

# Unit Investment Trust Funds

## METRO PHILIPPINE EQUITY INDEX TRACKER FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended May 31, 2024

### FUND FACTS

<b>Classification:</b>	Equity	<b>Net Asset Value per Unit (NAVPU):</b>	0.962887
<b>Launch Date:</b>	October 10, 2014	<b>Total Fund NAV (in Php Bns):</b>	9.48
<b>Trust Fee (per annum):</b>	1.0% based on NAV	<b>Dealing Day</b>	12:00NN for Branch Channels
<b>Minimum Investment:</b>	Php10,000	(any banking day):	2:30PM for Electronic Channels
<b>Additional Investment:</b>	Php1,000	<b>Redemption Settlement:</b>	2 Banking Days after date of redemption
<b>Minimum Holding Period:</b>	7 calendar days from date of participation	<b>Early Redemption Charge:</b>	50% of income on redeemed amount

### 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>0.001%</b>	<b>0.000%</b>	<b>0.012%</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 Bns): **9.69**

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a Peso-denominated equity Unit Investment Trust Fund that aims to achieve for its participants market returns closely approximating the returns of the Philippine Stock Exchange Index (PSEi) by investing in the same issues comprising the PSEi and in approximately the same weights. The Fund may also be invested in short term fixed income securities for prudential liquidity requirements or are as interim or temporary investments. 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 PHILIPPINE EQUITY INDEX TRACKER FUND is suitable only for investors who:

- Have an Aggressive profile.
- Want capital growth over the long-term and are willing to be exposed to a higher level of risk that may involve possible loss of principal in the short-term in exchange for higher long-term gains.
- 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 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.**



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 [customer@metrobank.com.ph](mailto:customer@metrobank.com.ph)

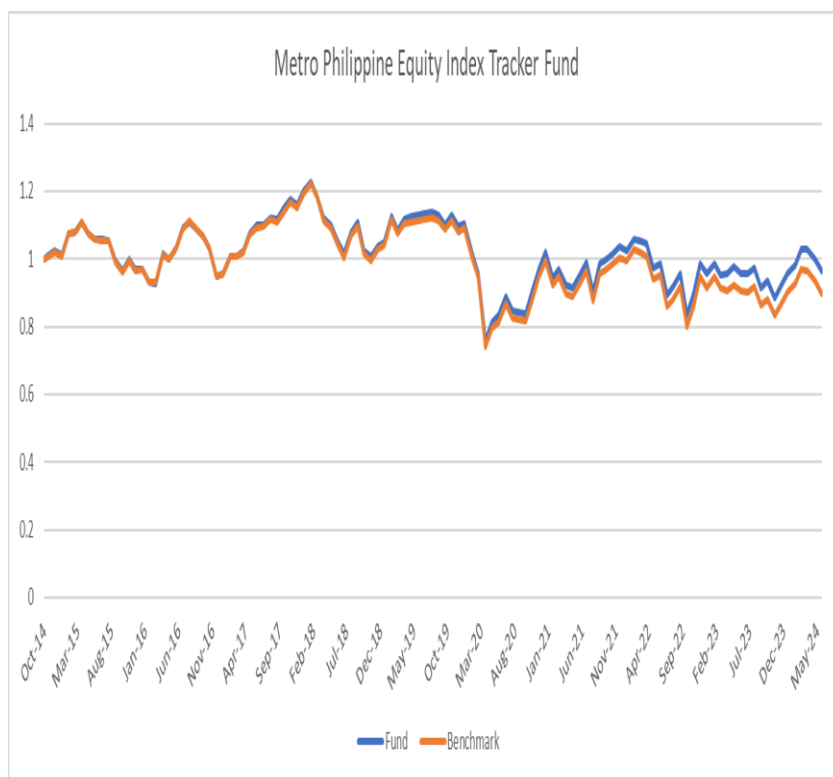


# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of May 31, 2024

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

### NAVPu GRAPH



### NAVPu OVER THE PAST 12 MONTHS

Highest	1.039662
Lowest	0.882090

### STATISTICS

Weighted Average Duration (in years)	N/A
Volatility, Past 1 Year (in %) <sup>2</sup>	13.03%
Sharpe Ratio <sup>3</sup>	-0.39
Information Ratio <sup>4</sup>	1.28
Tracking Error <sup>5</sup>	0.15%

<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>	-3.690%	-6.181%	4.483%	0.500%	1.100%	-14.693%	-3.711%
<b>Benchmark</b>	-3.991%	-7.367%	3.364%	-0.683%	-2.948%	-19.284%	-10.244%

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	99.52%
Time Deposits	1.39%
Cash	-0.72%
Other Receivables - Net of Liabilities <sup>6</sup>	-0.20%

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

### Sector Holdings

Holdings	30.33%
Financials	21.23%
Services	18.40%
Industrials	15.37%
Properties	13.28%
Mining And Oil	1.39%

### TOP 10 HOLDINGS

Name	% of Fund
1. SM	14.21%
2. ICT	9.87%
3. BPI	9.00%
4. BDO	8.39%
5. SMPH	8.02%
6. AC	5.24%
7. ALI	5.20%
8. MBT	3.73%
9. TEL	3.29%
10. JFC	3.04%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in Php Mns)
MBTC	Time Deposit Placement	131.92
MBTC	Shares of Stock	353.67
GT Capital	Shares of Stock	150.56

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.



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:

- Equities comprising the PSEi

## OUTLOOK AND STRATEGY

Sell May and go away. This has been the theme of the month as a couple of macro headwinds hit the local market prompting a risk-off stance among market participants. The PSEI declined by -3.99% MoM, extending its string of monthly losses for the 3rd month in a row to close at 6,433.10. Average daily turnover improved by +12.1% at about Php5.67 billion likely due to MSCI flows by month end, where Philippines saw an outflow of roughly \$121M. Foreign funds were net sellers for the month by a total of \$174 million.

Headline CPI for May rose at 3.9% YoY which was slower than expectation of 4% YoY, coming from 3.8% YoY in April. The slight uptick in inflation is due to steady MoM changes in food and non-alcoholic beverage prices, and increases in housing and utility costs, offset by lower transport prices. This marks the fourth consecutive month of increasing rates, but remains within the BSP's 2-4% target range.

The BSP kept rates unchanged at 6.50% and lowered its risk-adjusted inflation forecast to 3.8% for 2024. Gov. Remolona sounded off a less hawkish tone in their latest meeting, hinting the possibility of a rate cut by the second half of the year. Despite the peso nearing its record low against the dollar, Remolona emphasized the BSP does not target specific exchange rates but intervenes only under market stress, clarifying that the peso's depreciation does not necessitate a rate hike. The next policy meeting is set for June 27.

With a weak peso and elevated inflation still hounding markets, consumer proxies and property were the top losers for the month. AEV (-16.5%) led losers on deletion from the standard MSCI Philippines Index. BDO (-12.3%), MBT (-11.4%), and BPI (-5.7%) also gave back some of their YTD gains following the BSP comments possibly compressing NIMs. On the other hand, ACEN (+15.7%) led on the back of its inclusion in the small-cap MSCI Philippines Index. It was trailed by a strong showing from the telco sector, with CNVRG (+14.5%), GLO (+11.0%), TEL (+10.4%) on attractive valuations and dividend yields, supported by better profitability of their mobile wallet platforms.

Given the latest guidance on rate cuts trajectory, we believe sticking to a strategy centered on high-quality, liquid companies with clear earnings visibility continues to be a sound approach. Overall, we are downgrading our FY2024 PSEi target from 7,400 to 7,200, factoring in a 12.6x PE for FY2024.

## 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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