

Unit Investment Trust Funds

METROBANK PERA BOND FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended May 31, 2024

FUND FACTS

Classification:	Bond - Intermediate Term	Net Asset Value per Unit (NAVPU):	1.047476
Launch Date:	October 1, 2020	Total Fund NAV (in Php Mns):	3.37
Trust Fee (per annum):	0.75% based on NAV	Dealing Day	12:00NN for Branch Channels 2:30PM for Electronic Channels
Minimum Investment:	Php5,000	Redemption Settlement:	1 Banking Day after date of redemption
Additional Investment:	Php5,000	Early Redemption Charge:	50% of income on redeemed amount
Minimum Holding Period:	30 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 MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.065%	0.005%	0.000%	0.000%
<i>Metrobank-Trust Banking Group</i>	<i>Standard Chartered Bank</i>	<i>SGV & Co.</i>	<i>Others</i>

¹ As a percentage of average daily NAV for the month valued at (in Php Mns): **3.31**

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its PERA participants high income and potential returns that are higher than regular traditional deposit products by investing in a diversified portfolio of peso-denominated fixed income securities and instruments which are tax-exempt in accordance with the PERA Law and shall have a maximum weighted average duration of five years. The Fund's benchmark is the Market iBoxx ALBI Philippines 1-5 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 METROBANK PERA BOND FUND is suitable only for investors who:

- Have a Moderate profile.
- Want potential returns that are higher than regular Peso deposit products and are willing to be exposed to some risk in consideration of higher returns.
- Recommended investment horizon is at least three (3) years
- Filipino individuals with legal capacity to contract and possesses a Tax Identification Number (TIN)

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.

Interest Rate Risk:	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.
Market/Price Risk:	The possibility for an investor to experience losses due to changes in the market prices of bonds. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the bonds.
Liquidity Risk:	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.
Credit Risk / Default Risk:	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.
Reinvestment Risk:	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.
Other Risks:	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 or contact us at 8-8700-700 or email us at customercare@metrobank.com.ph

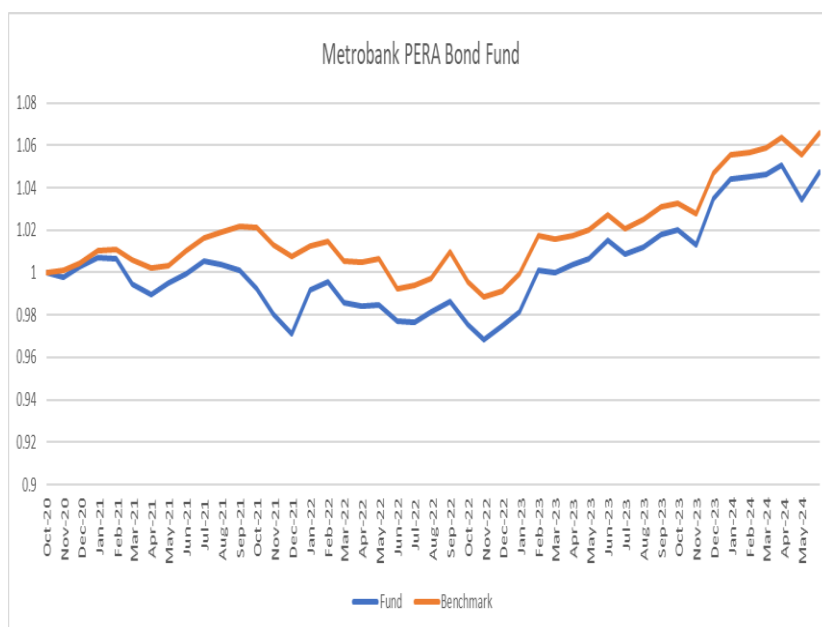


Unit Investment Trust Funds

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	1.051212
Lowest	1.003835

STATISTICS

Weighted Average Duration (in years)	3.57
Volatility, Past 1 Year (in %) ²	3.32%
Sharpe Ratio ³	-0.72
Information Ratio ⁴	-0.63

² 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.

³ 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.

⁴ 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 ⁵
Fund	1.263%	0.124%	1.216%	3.184%	4.829%	N/A	4.748%
Benchmark	1.021%	0.683%	1.840%	3.783%	5.522%	N/A	6.610%

⁵ Initial benchmark adopted was 80% Bloomberg Philippine Sovereign Bond Index 1-5 year (BPHIL15), Adjusted and 20% Bloomberg Philippines 30-day Special Savings Rate General Average beginning October 1, 2020. The Fund changed its benchmark to Markit iBoxx ALBI Philippines 1-5 Index on December 1, 2020.

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government Securities	91.27%
Time Deposits	7.13%
Cash	1.68%
Other Receivables - Net of Liabilities ⁶	-0.07%

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

Maturity Profile

Government Securities <1 year	3.78%
Government Securities >1-3 years	21.79%
Government Securities >3-5 years	38.90%
Government Securities >5 years	26.79%

TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. FXT	04.22.28	10.96%
2. RTB	02.28.29	9.43%
3. RTB	03.07.28	8.87%
4. FXT	01.25.34	8.84%
5. MBTC PHP TD	06.03.24	7.13%
6. FXT	07.19.31	6.16%
7. FXT	02.14.26	5.44%
8. FXT	01.10.29	5.25%
9. FXT	06.23.32	4.41%
10. RTB	03.04.27	3.79%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in Php Mns)
MBTC	Time Deposit Placement	0.24

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.

PERA Administrator Information

In compliance with PERA Law, the PERA products may only be sold through an accredited PERA Administrator. For any concerns, you may contact the PERA Administrator through the following:

ATRAM Trust Corporation (ATC)
 Website: <https://pera.seedbox.ph/>
 Email: pera.support@seedbox.ph



For other details, you may visit our website at www.metrobank.com.ph or contact us at 8-8700-700 or email us at customercare@metrobank.com.ph



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INVESTMENT POLICY

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

- Deposits
- BSP deposit facilities
- Repurchase Agreements (Repos)
- Government Securities
- Corporate Bonds
- Other investments allowed under BSP regulations

OUTLOOK AND STRATEGY

From a tumultuous April, we saw some sense of stability amid continued uncertainty for the month of May. With yields inching higher by an average of almost 50bps across the curve MoM in April, we recovered some of that in May as yields move lower by around 20bps, led by the bonds on the belly of the curve, which were down by at least 30bps MoM. The 7year BVAL ended the month at around 6.63% versus its level in April at 6.96%. There were some positive news both here and abroad, particularly in the US, that contributed to lower yields in May, strengthening the case for a 2H2024 rate cut by both the FED and the BSP. The 1Q2024 GDP both here and the US came out weaker than expected. The Philippines latest GDP data slightly accelerated to 5.7% from 5.5% the previous quarter, but slightly lower than consensus estimate of 5.9%. The country's economic growth in the first quarter of this year, was partly dragged by higher prices, higher interest rates and the El Nino drought and heatwave. While in the US, their 1Q2024 GDP was revised lower to 1.3%, from the previously reported 1.6% figure. This updated print primarily reflected downward revisions to consumer spending, private inventory investment, and federal government spending. These were partly offset by upward revisions to state and local government spending, non-residential fixed investment, residential fixed investment, imports and exports. The latest BSP statements were also less hawkish now. During their May Monetary Board meeting, the BSP kept rates steady at 6.50%, and the overnight lending and deposit rates were also kept unchanged at 7.00% and 6.00%, respectively. The BSP also slightly decreased its risk-adjusted inflation forecast to 3.8% (prev. 4.0%) for 2024 but increased its 2025 forecast to 3.7% (prev. 3.5%). BSP Governor Remolona signalled possibility of an earlier policy rate cut by 3Q 2024 (or as early as August 2024) or by 4Q 2024. And lastly for inflation, recent data for both US and ours, were also softer or just in line with expectations. The PCE price index, which is the FED's preferred inflation gauge, remained unchanged to 2.7% YoY in April, while core PCE remained unchanged at 2.8% YoY for the third straight month. Prices for goods increased 0.2%, and prices for services increased 0.3%. Food prices decreased 0.2% and energy prices increased 1.2%. While the country's headline inflation rate for May printed at 3.9%, lower than consensus estimate of 4.0%, and within the BSP's forecast range of 3.7%-4.5%. This latest inflation figure is a bit higher than April's 3.8% data. Food prices, particularly rice (up 23.0% YoY) restaurant costs, and transportation/fuel were the primary drivers of May's inflation rise. Core inflation printed at 3.1% YoY.

Same as in April, the BTr continued to fully accept all the target size issuances for the Treasury Bills (T-Bills) while partially awarding the bids for the Treasury Bonds (T-Bonds) for the auctions for May. Accepted bids for the TBL issuances were lower by an average of 10bps across all the 3 tenors offered, mirroring the downward trend in the BVAL rates for the month. For the T-Bond auctions, the BTr only accepted a total of PhP121.72Bn or around 80% of the target PhP150Bn issuance for the month. What was noteworthy was the issuance of a new 20y security, FXT2027 with final coupon of 6.875%, higher by 62.5bps from the last 20y FXT2026 issuance in February with coupon of 6.25%. The BTr will continue to auction off the same tenors for June which are the 7y, 10y, 15y and 20y, except for the 3y auction which was the last auction in May. The funds were not too axed to participate heavily on the long-dated auctions, but kept its overweight position versus benchmark, with the outlook this year remains intact that both the BSP and the FED will do at least one 25bps cut before 2024 ends.

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; 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. 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).



For other details, you may visit our website at www.metrobank.com.ph or contact us at 8-8700-700 or email us at customercare@metrobank.com.ph

