

# Unit Investment Trust Funds

## METRO HIGH DIVIDEND YIELD UNIT PAYING FUND

(formerly known as Metro High Dividend Yield Fund)

### KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended June 28, 2024

#### FUND FACTS

<b>Classification:</b>	Equity	<b>Net Asset Value per Unit (NAVPU):</b>	1.011362
<b>Launch Date:</b>	October 10, 2014	<b>Total Fund NAV (in Php Bns):</b>	2.15
<b>Trust Fee (per annum):</b>	1.25% 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>0.097%</b>	<b>0.001%</b>	<b>0.000%</b>	<b>0.021%</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): **2.06**

#### INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a Peso-denominated equity Unit Investment Trust Fund that aims to achieve for its participants, income and capital appreciation through regular and/or special cash dividends and price appreciation of stocks. The Fund may also be invested 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 Dividend Yield Index (PSE DivY).

#### UNIT PAYING FEATURE MECHANICS

Eligibility for Unit Income Distribution	All registered participants with outstanding investment in the Fund as of one (1) Banking Day (ex-date) prior to scheduled date of distribution shall be entitled to receive their pro-rata share of income through units.
Unit Distribution Frequency	Eligible participants shall receive unit income on a semi-annual basis every fourth Monday of April and October of the year.
Basis of Units to be Paid-out	The units to be distributed to all eligible participants shall be based on one hundred percent of the collected effective income of the Fund from interest and cash dividends within the six month period, less applicable taxes, fees and expenses. There is no guaranteed income amount for distribution.
Unit Distribution Settlement	Units received by the participant shall be automatically redeemed on distribution date and credited to the participant's settlement account one banking day after distribution date.

#### 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 HIGH DIVIDEND YIELD UNIT PAYING 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.
- Want income to be distributed on a semi-annual basis, and capital appreciation over time by investing in shares listed in the Philippine high dividend yield stocks.
- 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>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)

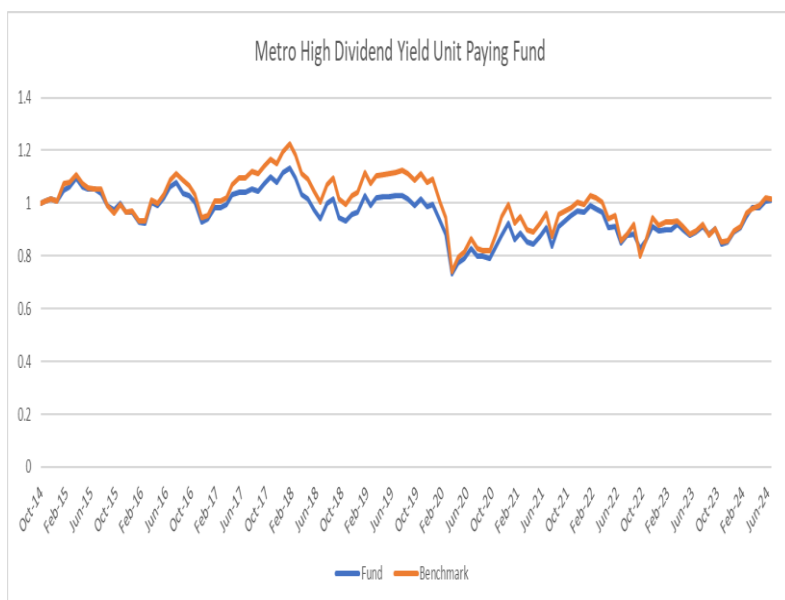


# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of June 28, 2024

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

### NAVPu GRAPH



### NAVPu OVER THE PAST 12 MONTHS

Highest	1.011362
Lowest	0.845947

### STATISTICS

Weighted Average Duration (in years)	N/A
Volatility, Past 1 Year (in %) <sup>2</sup>	8.37%
Sharpe Ratio <sup>3</sup>	0.94
Information Ratio <sup>4</sup>	0.10

<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.

### UNIT INCOME DISTRIBUTION INFORMATION

Date of Latest Distribution:	April 22, 2024	NAVPu on Latest Distribution Date:	0.945546
Total Income for Distribution (Php):	26,022,873.34	Equivalent Units for Distribution:	29,284,092.15
Income in % (October 20, 2023 - April 19, 2024)	1.690%	Unit Income (October 20, 2023 - April 19, 2024)	0.018
Past Distribution Dates:	04/24/2023, 10/23/2023		

Effective January 3, 2023, the Fund was amended to include a unit paying feature. Amounts of distribution may vary, are not guaranteed and are determined by the Trustee in accordance with the Plan Rules. Income distribution may result in an immediate decrease in NAVPu by the amount of the distribution.

### CUMULATIVE PERFORMANCE<sup>5</sup>

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>Fund</b>	0.297%	2.886%	13.576%	13.584%	11.468%	-1.497%	1.136%
<b>Benchmark</b>	-0.382%	3.529%	13.156%	13.226%	5.352%	-9.106%	1.450%

<sup>5</sup> Initial benchmark adopted was Philippine Stock Exchange Index (PSEi). Effective January 02, 2023, the Fund benchmark is Philippine Stock Exchange Dividend Yield Index (PSE DivY).

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	94.28%
Time Deposits	6.39%
Cash	-0.45%
Other Receivables - Net of Liabilities <sup>6</sup>	-0.22%

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

### Sector Holdings

Services	29.96%
Holdings	18.35%
Industrials	15.93%
Financials	13.44%
Properties	11.58%
Mining And Oil	10.74%

### TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. TEL		10.61%
2. ICT		10.17%
3. MBT		9.89%
4. SCC		9.72%
5. DMC		9.31%
6. MER		8.95%
7. GLO		6.91%
8. LTG		5.82%
9. URC		5.19%
10. AREIT		4.83%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in Php Mns)
MBTC	Time Deposit Placement	87.14
MBTC	Shares of Stock	212.44

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 listed in the PSE with a track record of providing dividends
- Deposits
- Other investments allowed under BSP Regulation

## OUTLOOK AND STRATEGY

June witnessed significant market volatility, highlighted by the PSEI seeing a low of 6,158.48 (-4.3% MTD). However, by month-end, the index managed to recover some ground, closing just -0.3% lower MoM at 6,411.91. This turbulence was largely driven by divergent interest rate outlooks between the BSP and the US Federal Reserve, leading to the depreciation of the Philippine Peso against the US Dollar, nearly breaching the Php59 level at one point. Trading volume remained subdued with a bias towards selling, as foreign investors continued as net sellers for the fourth consecutive month, amounting to \$105.2 million in June. YTD foreign flows reflected an outflow of \$495.4 million. Additionally, market sentiment was influenced by FTSE rebalancing flows, contributing to an estimated outflow of \$10.5 million for the Philippines. Noteworthy adjustments included increased weights for ACEN (+\$2.8 million, 2.3x ADV) and JFC (+\$4.8 million, 1.5x ADV).

Inflation for May came out at 3.9% from 3.8% in April, which is lower than the consensus estimate of 4.0%, bringing YTD average inflation from January to May 2024 to 3.5%. Primary drivers of inflation were the higher prices of housing, water, electricity, gas, and other fuels, which increased 0.9% from 0.4% in April. On the bright side, rice prices further decelerated to 23.0% from 23.9%, and is expected to continue to decline with the recent approval of a reduction in rice tariffs from 35% to 15% until 2028. Additionally, the BSP maintained its policy rate unchanged at 6.50% for the sixth consecutive meeting and adjusted its inflation forecast downward to 3.10% for both 2024 and 2025, revising from 3.80% and 3.70% as projected in May. The BSP noted that the risks to the inflation outlook have tilted to the downside, primarily attributed to reduced import tariffs on rice. Regarding monetary policy, BSP Governor Remolona indicated an increased likelihood of a rate cut in August, with the central bank's baseline scenario anticipating a 50bps reduction in interest rates for 2024. That said, the BSP may potentially cut rates ahead of the FED, leading market participants to anticipate further depreciation of the local currency.

Looking ahead, we anticipate ongoing challenges for the stock market in the near to medium term, despite the BSP signaling possible rate cuts aimed at stimulating economic growth. Our caution stems from concerns about preemptive rate cuts ahead of FED, which could potentially weaken the USDPHP exchange rate and deter foreign investment in Philippine equities. Given the delicate yet improving macroeconomic environment, we maintain a preference for liquid, high-quality companies with clear earnings visibility and a track record of dividend payouts.

Latest Payouts:

Date	Yield
24-Apr	1.76%
23-Oct	3.94%
23-Apr	1.39%

## 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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