

# Unit Investment Trust Funds

## METRO ASPIRE EQUITY FEEDER FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended August 31, 2023

### FUND FACTS

<b>Classification:</b>	Equity - Feeder	<b>Net Asset Value per Unit (NAVPU):</b>	0.913258
<b>Launch Date:</b>	August 27, 2015	<b>Total Fund NAV (in Php Mns):</b>	399.98
<b>Trust Fee (per annum):</b>	None	<b>Dealing Day:</b>	12NN, any banking day
<b>Minimum Investment:</b>	Php1,000	<b>Redemption Settlement:</b>	2 Banking Days after date of redemption
<b>Additional Investment:</b>	Php500	<b>Early Redemption Charge:</b>	None
<b>Minimum Holding Period:</b>	None		

### COOLING-OFF PERIOD

Pursuant to BSP Circular No. 857, the TRUSTOR (individual participants) shall have the right to cancel their initial subscriptions or contributions, without penalty, upon written notice to the Trustee within two (2) banking days immediately following the signing of agreement or contract evidencing their participation in the Fund. Further, the net amount of payment or delivery due the TRUSTOR shall be based on the transaction day's NAVpu when notice of redemption, termination or cancellation was received.

### FEES COLLECTED FOR THE MONTH<sup>1</sup>

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
<b>0.000%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>0.000%</b>
<i>Metrobank-Trust Banking Group</i>	<i>Standard Chartered Bank</i>	<i>SGV &amp; Co.</i>	<i>Others</i>

<sup>1</sup> As a percentage of average daily NAV for the month valued at (in Php Mns): **403.84**

### INVESTMENT OBJECTIVE AND STRATEGY

The Investor Fund is a Peso-denominated equity Unit Investment Trust Fund structured as a feeder fund and aims to achieve for its participants, market returns primarily by investing in Metro Philippine Equity Index Tracker Fund (formerly Metro PSEi Tracker Fund). The Fund's benchmark is the Philippine Stock Exchange Index .

### CLIENT SUITABILITY

A client profiling process is performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are encouraged to update the resulting profile every three (3) years or if there's any change in his/her personal/financial circumstances. Before deciding to invest, clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, or seek an independent/professional opinion when necessary.

### The METRO ASPIRE EQUITY FEEDER FUND is suitable only for investors who:

- Have an Aggressive profile.
- Want market returns primarily by investing in Metro Philippine Equity Index Tracker Fund.
- Recommended investment horizon is at least five (5) years
- Participation in the Investor Fund shall be open to Filipino individuals, resident and non-resident aliens and corporate accounts.

### KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

<b>Market/Price Risk:</b>	The possibility for an investor to experience losses due to changes in the market prices of stocks/equities. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the stocks/equities.
<b>Liquidity Risk:</b>	The possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a price that could result in a loss. This may be caused by low trading volume due to different reasons such as securities with small or few outstanding issues, absence of buyers and/or sellers (limited buy/sell activity) or underdeveloped capital market.
<b>Credit Risk / Default Risk:</b>	The possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of fixed income security which the borrower issued. This inability of the borrower or counterparty to make good on its financial obligations may have resulted from adverse changes in its financial condition thus, lowering credit quality of the security, and consequently lowering the price (market/price risk) which contributes to the difficulty in selling such security.
<b>Reinvestment Risk:</b>	The possibility of having lower returns or earnings when funds mature and are reinvested. Investors in the UITF who redeem and realize their gains run the risk of reinvesting their funds in an alternative investment outlet with lower yields. Similarly, the UIT fund manager is faced with the risk of not being able to find better yielding alternative investment outlets as some of the securities in the fund matures.
<b>Index Tracking Risk:</b>	The possibility for the Fund not being able to achieve a level of return that closely mirrors the index being tracked due to operational and fund management expenses.
<b>Other Risks:</b>	Your participation in the UITFs may be further exposed to the risk of any actual or potential conflicts of interest in the handling of in-house or related party transactions by Metrobank. These transactions may include own-bank deposits; purchase of own-institution or affiliate obligations (stocks, mortgages); purchase of assets from or sales to own institution, directors, officers, subsidiaries, affiliates or other related interests/parties; or purchases or sales between fiduciary/managed accounts.

The Fund invests only in high-credit quality assets which are evaluated using a rigorous internal scoring model required under the Trustee's accreditation process and BSP regulations. Internal risk limits and position limits together with regulatory exposure limits are monitored, reviewed and strictly adhered to on a daily basis. The Fund may also use financial derivatives solely for hedging risk exposures.

THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).

RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY.

WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.

THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.



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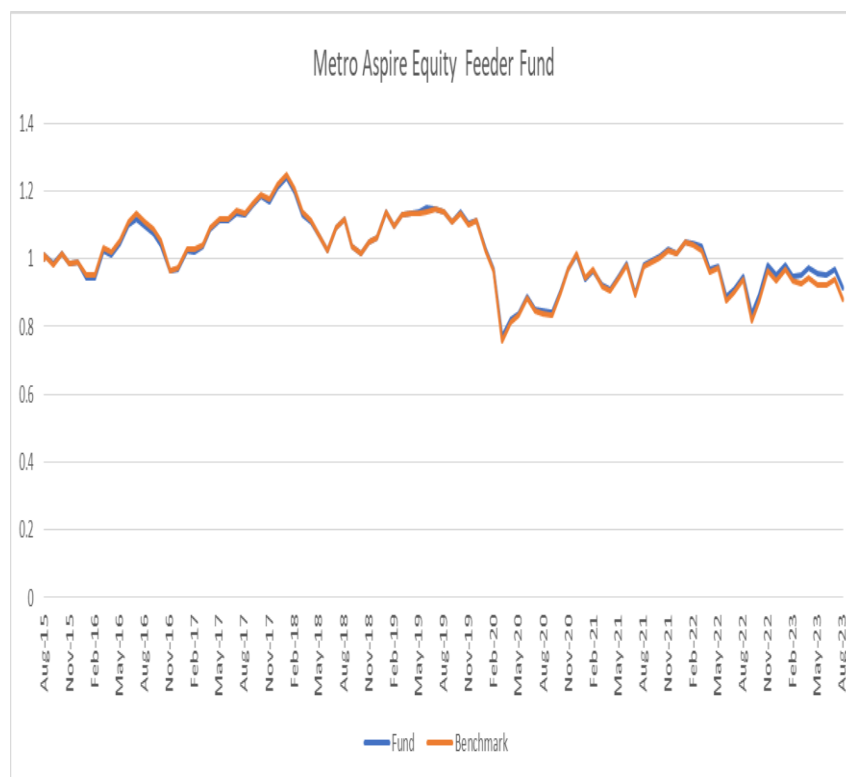


# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of August 31, 2023

(Purely for reference purposes and is not a guarantee of future results)

### NAVPu GRAPH



### NAVPu OVER THE PAST 12 MONTHS

Highest	1.022884
Lowest	0.838247

### STATISTICS

Weighted Average Duration (in years)	N/A
Volatility, Past 1 Year (in %) <sup>2</sup>	18.56%
Sharpe Ratio <sup>3</sup>	-0.43
Information Ratio <sup>4</sup>	0.57
Tracking Error <sup>5</sup>	0.16%

<sup>2</sup> Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time. The lower the number, the more stable the Fund's return is relative to its average return over time. Starting December 2017, computation is based on the annualized standard deviation of monthly returns.

<sup>3</sup> Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>4</sup> Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>5</sup> Tracking Error measures the deviation between the Fund's return and benchmark return since the Fund's inception. The lower the number, the more aligned the Fund's return is with the benchmark.

### CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>Fund</b>	-5.832%	-4.343%	-3.747%	-3.789%	7.889%	-18.282%	-8.674%
<b>Benchmark</b>	-6.315%	-4.664%	-5.811%	-6.203%	4.947%	-21.392%	-12.060%

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Metro Philippine Equity Index Tracker Fund	94.65%
Time Deposits	5.49%
Cash	-0.11%
Other Receivables - Net of Liabilities <sup>6</sup>	-0.03%

<sup>6</sup> Includes accrued income from investments, receivables from brokers/counterparties and unpaid expenses.

### Sector Holdings of the Target Fund

Holdings	33.81%
Financials	22.03%
Industrials	15.82%
Properties	14.66%
Services	12.73%
Mining And Oil	0.94%

### TOP 10 HOLDINGS OF THE TARGET FUND

Name	Maturity	% of Fund
1. SM		14.00%
2. BDO		9.25%
3. SMPH		8.94%
4. BPI		7.95%
5. ICT		6.15%
6. ALI		5.58%
7. AC		5.58%
8. AEV		3.56%
9. JFC		3.42%
10. MBT		3.41%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in Php Mns)
MBTC	Time Deposit Placement	21.95

Investments in the said outlets were approved by the Trust Committee.

Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

### TARGET FUND FACTS

**Name of Target Fund:** Metro Philippine Equity Index Tracker Fund

**Fund Currency:** Philippine Peso

**Fund Manager:** Metropolitan Bank & Trust Company

**Inception Date:** October 10, 2014

### INVESTMENT OBJECTIVE

Aims to track the performance of the Philippine Stock Exchange Index (PSEi) by investing in the same issues comprising the PSEi and in approximately the same weights

**Domicile:** Philippines

**Regulator:** Bangko Sentral ng Pilipinas

**Benchmark:** Philippine Stock Exchange Index



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# Unit Investment Trust Funds

## INVESTMENT POLICY

The Fund may be invested and reinvested in the following instruments:

- Units/shares in a collective investment schemes subject to the conditions enumerated under BSP Circular 767
- Deposits
- BSP deposit facilities
- Other investments allowed under BSP regulations

## OUTLOOK AND STRATEGY

August, traditionally known as the "ghost month," had a lot in store for the PSEI which faced a significant downturn alongside all of its sectoral indices, declining by -6.3% compared to the previous month, settling at 6,175. Several key factors contributed to this market decline. Notably, the second-quarter GDP growth for 2023 disappointed, registering only 4.3% year-on-year, well below market expectations of 6.0%. This was primarily due to a 7.1% year-on-year contraction in government spending, which offset gains in consumer spending, agriculture, industry, and services.

Furthermore, July's headline inflation slowed to 4.7%, surpassing the street consensus of 5%. This deceleration was driven by base effects resulting from lower energy prices. Despite this economic landscape, the BSP decided to maintain its policy rates at 6.25% during its meeting. Interestingly, BSP Governor Remolona hinted at a cautiously hawkish stance, suggesting that rates could remain elevated if inflation trends upward, aligning with the direction of the Federal Reserve.

The month featured important market flows, including the PSEI rebalancing at the beginning of the month, which led to increased weights for ACEN, BPI, and UBP without any additions or deletions. However, at month-end, MSCI rebalancing-related flows exerted downward pressure on the index, resulting in net foreign selling of USD 131 million. Both rebalancing activities boosted market liquidity, with daily turnover averaging about Php5.5 billion. On Corporates, the talk of the town was the Sy-led property giant, SMPH (-12.6% MoM) which coincidentally is among the biggest drags for the month amid its ongoing reclamation project controversy wherein the DENR suspended all reclamation projects in Manila Bay, directly impacting SMPH's major projects in Pasay and Paranaque. These projects represent nearly 40% of its Net Asset Value (NAV), hence the weakness in price.

Given the prevailing uncertainties in the equities markets, a cautious approach is advised. The banking sector stands to benefit amid elevated interest rates, while the consumer sector may face increased volatility due to rising commodity prices. Surprisingly, the Property sector showed signs of positivity, particularly in the residential segment, alongside a robust mall segment. Overall, market sentiment remains subdued, with bonds offering more attractive returns.

## IMPORTANT NOTICE

Metropolitan Bank and Trust Company is regulated by the Bangko Sentral ng Pilipinas (BSP). For any inquiries and complaints relating to Trust Products and Services you may (1) call our hotline: 8-8700-700 (Mondays-Fridays from 9:00am to 6:00pm); (2) send an email to [customercare@metrobank.com.ph](mailto:customercare@metrobank.com.ph); or (3) visit our website at <https://www.metrobank.com.ph/invest/uitf> to know more. You may also file complaints at BSP Financial Consumer Protection Department at (632) 8708-7087 or [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph). To know your rights under BSP Circular No. 857 (Regulations on Financial Consumer Protection), please access a copy at the BSP website ([www.bsp.gov.ph](http://www.bsp.gov.ph)).



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