shelf listing in accordance with the PSE ETF Rules.

An application has been made to the SEC to register the shares under the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799) (the "SRC").

Competition

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

As of December 31, 2025, First Metro Philippine Equity Exchange Traded Fund, Inc. is the only Fund in exchange traded fund category.

Principal Suppliers and Major Clients

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

Dependence to a Single Customer or Few Customers

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

Transactions with and/or Dependence on Related Parties

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.

Pursuant to the Management and Distribution Agreement (the Agreement) dated November 14, 2024, as fund manager of the Fund, ATR FAMI is entitled to receive an annual management fee of 0.50% of the

average daily NAV of the Fund payable on a monthly basis. The average daily 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.

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

In February 2025, ATR FAMI and the Fund enter into Sub-Fund Management Agreement with ATR Asset Management Inc. (ATRAM) to appoint ATRAM as its Sub-Fund Manager to perform certain daily investment, research and statistical functions of the Fund in accordance with the Investment Guidelines outlined in the Fund's prospectus.

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

The following table shows related party transactions included in the financial statement:

December 31, 2025			
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Related Party*			
Management & Service fee/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***	2,545,099	711,975	Monthly fee based on average NAV

*Pertain to ATR FAMI & ATRAM.

**Effective June 2025

***Effective February 2025

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There are no provisions for amounts due from related parties. There have been no guaranties provided or received for any related party receivables and payables.

Details of investments in the Fund by related parties as of December 31, 2025 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
Directors and officers	396	0.00	6	395	7	0.00

Government Approval of Principal Products and Services

The Fund is principally engaged in the sale of its shares of stock and in the investment of the proceeds from these sales.

The initial authorized capital of the Fund amounting to ₱1.00 billion divided into 10.00 million common redeemable shares of ₱100.00 par value with each share carrying one vote was approved by the SEC on January 15, 2013. The BOD approved and the stockholders ratified on April 16, 2013, the increase in authorized capital stock of the Fund from ₱1.00 billion (10.00 million redeemable common shares) to ₱3.00 billion (30.00 million redeemable common shares) with a par value of ₱100.00 per share. The increase in authorized capital stock and the registration statement was approved by the SEC on August 29, 2013, and November 27, 2013, respectively.

In December 2013, FMIC, the Fund Sponsor paid ₱750.00 million representing the minimum 25.00%

subscribed and paid-up capital for the authorized capital stock of the Fund.

Effective or Existing or Probable Governmental Regulation

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

Research and Development Costs

The Fund has not undergone, and therefore has not incurred costs, into any research and development activities during the last five years.

Compliance with Environmental Laws

The Fund is not required to comply with any environmental laws.

Compliance with Foreign Account Tax Compliance Act (FATCA)

The Fund has complied with the registration in the US Internal Revenue Service pursuant to the requirements of FATCA.

Employees

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

Major Risks Involved

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

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

Market Risk. The Fund's investments in equity securities may decline in value due to factors affecting securities markets generally, or particular countries, segments, economic sectors, industries or companies within those markets. The value of a security may decline due to general economic and market conditions which are not specifically related to a particular issuer, such as real or perceived

adverse economic conditions or changes in interest or currency rates. Fluctuations in the value of securities in which the Fund invests will cause the NAV of the Fund to fluctuate. Historically, the markets have moved in cycles, and the value of the Fund's securities and other financial instruments may fluctuate drastically from day to day.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Relating to the Philippines. Substantially all of the Fund's Component Securities are shares of companies based in the Philippines, which exposes the Fund to the risks associated with the country,

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

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

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

Item 2. DESCRIPTION OF PROPERTIES

The Fund does not own any properties (such as real estate, plant and equipment, mines, patents, etc.).

Item 3. LEGAL PROCEEDINGS

There are no pending material legal proceedings to which First Metro Philippine Equity Exchange Traded Fund, Inc. is a party since its inception in 2013.

Item 4. SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS

There are no matters submitted during the calendar year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET PRICE OF AND DIVIDENDS ON ISSUER’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Fund shares were traded in the Philippine Stock Exchange (PSE). Below is the history of NAVPS of the Fund for the first quarter of 2026 and the years ended 2025, 2024 and 2023.

Year		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2026	High	109.4240	–	–	–
	Low	98.1480	–	–	–
2025	High	106.7842	107.3651	107.1960	100.6839
	Low	94.5047	94.9202	98.1254	92.0502
2024	High	110.7042	111.0751	119.8159	121.3183
	Low	101.9361	98.7188	101.9016	103.0992
2023	High	109.2333	104.5962	104.7476	103.0212
	Low	98.7674	100.2981	95.1826	94.0111

Holders

As of December 31, 2025 there are 3,329* account holders of the Fund’s outstanding common stock. In addition, FMETF is 86.50% owned by Filipinos and 13.50% by Non-Filipinos. Retail and Institutional investors owned 2.31% and 97.69%, respectively. Shown below are the top twenty (20) shareholders, including the number of shares and percentage of ownership held by each as of the same date.

No.	Name of Owner	No. of Shares Held	Percent to Outstanding Shares
1	COL Financial Group, Inc.	3,946,017	30.17%
2	First Metro Securities Brokerage Corp.	3,845,572	29.40%
3	AB Capital Securities, Inc.	1,069,022	8.17%
4	BDO Securities Corporation	1,057,616	8.08%
5	BPI Securities Corporation	1,021,822	7.81%
6	China Bank Securities Corporation	350,760	2.68%
7	RCBC Trust Corporation	288,310	2.20%
8	Philstocks Financial Inc	280,253	2.14%
9	Abacus Securities Corporation	60,591	0.46%
10	AAA Southeast Equities, Incorporated	60,290	0.46%
11	Tower Securities, Inc.	59,830	0.46%
12	R. Nubla Securities, Inc.	53,352	0.41%
13	Citibank N.A.	47,077	0.36%
14	PNB Securities, Inc.	43,844	0.34%
15	Eastern Securities Development Corporation	42,640	0.33%
16	Dragonfi Securities, Inc.	40,477	0.31%
17	Brodie, Michael Andrew	39,940	0.31%
18	Gesierich, Andreas Alexander	39,920	0.31%
19	Wang, Lin	39,655	0.30%
20	Regina Capital Development Corporation	38,913	0.30%

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

Dividends

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

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

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

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

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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

Statements of Financial Position

	As of December 31			Increase (Decrease)			
	2025	2024	2023	2025 vs. 2024		2024 vs. 2023	
				Amount	%	Amount	%
ASSETS							
Cash in banks	₱2,113,381	₱8,522,144	₱10,168,391	(₱6,408,763)	(75.20%)	(₱1,646,247)	(16.19%)
Financial assets at fair value through profit or loss	1,307,803,858	1,381,962,862	2,129,183,895	(74,159,004)	(5.37%)	(747,221,033)	(35.09%)
Receivables	584,934	612,664	2,070,195	(27,730)	(4.53%)	(1,457,531)	(70.41%)
	₱1,310,502,173	₱1,391,097,670	₱2,141,422,481	(₱80,595,497)	(5.79%)	(₱750,324,811)	(35.04%)
LIABILITIES AND EQUITY							
Liabilities							
Accounts payable and accrued expense	₱2,230,742	₱1,724,223	₱1,655,852	₱506,519	29.38%	₱68,371	4.13%
Equity							
Capital stock	1,308,126,000	1,320,126,000	2,099,126,000	(12,000,000)	(0.91%)	(779,000,000)	(37.11%)
Additional paid-in capital	37,848,876	40,310,996	63,494,703	(2,462,120)	(6.11%)	(23,183,707)	(36.51%)
Retained earnings (deficit)	(37,703,445)	28,936,451	(22,854,074)	(66,639,896)	(230.30%)	51,790,525	226.61%
	1,308,271,431	1,389,373,447	2,139,766,629	(81,102,016)	(5.84%)	(750,393,182)	(35.07%)
	₱1,310,502,173	₱1,391,097,670	₱2,141,422,481	(₱80,595,497)	(5.79%)	(₱750,324,811)	(35.04%)

Statements of Comprehensive Income

	Years Ended December 31			Increase (Decrease)			
	2025	2024	2023	2025 vs 2024		2024 vs 2023	
				Amount	%	Amount	%
INVESTMENT INCOME (LOSS)							
Trading and securities gains (losses)	(₱96,022,604)	₱53,316,154	(₱29,192,833)	(₱149,338,758)	(280.10%)	₱82,508,987	282.63%
Dividend income	46,434,280	53,539,518	72,553,429	(7,105,238)	(13.27%)	(19,013,911)	(26.21%)
Interest income	379	955	2,325	(576)	(60.31%)	(1,370)	(58.92%)
Miscellaneous income	–	–	120,474	–	–	(120,474)	(100.00%)
	(49,587,945)	106,856,627	43,483,395	(156,444,572)	(146.41%)	63,373,232	145.74%
EXPENSES							
Management fees	7,559,357	10,440,296	12,034,075	(2,880,939)	(27.59%)	(1,593,779)	(13.24%)
Custodian and transfer agency fees	1,095,738	889,608	719,115	206,130	23.17%	170,493	23.71%
Information technology expenses	1,014,612	989,842	1,025,535	24,770	2.50%	(35,693)	(3.48%)
Regulatory and filing fees	611,813	631,796	611,813	(19,983)	(3.16%)	19,983	3.27%
Taxes and licenses	533,145	398,211	775,737	134,934	33.89%	(377,526)	(48.67%)
Brokers' commissions	521,233	206,842	1,657,911	314,391	152.00%	(1,451,069)	(87.52%)
Professional fees	435,512	135,520	109,588	299,992	221.36%	25,932	23.66%
Fund Administration Fee	407,773	627,028	1,020,893	(219,255)	(34.97%)	(393,865)	(38.58%)
Directors' and officers' fees	272,500	328,500	299,500	(56,000)	(17.05%)	29,000	9.68%
Rent	64,068	–	–	64,068	100.00%	–	–
Miscellaneous	298,113	136,702	449,664	161,411	118.08%	(312,962)	(69.60%)
	12,813,864	14,784,345	18,703,831	(1,970,481)	(13.33%)	(3,919,486)	(20.96%)
NET INVESTMENT INCOME (LOSS) BEFORE FINAL TAX	(62,401,809)	92,072,282	24,779,564	(154,474,091)	(167.77%)	67,292,718	271.57%
PROVISION FOR FINAL TAX	621,708	171,518	645,664	450,190	262.47%	(474,146)	(73.44%)
NET INVESTMENT INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	(₱63,023,517)	₱91,900,764	₱24,133,900	(₱154,924,281)	(168.58%)	₱67,766,864	280.80%

2025

Financial Position (December 31, 2025 vs. December 31, 2024)

The total resources of the Fund decreased by ₱0.08 billion or 5.79% from ₱1.39 billion at the beginning of the year to ₱1.31 billion as of December 31, 2025. Liability increased by ₱0.51 million or 29.38% from last year's ₱1.72 million to ₱2.23 million as of December 31, 2025.

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

a) Cash in banks

Cash in banks went down by ₱6.41 million or 75.20% from ₱8.52 million as of December 31, 2024 to ₱2.11 million as of December 31, 2025 mainly due to net redemptions during the year. This account represents the Fund's savings and checking accounts in local banks and earns interest up to 0.0625% in 2025 and 2024.

b) Financial assets at fair value through profit or loss

Financial assets at FVTPL consist of quoted equity securities held for investments amounting to ₱1.31 billion and ₱1.38 billion as of December 31, 2025 and 2024, respectively. This account went down by ₱0.07 billion or 5.37% due to sale of equity securities relative to net redemptions made during the year.

c) Receivables

Receivables consist of dividends and other receivables. This account went down by ₱0.03 million from last year's balance of ₱0.61 million to ₱0.58 million mainly due to the lower dividend declaration made by investee companies as of December 31, 2025.

d) Accounts payable and accrued expenses

This account is comprised of payable to ATRAM and ATR FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. The increase of ₱0.51 million or 29.38% from ₱1.72 million at the beginning of the year to ₱2.23 million as of December 31, 2025 pertains to higher accrued expenses as of reporting date.

e) Equity

Total stockholders' equity decreased by ₱0.08 billion or 5.84% from last year's ₱1.39 billion to ₱1.31 billion this year mainly due to the net redemptions and results of operations during the year.

Capital Stock

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

	2025		2024	
	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	13,201,260	1,320,126,000	20,991,260	2,099,126,000
Subscriptions	780,000	78,000,000	320,000	32,000,000
Redemptions	(900,000)	(90,000,000)	(8,110,000)	(811,000,000)
Balance at the end of the period	13,801,260	₱1,308,126,000	13,201,260	₱1,320,126,000

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

Additional paid-in capital amounted to ₱37.85 million and ₱40.31 million in 2025 and 2024, respectively. The decrease of ₱2.46 million or 6.11% was due to the net redemptions during the year.

Retained earnings (deficit) decreased by ₱66.64 million or 230.30% from last year's ₱28.94 million earnings to ₱37.70 million deficit this year due to results of operations for the year.

Results of Operations (January 1– December 31, 2025 vs. January 1– December 31, 2024)

For the year ended December 31, 2025, the Fund incurred a net loss of ₱63.02 million, a decrease of ₱154.92 million or 168.58% compared to ₱91.90 million net income in 2024.

The highlights of the results of operations for the year ended December 31, 2025 are as follows:

a) Trading and securities gains (losses)

This account totaled ₱96.02 million loss this year, which consists of realized gains (losses) from the sale and unrealized gain (loss) on marking-to-market of equity securities. The decrease of ₱149.34 million or 280.10% from ₱53.32 million gain in 2024 was mainly due to the change in fair market value of equity securities during the year.

b) Dividend income

This is recognized when the Fund's right to receive a cash dividend is established. This account decreased by ₱7.11 million or 13.27% from last year's ₱53.54 million to ₱46.43 million due to lower cash dividends received from equity securities during the year.

c) Interest income

The decrease of ₱576 or 60.31% from ₱955 in 2024 to ₱379 this year was primarily due to lower interest earned relative to the decrease in cash balances during the year.

- d) Management fees**
Management fees amounting to ₱7.56 million and ₱10.44 million in 2025 and 2024, respectively, consist of fees accrued and paid to the Fund Manager. The decrease of ₱2.88 million or 27.59% pertains to lower asset under management level in 2025.
- e) Custodian and transfer agency fees**
This account increased by ₱0.21 million or 23.17% from ₱0.89 million to ₱1.10 million this year mainly due to higher transfer agency fees incurred and paid during the year.
- f) Information technology expenses**
Information technology increased by ₱0.02 million from ₱0.99 million to ₱1.01 million this year. This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day.
- g) Regulatory and filing fees**
This account totaled ₱0.61 million and ₱0.63 million for the year 2025 and 2024, respectively. The decrease of ₱0.02 million was due to lower listing fees paid by the Fund during the year.
- h) Taxes and licenses**
This account rose by ₱0.13 million or 33.89% compared with last year's balance of ₱0.40 million to ₱0.53 million primarily due to higher documentary stamp tax paid during the year.
- i) Brokers' commission**
Brokers' commission amounting to ₱0.52 million was incurred in 2025 relative to purchase and sale transactions of equity securities. This account is ₱0.31 million or 152.00% higher compared to last year's amount of ₱0.21 million due to the higher volume of rebalancing trades during the year.
- j) Professional fees**
This account pertains to audit fees and other professional fees. The increase of ₱0.30 million or 221.36% from last year's ₱0.14 million to ₱0.44 million this year was due to higher audit and legal fees paid during the year.
- k) Fund administration fee**
This account totaled ₱0.41 million in 2025 and pertains to the payment of the fund administration fee during the year. The decrease of ₱0.22 million or 34.97% from ₱0.63 million last year was due to lower fees paid relative to the decrease of the Fund's net asset value.
- l) Directors' and officers' fees**
This account pertains to the allowances and per diem of directors and officers during the meetings convened. The decrease of ₱0.06 million or 17.05% from last year's ₱0.33 million to ₱0.27 million this year was due to lower attendees on meetings during the year.
- m) Rent expense**
This account pertains to the Fund's share in office rent with the Fund Manager effective June 2025, which totaled ₱0.06 million during the year.
- n) Miscellaneous expense**
Miscellaneous expense consists of various operational expenses incurred by the Fund. This account increased by ₱0.16 million or 118.08% from last year's ₱0.14 million to ₱0.30 million this year due to higher miscellaneous expenses during the year.

2024

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

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

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

a) Cash in banks

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

b) Financial assets at fair value through profit or loss

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

c) Receivables

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

d) Accounts payable and accrued expenses

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

e) Equity

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

Capital Stock

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

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

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

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

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

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

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

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

a) Dividend income

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

b) Trading and securities gains (losses)

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

c) Interest income

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

d) Miscellaneous income

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

e) Management fees

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

f) Information technology expenses

Information technology decreased by ₱0.04 million from ₱1.03 million to ₱0.99 million this year. This account pertains to prime portal services being used by the Fund and includes the license fee for the web hosting of the Fund's website and the calculation of its Indicative NAV during the trading day.

g) Custodian and transfer agency fees

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

h) Regulatory and filing fees

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

i) Fund administration fee

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

j) Taxes and licenses

This account went down by ₱0.38 million or 48.67% compared with last year's balance of ₱0.78 million

to ₱0.40 million primarily due to lower documentary stamp tax paid during the year.

k) Directors' and officers' fees

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

l) Brokers' commission

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

m) Professional fees

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

n) Miscellaneous expense

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

2023

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

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

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

a) Cash in banks

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

b) Financial assets at fair value through profit or loss

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

c) Receivables

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

d) Other assets

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

e) Accounts payable and accrued expenses

This account is comprised of payable to ATR FAMI, custodian fee payable, accounts payable, accrued expenses and withholding taxes payable. The decrease of ₱0.51 million or 23.64% from

₱2.17 million at the beginning of the year to ₱1.66 million as of December 31, 2023 pertains to lower accrued expenses as of reporting date.

f) Equity

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

Capital Stock

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

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

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

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

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

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

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

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

a) Trading and securities gains (losses)

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

b) Dividend income

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

c) Interest income

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

d) Management fees

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

e) *Brokers' commission*

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

f) *Information technology expenses*

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

g) *Fund administration fee*

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

h) *Taxes and licenses*

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

i) *Custodian and transfer agency fees*

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

j) *Regulatory and filing fees*

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

k) *Directors' and officers' fees*

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

l) *Professional fees*

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

m) *Miscellaneous expense*

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

Plan of Action

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

Subsequent Events

On February 5, 2026, ATR FAMI issued a formal notice to terminate its Sub-Fund Management Agreement with ATRAM, with effectivity on March 31, 2026.

Other Matters

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

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

DISCUSSION OF KEY PERFORMANCE INDICATORS

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

- *Net Asset Value Per Share* - Net Asset Value per share was lower from ₱105.2455 as of December 31, 2024 to ₱100.0111 as of December 31, 2025. The Fund's net asset value decreased by ₱0.08 billion or 5.84% from ₱1.39 billion to ₱1.31 billion this year.
- *Sales for the year 2025* - The Fund had a total subscription of ₱75.90 million for the year 2025. This year's subscription is higher by ₱42.51 million or 127.33% compared to the ₱33.39 million sales in 2024.
- *Redemptions for the year 2025* – The Fund had a total redemption of ₱93.98 million in 2025, lower by ₱781.70 million or 89.27% compared to ₱875.68 million redemptions in 2024.
- *Net Income vs. Benchmark* – The Fund ended the year 2025 with a net loss of ₱63.02 million, lower by 168.58% or ₱154.92 million compared to 2024 net income of ₱91.90 million.
- *Market Share vs. Benchmark* – As of December 31, 2025 the Fund garnered 2.51% share in the Equity Funds category while 0.64% share among all mutual funds in terms of net assets. On the basis of account holders, the Fund has 3,329 account holders or 0.31% 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 five percent (5%). The tracking error during 2025 is 0.04%.

The following basic ratios measure the financial performance of the Company for the years ended 2025, 2024 and 2023:

PERFORMANCE INDICATORS	2025	2024	2023
Return on average asset ^{1/}	(4.67%)	5.20%	1.11%
Return on average equity ^{2/}	(4.67%)	5.21%	1.11%
Cost-to-income ratio ^{3/}	(25.84%)	13.84%	43.01%
Net asset value per share ^{4/}	₱100.0111	₱105.2455	₱101.9361
Earnings (Loss) per share ^{5/}	(₱4.7578)	₱5.5146	₱1.1433

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

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

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

taxes.

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

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

Item 7. FINANCIAL STATEMENTS

Statement of Management's Responsibility for Financial Statements

Please refer to Exhibit 1.

Audited Financial Statements

Please refer to Exhibit 2.

Item 8. CHANGES IN THE DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

The present auditor of the Fund is Reyes Tacandong & Co. (RT&Co). Previously, the Fund was audited by Sycip, Gorres, Velayo and Company (SGV & Co.). The reports of said auditors on the financial statements of the company for the year ended December 31, 2025 and 2024 contained unqualified opinions.

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS

Incorporators

- Mr. Hector R. Villanueva
- Mr. Augusto M. Cosio, Jr.
- Amb. Romualdo A. Ong
- Dr. Bernardo M. Villegas
- Mr. Nilo L. Pacheco Jr.

Directors

Name	Term Served	Age	Business Experience
Manuel N. Tordesillas	1 year	73	Banking/Finance
Eduardo R. Carreon	12 years	77	Banking/Finance
Regina Paz Goco-Morales	1 year	61	Banking/Finance
Emmanuel G. Herbosa	1 year	72	Banking/Finance
Bernardo M. Villegas	1 year	87	Economist
Victor A. Abola	1 year	82	Economics/Finance/Education
Manuel Jose M. Tordesillas II	4 months	42	Economics/Finance

The next set of directors will be elected during its Annual Stockholders' Meeting. Each director holds office until the corresponding Board of Directors' Meeting in the succeeding year, or until a successor is elected, appointed or shall have been qualified.

Executive Officers

Name	Position	Age	Citizenship	Business Experience
Manuel N. Tordesillas	Chairman	73	Filipino	Banking/Finance
Eduardo R. Carreon	President	77	Filipino	Banking/Finance
Maria Avalen A. Dianco	Treasurer	47	Filipino	Banking/Finance
Ma. Alicia Picazo-San Juan	Corporate Secretary	55	Filipino	Banking/Finance/Law
Sydney S. Reyes	Compliance Officer / Chief Information Officer	33	Filipino	Banking/Finance

Mr. Manuel N. Tordesillas, 73, Filipino, term of office is one year.

Mr. Tordesillas currently serves as the Chairman of ATR Financial Advisory and Management Inc. since December 2024 and First Metro Philippine Equity Exchange Traded Fund, Inc. since February 2025. He was also elected to serve as Director for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc. First Metro Save & Learn Philippine Index Fund (SALPHIN), Inc. and First Metro Asia Focus Equity Fund, Inc. since February 2025.

Mr. Tordesillas is the current President and a Director of ATR Holdings, Inc. (since 1995). He is the Vice-Chairman and a Director of ATR Kim Eng AMG Holdings, Inc. (since 1995). He is the Chairman and a Director of MET Holdings, Inc. (since 1999). He is the Vice Chairman and a Director of ATR Asset Management, Inc. (since 2004) and ATRAM Investment Management Partners Corp. (since 2013) and currently Chairman and Director of ATRAM Trust Corporation (since 2012). He is a Director of Assist America of the Philippines, Inc. (since 2006). He is the President of MGNT Consultants Corp. (since 2011). He is a Board Trustee and Director of East Bay Condominium Corp. (since 2016). He is

a member of the Investment Committee of De la Salle University (since 2018). He is a Director of Urbasolar Philippines Corporation (since 2018).

His past positions include having served as Chairman and President of AsianLife and General Assurance Corporation (from 2017 to 2019) and Senior Advisor and Director of Etiqa Life and General Assurance Philippines, Inc. (from 2019 to 2021). He served as Chairman of Maybank ATR Kim Eng Capital Partners, Inc. (from 2016 to 2018). He was the President and CEO of ATR Kim Eng Group of Companies (from 1998 to 2011). He was the President of the Investment House Association of the Philippines (from 2012 to 2018).

Mr. Tordesillas received his Bachelor of Science degree in Industrial Engineering from De La Salle University in 1975 and his MBA from Harvard Business School in 1982.

Mr. Eduardo R. Carreon, 77, Filipino, term of office is one year.

Mr. Carreon has been serving as a member of the Board of Director and elected as Chairman of the Board of First Metro Philippine Equity Exchange Traded Fund, Inc. since June 2013 to Jan 2025, First Metro Save and Learn Money Market Fund, Inc. since June 2018 to Jan 2025 and First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. since June 2022 to Jan 2025. He was elected as President for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save & Learn Philippine Index Fund (SALPHIN), Inc., First Metro Asia Focus Equity Fund, Inc., and First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.

He is also the President of Jempan Development Corporation since 2009. He served in various positions with Maybank Philippines since 1999. He was Consultant (2008-2009), and prior, Senior Vice President of the Enterprise Financial Services (2003-2008). He was also Country Manager for Dow Jones Philippines (1995-1998); General Manager, Philippine Finance and Investment Company, Hong Kong (1979-1981); Assistant Vice President, PCIBank – 1974-1979; and Pro Manager, Citibank from 1970-1973.

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

Ms. Regina Paz Goco-Morales, 61, Filipino, term of office is one year.

Ms. Morales was elected as President of First Metro Save and Learn Balanced Fund, Inc., First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save and Learn Money Market Fund, Inc. and First Metro Philippine Equity Exchange Traded Fund, Inc. since October 2025. Prior thereto, she served as Director of the following companies from February to October 2025, namely: First Metro Save and Learn Balanced Fund, Inc., First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc. and First Metro Save and Learn Money Market Fund, Inc. She currently serves as Director of First Metro Philippine Equity Exchange Traded Fund, Inc. from February 2025 to present.

Ms. Morales currently holds the role of Independent Director of Union Bank Financial Services Inc. where she chairs the Audit Committee.

Ms. Morales also serves as an advisor to ATR FAMI, a leading asset management company in the Philippines. She is also the CEO and part owner of Degustation Corporation that oversees the management and development of a number of restaurant concepts nationwide. She is also “Fellow” of the Philippine Institute of Corporate Directors.

Prior to this, Ms. Morales has over thirty (30) years of extensive experience in the financial services sector, including a position as EVP of Philam Asset Management, Inc. (PAMI), Ms. Morales was in-

charge of investment sales, marketing, training and product management of PAMI. Prior to PAMI, she was with Citibank Philippines for over 13 years and ending her stint as the Group Head for Financial Institutions Group covering all bank and non-bank relationships. Her over 20-year banking career included senior roles in relationship management and credit risk management. She also has a background in corporate finance and treasury, successfully closing deals in loan syndication and structured trade finance, debt capital markets and derivatives hence generating significant revenues for the bank.

Ms. Morales graduated BSC Accounting from Assumption College and is a CPA. She also completed her Master's in Business Administration from the Asian Institute of Management in Makati City, Philippines.

Mr. Emmanuel G. Herbosa, 72, Filipino, term of office is one year.

Mr. Herbosa is currently serving as Independent Director of ATR Financial Advisory and Management Inc. since December 2024, and First Metro Philippine Equity Exchange Traded Fund, Inc. since February 2025.

He was the President and CEO of Development Bank of the Philippines (March 2019-Jan 2023) and Philippine Export-Import Credit Agency (Jan 2018-Feb 2019). He was the Executive Vice President of Bank of Commerce (Jan 2014 – Dec 2017). He held various positions in Bank of the Philippine Islands from Account Manager - Corporate Banking to Senior Vice President (Aug 1979 – April 2013). He was also a Department Manager - Production in Procter and Gamble (July 1975 - June 1977).

Mr. Herbosa received his Bachelor of Science degree in Industrial Management Engineering from De La Salle University in 1975 and his MBA from Wharton, University of Pennsylvania in 1979.

Dr. Bernardo M. Villegas, Ph.D., 87, Filipino, term of office is one year.

Dr. Villegas has been serving as a member of the Board of Director of First Metro Save and Learn Dollar Bond Fund, Inc. (June 2023-Jan 2025), First Metro Save and Learn Money Market Fund, Inc. (June 2021 – Jan 2025), and First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. (June 2022 – Jan 2025). He was elected as Independent Director of First Metro Philippine Equity Exchange Traded Fund, Inc. effective February 11, 2025.

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

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

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

Dr. Victor A. Abola, 82, Filipino, term of office is one year.

Dr. Abola serves as director and president of First Metro Save and Learn Balanced Fund, Inc., First Metro Save and Learn Equity Fund, Inc., First Metro Save & Learn Fixed-Income Fund, Inc. since August 2012 to Jan 2025 and First Metro Save and Learn Dollar Bond Fund, Inc. since June 2022 to Jan 2025. He was also elected to serve as Independent Director for First Metro Philippine Equity Exchange Traded Fund, Inc. and First Metro Save and Learn Money Market Fund, Inc., since February 2025.

Dr. Abola is the current Program Director of the Strategic Business Economics Program (SBEP) of the University of Asia and the Pacific (UA&P). He is the Executive Director of the UA&P-FMIC Capital Market Research Center and the Corporate Secretary of Research, Education and Institutional Development Foundation, Inc. (REID).

He gives lectures on Macroeconomic Policy at the graduate school level of the School of Economics. He was a lecturer in Macroeconomics and Introduction to Money, Banking and Finance in the Management Associates Program of the Development Bank of the Philippines (2006-2010). He was the Chief of Party of the Fiscal Policy Analysis Activity of the Department of Finance, a project funded by the USAID in order to enhance policy analysis and revenue forecasting capabilities of DOF's Domestic Finance Group. This work involved completing one of Asia's first Microsimulation Models for major taxes. He finished his doctorate degree in Development Management from the University of Asia and the Pacific, where he also received his M.S. in Industrial Economics. After obtaining his Bachelor of Arts and Bachelor of Science in Commerce (major in Accounting) from the De La Salle University, he obtained his CPA certificate. Prior to this, he spent 15 years in Hong Kong as a Consultant to PCI Capital Asia, Ltd. and later became the Executive Director of the Philippine Research Center (HK), Limited. He has authored numerous articles that have appeared in local and foreign newspapers and periodicals, and UA&P's research publications. He co-authored with Dr. Bernardo M. Villegas the textbooks, Economics An Introduction (now in its 6th edition) and Basic Economics (2nd ed. 2010). He is the author of the text/reference book Money, Banking and Finance (2006).

Mr. Manuel Jose M. Tordesillas II, 42, Filipino, term of office is one year.

Mr. Tordesillas is currently Senior Vice President and Director of ATR Financial Advisory and Management, Inc. since December 2024. He also serves as Director of First Metro Philippine Equity Exchange Traded Fund, Inc. since October 2025. He previously worked for Etiqa Life and General Assurance Philippines as Head of E-Channel (2021-2025). Prior to this, he was the CEO and part owner of Inspired Fitness Ventures, Inc. (2015-2021), which oversaw the management and development of Ride Revolution, a chain of indoor cycling studios. His prior experience in the field of finance includes stints at ATR Asset Management and ATR KimEng Capital Partners.

Mr. Tordesillas received his Bachelor of Arts degree in Economics from the University of Southern California in 2006 and his MBA from Georgetown University in 2014.

Ms. Maria Avalen A. Dianco, 47, Filipino, term of office is one year.

Ms. Dianco is Vice President and Treasurer of ATR Financial Advisory and Management Inc. since December 2024. She also serves as the Treasurer of First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save & Learn Fixed Income Fund, Inc., First Metro Save and Learn Dollar Bond Fund, Inc., First Metro Save & Learn Money Market Fund, Inc., First Metro Philippine Equity Exchange Traded Fund, Inc., First Metro Save and Learn F.O.C.C.U.S Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save & Learn Philippine Index Fund, Inc. and First Metro Asia Focus Equity Fund, Inc., since February 2025.

She is a Certified Public Accountant and graduated cum laude with a degree of Bachelor of Science in Accountancy from Pamantasan ng Lungsod ng Maynila. She has also passed Level I of the CFA Program.

Atty. Ma. Alicia Picazo-San Juan, 55, Filipino, term of office is one year.

Ms. Picazo-San Juan is a practicing lawyer and Partner of Picazo Buyco Tan Fider Santos & Dee Law Offices and Corporate Secretary of more than 45 Philippine companies, including, SSI Group, Inc., Max's Group, Inc., The Real American Doughnut Co., Inc., Teriyaki Boy Group, Inc., Max's Kitchen, Inc., IBM Philippines, Inc., IBM Business Services, Inc., IBM Solutions Delivery, Inc., IBM Global Financing Philippines, Inc., AXA Asian Markets Services Philippines, Inc., ADA Digital Philippines, Inc., ATR Asset Management, Inc., ATR Financial Advisory and Management Inc., ATR Financial Holdings, Inc., ATRAM Investment Management Partners Corp., Seedbox Technologies, Inc., Seedbox Securities, Inc., Solutions Exchange, Inc., and Cartera Interchange, Inc., and several mutual fund companies.

She graduated magna cum laude with the degree of Bachelor of Science in Management, Major in Legal Management, from the Ateneo de Manila University in 1992, and graduated cum laude with the degree of Bachelor of Laws from the University of the Philippines in 1996. She has over 28 years of experience in corporate, banking and securities law practice.

Ms. Sydney S. Reyes, 33, Filipino, term of office is one year.

Ms. Reyes currently serves as Risk and Compliance Officer of ATR Financial Advisory and Management Inc., since March 2025. She also holds the same position for First Metro Save and Learn Equity Fund, Inc., First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc., First Metro Consumer Fund, Inc., First Metro Save & Learn Philippine Index Fund, Inc., First Metro Asia Focus Equity Fund, Inc., First Metro Save and Learn Balanced Fund, Inc., First Metro Save & Learn Fixed-Income Fund, Inc., First Metro Save & Learn Money Market Fund, Inc., and First Metro Save and Learn Dollar Bond Fund, Inc., since February 2025.

She also serves as Compliance Officer and Corporate Information Officer of First Metro Philippine Equity Exchange Traded Fund, Inc. since February 2025.

She holds a Bachelor of Arts in Political Science from University of Makati and is a graduating Juris Doctor candidate at Arellano University School of Law, Class of 2026.

The principal officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders.

Significant Employees

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

Family Relationships

Mr. Manuel N. Tordesillas is the father of Mr. Manuel Jose M. Tordesillas II.

Involvement in Certain Legal Proceedings

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

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

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

Item 10. EXECUTIVE COMPENSATION

Compensation of Directors and Officers

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

	2025	2024	2023
Directors	₱240,500	₱294,000	₱260,000
Executive Officers	32,000	34,500	39,500
Aggregate Annual Per Diem	₱272,500	₱328,500	₱299,500

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

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

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

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

The following stockholders own more than 5% of the common voting securities as of December 31, 2025:

Title of Class	Name and Address of Owner	Name of Beneficial Owner	Citizenship	No. of Shares Held	Percent to Outstanding Shares
Common	<i>COL Financial Group, Inc.</i> 2403-B East Tower, PSE Center, Exchange Road Ortigas Center, Exchange Rd, Ortigas Center, Pasig, 1605 Kalakhang Maynila	Various Clients	Filipino	3,946,017	30.17%
Common	<i>First Metro Securities Brokerage Corporation</i> 8 th Floor PSBank Centre, 777 Paseo de Roxas Ave. cor. Sedeño St., Salcedo Village, Makati City, Philippines 1226	Various Clients	Filipino	3,845,572	29.40%
Common	<i>AB Capital Securities, Inc.</i> Units 1210-1212, 1911-1912 12th and 19th Floors PSE Tower, 5th Avenue corner 28th Street Bonifacio Global City Taguig City, Philippines 1634	Various Clients	Filipino	1,069,022	8.17%
Common	<i>BDO Securities Corporation</i> BDO Corporate Center, BDO South Tower, 20th, 1226 Makati Ave, Makati, Metro Manila	Various Clients	Filipino	1,057,616	8.08%
Common	<i>BPI Securities Corporation</i> 23rd Floor, Ayala Triangle Gardens Tower 2, Paseo De Roxas, cor Makati Ave, Makati, 1226	Various Clients	Filipino	1,021,822	7.81%

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

Security Ownership of Management

Following are the securities owned by directors and officers of the Company as of December 31, 2025:

Title of Class	Name of Beneficial Owners	Amount and Nature of Ownership	Citizenship	Percent to Outstanding Shares
Common Shares	Manuel N. Tordesillas	1	Filipino	0.00000%
Common Shares	Eduardo R. Carreon	1	Filipino	0.00000%
Common Shares	Regina Paz Goco-Morales	1	Filipino	0.00000%
Common Shares	Emmanuel G. Herbosa	1	Filipino	0.00000%
Common Shares	Bernardo M. Villegas	1	Filipino	0.00000%
Common Shares	Victor A. Abola	1	Filipino	0.00000%
Common Shares	Manuel Jose M. Tordesillas II	1	Filipino	0.00000%

Voting Trust Holders of 5% or More

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

Changes in Control

The Fund is an open-end investment company engaged in the business of investing, reinvesting and trading in and issuing and redeeming its shares of stock in creation unit in exchange for basket of equity securities representing an index. The fund has an initial paid-up capitalization of ₱750.00 million that is paid by FMIC. The fund's shares were listed with the Philippine Stock Exchange (PSE) on December 2, 2013. As of December 31, 2025, the majority of the shares are held by COL Financial Group, Inc.

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

PART IV – CORPORATE GOVERNANCE

The Board approved the Fund's Corporate Governance Manual on June 19, 2013 to monitor and assess the level of the Fund's compliance with leading practices on good corporate governance as specified in Philippine SEC Circulars. Aside from establishing specialized committees to aid in complying with the principles of good corporate governance, the Manual also outlines specific investor's rights and protections and enumerates particular duties expected from the Fund's Board members, officers and employees. It also features a Disclosure System which highlights adherence to the principles of transparency, accountability and fairness. A Compliance Officer is tasked with the formulation of specific measures to determine the level of compliance with the Manual by the Fund's Board members, officers and employees. In general, the Company is in compliance with the leading practices in good corporate governance. This was reported in a Certification by the Compliance Officer filed with the Commission on January 28, 2026. No director or officer of the Company was found in violation of the Manual.

External Auditors

The present auditor of the Fund is Reyes Tacandong & Co. (RT&Co.). Previously, the Fund was audited by Sycip, Gorres, Velayo and Company (SGV & Co.). The reports of said auditors on the financial statements of the company for the years ended December 31, 2025 and 2024 contained unqualified opinions.

In compliance with the Revised SRC Rule 68, par. I (3)(B)(IX), the signing partner of the auditing firm is rotated every after five (5) years of engagement. A two-year cooling-off period shall be observed in the re- engagement of the same signing partner or individual auditor. Haydee M. Reyes signed the independent auditors' report for 2025 and Redgienald G. Radam for the year 2024, 2023, 2022 and 2021.

The aggregate fees paid for the professional services rendered by RT&Co. for the audit of our Financial Statements is ₱123,200 in 2025, while the services rendered by SGV & Co. were ₱129,360 and ₱123,200 for the year 2024 and 2023, respectively. These cover the following:

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

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

RT&Co. and SGV & Co. conducted the audit in accordance with auditing standards generally accepted in the Philippines to obtain reasonable assurance about whether the financial statements are free of material misstatements. Their audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.

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

PART V - EXHIBITS AND SCHEDULES

Exhibits

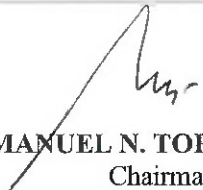
Exhibit No.	Description of Exhibit
1	Statement of management responsibility
2	Audited financial statements
3	Index to Financial Statements and supplementary schedules (A to H)
4	Financial soundness indicators and other ratios

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of _____ on _____.

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

By:


MANUEL N. TORDESILLAS
Chairman


EDUARDO R. CARREON
President


MARIA AVALEN A. DIANCO
Treasurer *gs*


MA. ALICIA PICAZO-SAN JUAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 14 2026 affiants exhibiting to me their respective IDs, as follows:

<u>Name</u>	<u>ID No. / Date and Place of Issue</u>
Manuel N. Tordesillas	TIN 135-345-470
Eduardo R. Carreon	TIN 160-247-790
Maria Avalen A. Dianco	TIN 210-299-856
Ma. Alicia Picazo-San Juan	TIN 199-247-454

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Series of 2026


ATTY. ADONAI JAN R. ASLARONA
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

32 **Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat Avenue Corner, Tindalo Street, Makati City 1286**



March 19, 2026

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

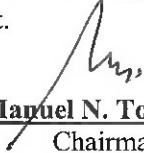
The management of First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as of December 31, 2025 and 2024 and for each of the three years in the period ended December 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 *for*

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

Doc. No. 521
Page No. 106
Book No. 4
Series of 2026


ATTY. ADONAI JAN R. ASLAN ~~Notary~~ Public
Notary Public
Until December 31, 2026
IBF 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

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	3	0	0	7	2	8
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COMPANY NAME

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)	

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

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											

Form Type

A	A	F	S
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Department Requiring the Report

C	R	M	D
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Secondary License Type,
If Applicable

Investment Company

COMPANY INFORMATION

Company's Email Address

None

Company's Telephone Number

+6327777-4100

Mobile Number

N/A

No. of Stockholders

3,329

Annual Meeting (Month / Day)

2nd Wednesday of May

Fiscal Year (Month / Day)

December/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Maria Avalen A. Dianco

Email Address

avie.dianco@atrfami.com.ph

Telephone Number/s

+6327777-4100

Mobile Number

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.



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.



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)	₱5.5146	₱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.

FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.

(An Open-End Mutual Fund Company)

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.

Estimates

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						Total
	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	
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						Total
	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	
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 an 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:

Category	December 31, 2025		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balance	
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			
Category	December 31, 2024 (subsequent to disposal of FMIC)		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balance	
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	P-	P1,858,116	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 (2) working trading days following the settlement convention: non-interest bearing.
Receivable from brokers	28,249,548	-	
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	P-	P1,179,283	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



**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.



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

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

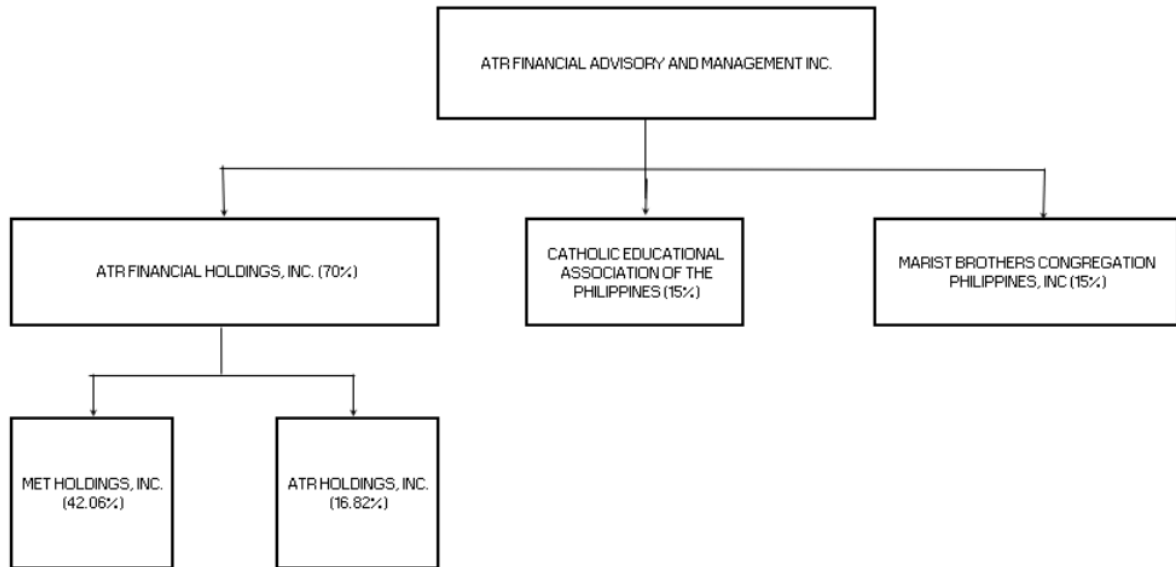
Schedules Required under Securities Regulation Code Rule 68

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

<i>Retained Earnings, beginning</i>	₱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)
<i>Deficit, end of the reporting period</i>	(₱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
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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
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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
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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
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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⁾
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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⁾
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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	<i>Total current assets</i>	₱1,310,502,173	587.4737	806.7968
	<i>÷ Total current liabilities</i>	2,230,742		
	<i>= current ratio</i>	587.4737		
Acid test ratio	<i>Total quick assets*</i>	₱1,310,502,173	587.4737	806.7968
	<i>÷ Total current liabilities</i>	2,230,742		
	<i>= current ratio</i>	587.4737		
Debt-to-equity ratio	<i>Total liabilities</i>	₱2,230,742	0.0017	0.0012
	<i>÷ Total equity</i>	1,308,271,431		
	<i>= Debt-to-equity ratio</i>	0.0017		
Asset-to-equity ratio	<i>Total assets</i>	₱1,310,502,173	1.0017	1.0012
	<i>÷ Total equity</i>	1,308,271,431		
	<i>= Asset-to-equity ratio</i>	1.0017		
Return on average stockholder's equity	<i>Net loss</i>	(₱63,023,517)	(0.0467)	0.0521
	<i>÷ Average stockholder's equity</i>	1,348,822,439		
	<i>= Return on average stockholder's equity</i>	(0.0467)		
Return on assets	<i>Net loss</i>	(₱63,023,517)	(0.0467)	0.0520
	<i>÷ Average total assets</i>	1,350,799,922		
	<i>= Return on average total assets</i>	(0.0467)		

**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

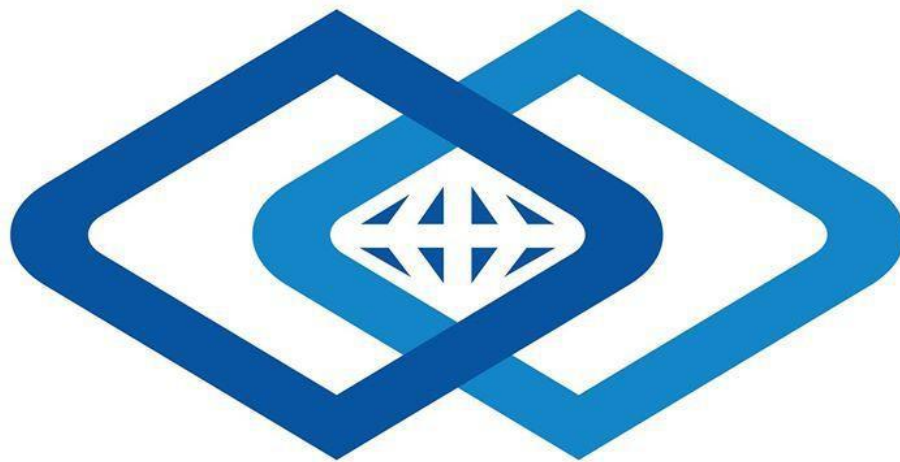
FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND, INC.
Supplementary Schedule of External Auditor Fee-Related Information
As at December 31, 2025 and 2024

	2025	2024
Total Audit Fees (Section 2.1a)¹	P100,000	P105,000
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	P100,000	P105,000

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.



FIRST METRO PHILIPPINE EQUITY
EXCHANGE-TRADED FUND

SUSTAINABILITY REPORT 2025

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	First Metro Philippine Equity Exchange Traded Fund, Inc.
Location of Headquarters	4 th Floor Tower One & Exchange Plaza, Ayala Triangle Gardens, Ayala Ave., Makati City, Philippines 1226
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	N/A
Business Model, including Primary Activities, Brands, Products, and Services	The First Metro Philippine Equity Exchange Traded Fund, Inc. (the Fund) was registered with the Securities and Exchange Commission (“SEC”) on January 15, 2013 as an open-end investment company under Republic Act No. 2629, otherwise known as the Investment Company Act and as an “Exchange Traded Fund” (“ETF”) under SEC Memorandum Circular No. 10, Series of 2012 otherwise known as the SEC Rules and Regulations on Exchange Traded Funds (the “SEC ETF Rules”). The Fund is engaged primarily in the business of investing, reinvesting, and trading in, and issuing and redeeming its shares of stock in creation units in exchange for a basket of securities representing an index.
Reporting Period	January 2025 – December 2025
Highest Ranking Person responsible for this report	President

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
FMETF is registered as an Open-end Investment Company. ATR Financial Advisory and Management Inc. (ATR FAMI) is FMETF’s fund manager and generally oversees and runs its operations. The content of this report is based on applicability given its nature.

¹ See [GRI 102-46](#) (2016) for more guidance.

ECONOMIC

Economic Performance

The Fund generates its revenue from trading activities, disposal of investment securities and changes in the fair values of financial instruments at FVTPL, dividend income from equity securities and interest income from cash and cash equivalent. FMETF incurred loss of Php49,587,945 in 2025. The Company relies on the service of third parties such as its Fund Manager to run its operations. Most of these operations will charge fee based on the FMETF' net assets. The total operating cost, by law, cannot exceed ten percent (10%) of the average investment fund or its net worth as indicated in its previous year's audited financial statements. The Fund may declare or pay dividends to come from the Fund's accumulated undistributed net income, determined in accordance with PFRS and including profits or losses realized upon the sale of securities or from the Fund's earned surplus so determined for the current or preceding fiscal year.

Procurement Practices

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

Anti-corruption

FMETF directors and management are committed to the highest standards of integrity and ethical business conduct. FMETF and its Fund Manager conduct fair business transactions and guarantee their personal interest does not affect the exercise of their duties. Directors and officers shall not use their position to profit or acquire benefits or advantages for themselves or related interests. No significant corruption risks were identified for the year 2025. FMETF, its Fund Manager, Agents and Distributors conduct business in a manner designed to maintain a culture of honesty and opposition to fraud and corruption.

Economic Performance

Disclosure	Amount	Units
Direct economic value generated (loss)	(49,587,945)	PhP
Direct economic value distributed:	0	PhP
a. Operating costs	12,008,219	PhP
b. Employee wages and benefits	272,500	PhP
c. Payments to suppliers, other operating costs	0	PhP
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	1,154,853	PhP
f. Investments to community (e.g. donations, CSR)	0	PhP

Direct Economic Value Generated : (PHP49,587,945)

Direct Economic Value Distributed : PHP 0

Climate-related risks and opportunities²

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Not applicable	%

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	Not applicable	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	Not applicable	%
Percentage of directors and management that have received anti-corruption training	100%	%
Percentage of employees that have received anti-corruption training	Not applicable	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	Not applicable	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	Not applicable	#

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

ENVIRONMENT

Resource Management

Nothing to report. The company is registered as an Open-end Investment Company.

Environmental Impact Management

Nothing to report. The company is registered as an Open-end Investment Company.

Solid and Hazardous Wastes

Nothing to report. The company is registered as an Open-end Investment Company.

Environmental compliance

The Company is not required to comply with any environmental laws.

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	Not applicable	GJ
Energy consumption (gasoline)	Not applicable	GJ
Energy consumption (LPG)	Not applicable	GJ
Energy consumption (diesel)	Not applicable	GJ
Energy consumption (electricity)	Not applicable	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	Not applicable	GJ
Energy reduction (LPG)	Not applicable	GJ
Energy reduction (diesel)	Not applicable	GJ
Energy reduction (electricity)	Not applicable	kWh
Energy reduction (gasoline)	Not applicable	GJ

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	Not applicable	Cubic meters
Water consumption	Not applicable	Cubic meters
Water recycled and reused	Not applicable	Cubic meters

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
· renewable	Not applicable	kg/liters
· non-renewable	Not applicable	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not applicable	%

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	ha
IUCN ³ Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

³ International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Not applicable	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	Not applicable	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	Not applicable	Tonnes

Air pollutants

Disclosure	Quantity	Units
NO _x	Not applicable	kg
SO _x	Not applicable	kg
Persistent organic pollutants (POPs)	Not applicable	kg
Volatile organic compounds (VOCs)	Not applicable	kg
Hazardous air pollutants (HAPs)	Not applicable	kg
Particulate matter (PM)	Not applicable	kg

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Not applicable	kg
Reusable	Not applicable	kg
Recyclable	Not applicable	kg
Composted	Not applicable	kg
Incinerated	Not applicable	kg
Residuals/Landfilled	Not applicable	kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not applicable	kg
Total weight of hazardous waste transported	Not applicable	kg

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not applicable	Cubic meters
Percent of wastewater recycled	Not applicable	%

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Not applicable	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	Not applicable	#
No. of cases resolved through dispute resolution mechanism	Not applicable	#

SOCIAL

Employee Management

FMETF has no employees since management of its operation is outsourced to a Fund Manager. Directors and key officers are chosen in accordance with the requirements of the SRC and ETF Rules. The Directors and Executive Officers are given per diems for each meeting. There is no employment contract between the Company and executive officers. There is no compensatory plan or arrangement, including payments to be received from the Company with respect to the executive officers, in the event of resignation, retirement or any other termination of such officer's employment with the Company. All employees of the Fund Manager are provided with adequate training on Anti-money Laundering, Act, Information Security, Data Privacy Act, as well as the policies and procedures established by the Company to ensure awareness and compliance.

Supply Chain Management

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

Relationship with Community

Being a capital market participant, FMETF makes investing simple, accessible, and affordable. It offers professional management, diversification, liquidity, affordability, as well as strict compliance government regulation and full disclosure.

Customer Management

FMETF ensures shareholders' access to accurate and adequate information about our company and its transactions. Through timely and accurate disclosures of material information, we aim to mitigate the negative effects of inadequate engagement in public relations. FMETF is committed to respecting the stockholders' right to information based on prescribed rules and regulations. Our company also aims to provide stockholders with accurate and timely information during the annual stockholders' meeting and quarterly briefings, and to achieve non-violation of disclosure rules. No incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications was incurred as of 2025. No complaints from customers that went through the organization's formal communication channels and no complaints were lodged to and acted upon by government agencies.

ATR Financial Advisory and Management Inc., the fund manager of FMETF seeks to ensure that personal data of all investors are handled with utmost care and confidentiality, regardless of how it is created, viewed, processed, stored, used or destroyed and whether it is through electronic, print, written or any other possible form and medium. The organization ensures that the collection, storage, distribution, retention, and disposal of personal data shall be done in an appropriate manner for any investment transaction, and internal purposes. There were no complaints concerning breaches of customer privacy and losses of customer data for 2025.

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁴		
a. Number of female employees	Not applicable	#
b. Number of male employees	Not applicable	#
Attrition rate ⁵	Not applicable	rate
Ratio of lowest paid employee against minimum wage	Not applicable	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS		Not applicable	
PhilHealth		Not applicable	
Pag-ibig		Not applicable	
Parental leaves		Not applicable	
Vacation leaves		Not applicable	
Sick leaves		Not applicable	
Medical benefits (aside from PhilHealth))		Not applicable	
Housing assistance (aside from Pag-ibig)		Not applicable	
Retirement fund (aside from SSS)		Not applicable	
Further education support		Not applicable	
Company stock options		Not applicable	
Telecommuting		Not applicable	
Flexible-working Hours		Not applicable	
(Others)		Not applicable	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	Not applicable	
a. Female employees	Not applicable	hours
b. Male employees	Not applicable	hours
Average training hours provided to employees	Not applicable	
a. Female employees	Not applicable	hours/employee
b. Male employees	Not applicable	hours/employee

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	Not applicable	%
Number of consultations conducted with employees concerning employee-related policies	Not applicable	#

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁵ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	Not applicable	%
% of male workers in the workforce	Not applicable	%
Number of employees from indigenous communities and/or vulnerable sector*	Not applicable	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	Not applicable	Man-hours
No. of work-related injuries	Not applicable	#
No. of work-related fatalities	Not applicable	#
No. of work related ill-health	Not applicable	#
No. of safety drills	Not applicable	#

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	Not applicable	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor		Not applicable
Child labor		Not applicable
Human Rights		Not applicable

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Not applicable	
Forced labor	Not applicable	
Child labor	Not applicable	
Human rights	Not applicable	
Bribery and corruption	Not applicable	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
	***	Not	applicable	***	

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	Not applicable	#
CP secured	Not applicable	#

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		Not applicable

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	Not applicable	#
No. of complaints addressed	Not applicable	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	Not applicable	#

No. of complaints addressed	Not applicable	#
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**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	Not applicable	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	#

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
FMETF shares	Helping investors to build wealth, providing financial stability, and meeting other financial goals.	The possibility to lose money by investing in the Fund.	FMETF 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. Investors would be assured that through the Fund Manager and the Custodian, the Fund would strictly follow the investment policies and guidelines set forth in the Prospectus.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*