

# Unit Investment Trust Funds

## METRO\$ WORLD EQUITY FEEDER FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended October 31, 2023

### FUND FACTS

<b>Classification:</b>	Feeder	<b>Net Asset Value per Unit (NAVPU):</b>	1.261751
<b>Launch Date:</b>	September 21, 2016	<b>Total Fund NAV (in USD Mns):</b>	19.47
<b>Trust Fee (per annum):</b>	1.0% based on NAV	<b>Dealing Day:</b>	12NN, any banking day
<b>Minimum Investment:</b>	USD 500	<b>Redemption Settlement:</b>	4 Banking Days after date of redemption
<b>Additional Investment:</b>	USD 100	<b>Early Redemption Charge:</b>	50% of income on redeemed amount
<b>Minimum Holding Period:</b>	7 calendar days from date of participation		

### 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>0.086%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>0.000%</b>
<i>Metrobank-Trust Banking Group</i>	<i>None</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 USD Mns): **19.98**

### INVESTMENT OBJECTIVE AND STRATEGY

The Investor Fund is a USD-denominated equity Unit Investment Trust Fund structured as a feeder fund and aims to achieve for its participants, long-term capital appreciation primarily by investing in a collective investment scheme focused on investing in equity securities of companies worldwide. The Fund's benchmark is the Morgan Stanley Capital International All Country World Daily Index (MSCI AC World Daily).

### 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\$ WORLD EQUITY FEEDER FUND is suitable only for investors who:

- Have an Aggressive profile.
- Want capital appreciation over the long-term by primarily investing in Artisan Global Opportunities Fund.
- Recommended investment horizon is at least five (5) years
- Participation in the Fund shall be open to Filipino individuals, resident and non-resident aliens and domestic corporate accounts. However, persons from US are not allowed to open a M\$WEFF account. For guidelines on the US Person qualifications, please refer to the Foreign Account Tax Compliance Act (FATCA).

### 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>Interest Rate Risk:</b>	The possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
<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>Foreign Exchange Risk:</b>	The possibility for an investor to experience losses due to fluctuations in foreign exchange rates. The exchange rates depend upon a variety of global and local factors, e.g. interest rates, economic performance, and political developments.
<b>Country Risk:</b>	The possibility for an investor to experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of these countries. There are risks in foreign investments due to the possible internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases of the foreign country involved which are difficult to predict but must be taken into account in making such investments.
<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.**



For other details, you may visit our website at [www.metrobank.com.ph](http://www.metrobank.com.ph) or contact us at 8-8700-700 or email us at [customercare@metrobank.com.ph](mailto:customercare@metrobank.com.ph)



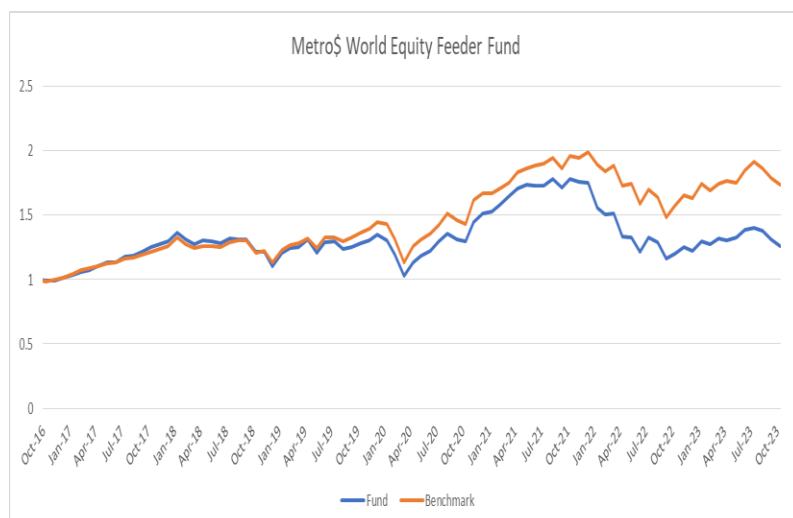
# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of

October 31, 2023

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

### NAVPu GRAPH



### NAVPu OVER THE PAST 12 MONTHS

Highest	1.422187
Lowest	1.156056

### STATISTICS OF THE TARGET FUND

Volatility, Past 1 Year (in %) <sup>2</sup>	12.33%
Sharpe Ratio <sup>3</sup>	0.02
Information Ratio <sup>4</sup>	-1.14

<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.

<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.

### CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>Fund</b>	-3.813%	-10.077%	-3.350%	5.119%	-2.571%	4.223%	26.175%
<b>Benchmark</b>	-3.007%	-9.616%	-1.929%	10.025%	21.420%	43.391%	73.234%

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Artisan Global Opportunities Fund	93.30%
Time Deposits	6.83%
Cash	-0.10%
Other Receivables - Net of Liabilities <sup>5</sup>	-0.03%

<sup>5</sup> Includes accrued income from investments, receivables from brokers/counterparties and unpaid expenses.

### TOP 10 HOLDINGS OF THE TARGET FUND

Name	% of Fund
1. Veeva Systems Inc (United States)	6.5%
2. Novo Nordisk A/S (Denmark)	5.4%
3. Advanced Micro Devices Inc (United States)	4.8%
4. Boston Scientific Corp (United States)	4.6%
5. Atlassian Corp (United States)	3.6%
6. Intuit Inc (United States)	3.4%
7. Techtronic Industries Co Ltd (Hong Kong)	3.3%
8. Netflix Inc (United States)	3.2%
9. London Stock Exchange Group PLC (United Kingdom)	3.0%
10. Chipotle Mexican Grill Inc (United States)	2.8%

### GEOGRAPHIC ALLOCATION OF THE TARGET FUND

AMERICAS	65.0%
EUROPE	23.5%
PACIFIC BASIN	7.4%
EMERGING MARKETS	4.1%
MIDDLE EAST	0.0%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in USD Mns)
MBTC	Time Deposit Placement	0.74

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:** Artisan Global Opportunities Fund

**Fund Currency:** US Dollar

**Fund Manager:** Artisan Partners Limited Partnership

**Inception Date:** September 2008

**Domicile:** Ireland

**Regulator:** Central Bank of Ireland

**Administrator, Registrar, and Transfer Agent:** J.P. Morgan Bank (Ireland) plc

**Benchmark:** MSCI ACWI Growth NR USD

### INVESTMENT OBJECTIVE

The Target Fund seek to achieve maximum long term capital growth by investing primarily in equity and equity-linked securities of global companies, including common stocks, preferred stocks, Participation Certificates and Depository Receipts quoted or traded on a Regulated Market.

Fund Performance Report and relevant information about the Artisan Global Opportunities Fund can be viewed and downloaded through [www.artisanpartners.com](http://www.artisanpartners.com).



For other details, you may visit our website at [www.metrobank.com.ph](http://www.metrobank.com.ph) or contact us at 8-8700-700 or email us at [customercare@metrobank.com.ph](mailto:customercare@metrobank.com.ph)



# Unit Investment Trust Funds

## INVESTMENT POLICY

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

- USD-denominated deposits
- Other traded money market instruments
- Investments allowed under BSP regulations, units/shares in a collective investment schemes subject to the conditions enumerated under BSP Circular 767

## OUTLOOK AND STRATEGY

Fund/Index	MoM
Metro\$ World Equity Feeder Fund	-3.81%
MSCI All Country World Index (Net Total Return USD Index)	-3.01%
Artisan Global Opportunities Fund	-4.03%

\*For the period September 30, 2023 to October 31, 2023

For the month of October, both Metro\$ World Equity Feeder Fund (MWEFF) and its target fund Artisan Global Opportunities Fund underperformed against the benchmark MSCI All Country World Index by 80bps and 102bps, respectively. The fund kept cash elevated as long-term yields rose.

Artisan's monthly commentary

Market overview:

The MSCI AC World Index fell -3.0% in October. Equity markets experienced volatility as economic strength and sticky inflation supported higher for longer interest rate expectations along with elevated geopolitical tensions driven by the war between Israel and Hamas. Consumer prices in the US rose 0.4% in September from August, slightly exceeding expectations. Compared with a year ago, prices rose 3.7%, unchanged from the month before. The preliminary GDP growth reading showed that the US economy expanded at a 4.9% annual pace in Q3, driven by robust consumer spending, and the US 10-year yield reached its highest level since 2006.

Our portfolio underperformed the MSCI AC World Index in October. Among our top detractors were ON Semiconductor and Lonza. ON Semiconductor is a leading designer and manufacturer of chips used for power management and image sensors. From a battery electric vehicle standpoint, ON is a leading producer of silicon carbide (SiC) chips. Shares fell after the company reported disappointing earnings results due to headwinds in its automotive segment. While the first headwind—overall auto demand uncertainty due to macroeconomic pressures—was expected, we were surprised by SiC demand weakness in its electric vehicle business. The company re-negotiated a long-term supply agreement (LTSA) with a significant EV customer. Part of our thesis was these LTSA provided the company with contractual long-term demand visibility, and we trimmed the position given the increased uncertainty.

Lonza is one of the largest manufacturers and producers of active pharmaceutical ingredients for biologic and small molecule drugs, as well as cell and gene therapies for the pharmaceutical and biotech industries. Shares have experienced weakness due to struggling financial results due to early stage biotech funding weakness, elevated COVID-19 related inventories and underperformance in its capsules and health ingredients division. The company also recently announced an abrupt departure of its CEO. While we believe its robust pipeline of biologic therapies will likely drive strong growth over the medium term, the near-term growth pressures and CEO uncertainty led us to trim the position.

Among our top contributors were Novo Nordisk and Netflix. Momentum around GLP-1 obesity drug potential continued for Novo Nordisk in October after the company reported that a clinical trial (FLOW) was ended early due to strong efficacy. The results indicate patients taking its GLP-1 drugs displayed slowing progression of chronic kidney disease and lower risk of death from kidney and heart problems. These positive results potentially pave the way for increased insurance coverage and broader adoption.

Netflix is the world's largest subscription video-on-demand service. We continue to believe that steaming will replace linear TV, and part of that migration will be the industry's advertising spend. Netflix's new advertising-supported offering is allowing it to both tap into this market and appeal to more value-conscious consumers. Also, the company's efforts to convert password-sharing users into paying customers may dramatically expand the subscriber base. Shares rallied after the company reported its efforts to limit password sharing led to an increase of 8.8 million subscribers (+10.8%) in Q3, its largest quarterly customer gain since Q2 2020.

## 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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