

# Unit Investment Trust Funds

## METRO MULTI-THEMED EQUITY FUND OF FUNDS KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended May 31, 2024

### FUND FACTS

<b>Classification:</b>	Equity Fund-of-Funds	<b>Net Asset Value per Unit (NAVPU):</b>	0.859042
<b>Launch Date:</b>	August 16, 2021	<b>Total Fund NAV (in Php Mns):</b>	663.38
<b>Trust Fee (per annum):</b>	1.50% 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>	6 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>0.129%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>0.001%</b>
<i>Metrobank-Trust Banking Group</i>	<i>Allfunds</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): **665.30**

### INVESTMENT OBJECTIVE AND STRATEGY

The Investor Fund intends to achieve for its participants long-term capital growth by investing in a diversified portfolio of US Dollar-denominated collective investment schemes. The Investor Fund will have more than one (1) Target Funds at any given time. The Target Funds may be changed from time-to-time subject to regulations and the stipulations contained in the Declaration of Trust. The Fund's benchmark is the MSCI ACWI Net Total Return (in PHP equivalent) 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 MULTI-THEMED EQUITY FUND OF FUNDS is suitable only for investors who:

- Have an Aggressive profile.
- Want capital appreciation over the long-term by investing in more than one Target Funds at any given time.
- 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 domestic corporate accounts. However, persons from United States of America (USA), Canada, India, and People's Republic of China are not qualified to open an account.

### 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>Foreign Exchange Risk:</b>	The value of investments may be affected by fluctuations in the exchange rates of securities in a different currency other than the base currency of the Investor Fund. The Participants should note that the Fund is denominated in Philippine Peso and will be invested in a US dollar denominated share class of the Target Fund. The foreign currency position of the Investor will not be hedged.
<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.
<b>Investing in Other Funds:</b>	The fund bears all risks of investment strategies employed by the underlying funds, including the risk that the underlying funds will not meet their investment objectives.

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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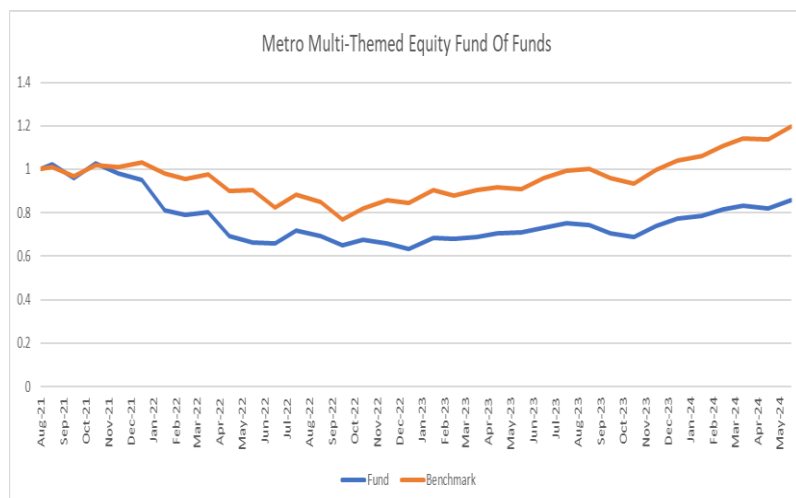


# Unit Investment Trust Funds

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

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

### NAVPu GRAPH



### NAVPu OVER THE PAST 12 MONTHS

Highest	0.867739
Lowest	0.681200

### STATISTICS OF THE TARGET FUND

Volatility, Past 1 Year (in %) <sup>2</sup>	12.20%
Sharpe Ratio <sup>3</sup>	1.24
Information Ratio <sup>4</sup>	-1.50

<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<sup>5</sup>

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>Fund</b>	4.587%	5.204%	15.995%	20.726%	N/A	N/A	-14.096%
<b>Benchmark</b>	5.477%	6.806%	18.725%	32.006%	N/A	N/A	19.808%

<sup>5</sup> Initial benchmark adopted was MSCI ACWI Net Total Return USD Index. Effective December 15, 2022, the Fund benchmark is MSCI ACWI Net Total Return (PHP).

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Target Funds	94.40%
Time Deposits	5.90%
Cash	1.33%
Other Receivables - Net of Liabilities <sup>6</sup>	-1.62%

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

### TOP 10 HOLDINGS

Name	% of Fund
1. NVIDIA CORP	10.94%
2. MICROSOFT CORP	10.74%
3. APPLE INC	8.62%
4. AMAZON.COM INC	7.01%
5. ALPHABET INC CLASS A	4.10%
6. META PLATFORMS INC CLASS A	3.00%
7. ELI LILLY AND CO	2.96%
8. ALPHABET INC CLASS C	2.84%
9. BROADCOM INC	1.72%
10. THERMO FISHER SCIENTIFIC INC	1.62%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in USD Mns)
MBTC	Time Deposit Placement	9.01

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.

### INVESTMENT POLICY

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

- USD-denominated units/shares in more than one collective investment schemes subject to the conditions under BSP Circular 767
- USD-denominated money market instruments
- USD/PHP-denominated deposits
- Other USD-denominated Investments allowed under BSP regulations

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

- Global-denominated Investments allowed under regulations issued by the Bangko Sentral Ng Pilipinas;
- Global-denominated Exchange-listed securities;
- Global-denominated deposits with local banks/foreign banks
- Financial derivative instruments for hedging purposes and efficient portfolio management.

C. The Investor Fund may invest a minimum of 90% of its net asset value in more than one (1) Target Fund and a maximum of 10% in cash, deposits and other money market instruments



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## TARGET FUNDS

Name	Fund Manager	Target Fund Objective
1. Credit Suisse (LUX) Digital Health Equity Fund (USD)	Credit Suisse Fund Management S.A. <a href="http://www.credit-suisse.com">www.credit-suisse.com</a>	This fund invests globally in innovative companies which are driving a revolution in the health care sector through the application of technology. The investment universe comprises three segments: Research & Development, Treatments and Efficiency. The investment objective is long-term capital appreciation from actively managed exposure to this secular growth theme.
2. Credit Suisse (LUX) Security Equity Fund (USD)	Credit Suisse Fund Management S.A. <a href="http://www.credit-suisse.com">www.credit-suisse.com</a>	The fund assets are invested worldwide in companies that are primarily active in Technology, Healthcare and Industrials, and that offer products and services related to health prevention/protection and environmental safety, IT security, transportation safety, and crime prevention.
3. Nikko AM Ark Disruptive Innovation Fund (USD)	Nikko Asset Management Luxembourg, S.A. <a href="http://www.nikkoam.com.sg">www.nikkoam.com.sg</a>	The Fund will invest, under normal market conditions, primarily in global equity securities of companies that are relevant to the investment theme of disruptive innovation - defined as the introduction of a technologically enabled new product or service that potentially changes the way the world works, such as:  Genomic Revolution Companies - the study of genes and their functions and related techniques Industrial Innovation Companies - in energy, automation and manufacturing Web x.0 Companies - the increased use of shared technology, infrastructure and services FinTech Innovation Companies - technologies that make financial services more efficient.
4. Franklin Technology Fund (USD)	Franklin Advisers Inc. <a href="http://www.franklintempleton.lu">www.franklintempleton.lu</a>	The Fund aims to achieve capital appreciation by investing in at least two-thirds of its assets in equity securities of companies expected to benefit from the development, advancement and use of technology.
5. Robeco Global Consumer Trends F USD	Robeco Institutional Asset Management B.V. <a href="http://www.robeco.com.be">www.robeco.com.be</a>	The aim of the Sub-fund is to provide long term capital growth while at the same time promoting certain ESG (i.e. Environmental, Social and corporate Governance) characteristics and integrating sustainability risks in the investment process.
6. iShares Global Energy ETF (IXC)	BlackRock Fund Advisors <a href="http://www.iShares.com">www.iShares.com</a> <a href="http://www.blackrock.com">www.blackrock.com</a>	The Fund seeks to track the investment results of an index composed of global equities in the energy sector.
7. iShares MSCI ACWI ETF (ACWI)	BlackRock Fund Advisors <a href="http://www.iShares.com">www.iShares.com</a> <a href="http://www.blackrock.com">www.blackrock.com</a>	The Fund seeks to track the investment results of an index composed of large- and mid-capitalization developed and emerging market equities.
8. iShares MSCI Emerging Markets ETF (EEM)	BlackRock Fund Advisors <a href="http://www.iShares.com">www.iShares.com</a> <a href="http://www.blackrock.com">www.blackrock.com</a>	The Fund seeks to track the investment results of an index composed of large- and mid-capitalization emerging market equities.
9. iShares MSCI World ETF (URTH)	BlackRock Fund Advisors <a href="http://www.iShares.com">www.iShares.com</a> <a href="http://www.blackrock.com">www.blackrock.com</a>	The Fund seeks to track the investment results of an index composed of developed market equities.
10. The Real Estate Select Sector SPDR Fund	State Street Global Advisors <a href="http://www.sectorspdrs.com">www.sectorspdrs.com</a>	The Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Real Estate Select Sector Index (the "Index").
11. CS (Lux) Infrastructure Equity Fund EB USD	Credit Suisse Fund Management S.A. <a href="http://www.credit-suisse.com">www.credit-suisse.com</a>	This sector-based equity fund invests along the value chain of the global infrastructure opportunity set. The investment universe encompasses companies that provide the facilities and services necessary to maintain and develop modern infrastructure, and also includes companies supplying infrastructure-related products and services. The objective is to maximize total return from capital appreciation and dividends over extended periods of time. It follows an unconstrained, non-benchmark oriented approach to identify attractively valued companies positioned to benefit from the infrastructure theme.
12. SPDR S&P Metals and Mining ETF	SSGA Funds Management, Inc. <a href="http://www.ssga.com">www.ssga.com</a>	The Fund seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the S&P® Metals and Mining Select Industry® Index (the "Index")
13. Health Care Select Sector SPDR ETF	SSGA Funds Management, Inc. <a href="http://www.ssga.com">www.ssga.com</a>	The Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Health Care Select Sector Index (the "Index").
14. Consumer Staples Select Sector SPDR ETF	SSGA Funds Management, Inc. <a href="http://www.ssga.com">www.ssga.com</a>	The Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Consumer Staples Select Sector Index (the "Index").



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## RISK FACTORS RELATED TO THE TARGET FUNDS

**Concentration Risk:** The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in This may include, but is not limited to:

- Asian Economic Risk
- Chinese Market Risk
- Risk of Investing in Emerging Markets
- Risk of Investing in Developed Countries
- Securities Lending Risk
- Indexing Strategy/Index Tracking Risk
- Sustainability Risk
- Energy Sector Risk
- Real Estate Sector Risk
- REIT Risk
- Industrials Sector Risk
- Information Technology Sector Risk
- Financial Technology Risk
- Future Expected Genomic Business Risk
- Web x.0 Companies Risk

## OUTLOOK AND STRATEGY

The fund increased by 4.04% in May, lagging the All Country World Index Total Return's (In Peso Terms) 0.63% as the market rally begins to concentrate on the AI themes once more. The fund will reduce exposure to lagging funds and rotate into the leaders in a pullback. As the disinflationary cycle proceeds, the fund looks to add exposure into the metals and mining sector.

Don't be fooled, the economic regime is disinflationary, not inflationary, for now.

In the April FOMC meeting, rates were kept unchanged at 5.25% to 5.5%, with some central bank officials dialing back rate cut expectations in 2024. However, Fed Chair Powell stated that it is unlikely that the next move of the central bank will be a hike. As of the end of May, markets anticipate only one cut in 2024, with the pivot expected in November.

While the Fed maintains its hawkish pause, economic data continued to validate the weakness seen in Q1-2024. GDP was revised lower from 1.6% to 1.3%, as personal consumption declined more than expected from 2.5% to 2.0%. It is important to note that inflationary price pressures may be sticky in the short term, but the restrictive monetary environment will continue to put downward pressure on consumption. CPI YoY inched lower to 3.4% while unemployment ticked up to 3.9%, with recent data hinting at weaker GDP in Q2-2024.

Since 2023, the wealth effect has played a major part in the sticky inflation story. However, the recent drop in consumer sentiment from 77.2 to 69.1, while U.S. equity markets continue to push new all-time highs, signals a deterioration to the consumer. The lag effect from the aggressive rate hikes is here and is altering consumption and consumer behavior towards a descending path.

The S&P500 recorded a fresh all time high of 5,321, reflecting the aftershock of the weaker-than-expected April inflation print from the week prior. The VIX (Fear index) dropped to its lowest level since November 2019 of 11.55, as AI darling, Nvidia reported an 18% QoQ and 262% YoY revenue growth. The S&P500 remains bullish despite the weak market breadth, as mega tech names lift the entire market.

The bond market continues to expect a recession as the 2-year US Treasury (US2Y) vs. 10-year US Treasury (US10Y) yields remain inverted. The US10Y dropped 18 bps in May following the skew to weaker economic data.

Among the fund's current holdings, the SPDR S&P Metals & Mining ETF was the top performer with a month-on-month gain of 5.88%. The driver for the ETF was Alpha Metallurgical Resources, a coal supplier with surface mining complexes in the US. Commodities are historically known to outperform at the beginning and the end of an economic cycle.

In the short to medium term, the evolving soft-landing narrative raises concerns about stagflation, given fiscal spending ahead of the 2024 U.S. Presidential elections, while suppression of consumption emerges from the high interest rate environment.

Currently, the fund has redeployed cash as the pullback fizzled-out with tensions in the Middle East subsiding. Additionally, the fund is capitalizing on favorable dollar time deposit rates, offering a 90-day yield of 5.30%.

## 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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