

Unit Investment Trust Funds

METRO MONEY MARKET FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended Aug 30, 2024

FUND FACTS

Classification:	Money Market	Net Asset Value per Unit (NAVPU):	1.872849
Launch Date:	April 4, 2005	Total Fund NAV (in Php Bns):	77.76
Trust Fee (per annum):	0.60% based on NAV	Dealing Day	12:00NN for Branch Channels
Minimum Investment:	Php10,000	(any banking day):	2:30PM for Electronic Channels
Additional Investment:	Php1,000	Redemption Settlement:	Same day as date of redemption
Minimum Holding Period:	None	Early Redemption Charge:	None

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:
0.050%	0.000%	0.000%	0.000%
<i>Metrobank-Trust Banking Group</i>	<i>Standard Chartered Bank</i>	<i>SGV & Co.</i>	<i>Qualified Expenses</i>

¹ As a percentage of average daily NAV for the month valued at (in Php Bns): **76.99**

INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a Peso-denominated money market Unit Investment Trust Fund that aims to achieve for its participants liquidity and income that is higher than that of regular time deposit products by investing in a diversified mix of peso-denominated deposits with a maximum weighted average fund duration of one year.

The Fund's benchmark is the average rate of the most recent 91-day Philippine Treasury Bill auction, net of applicable taxes. The choice of benchmark is aligned with the general characteristic of the fund which is a short term investment facility.

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 MONEY MARKET FUND is suitable only for investors who:

- Have a Conservative profile.
- Want relatively higher return than regular deposit products.
- Recommended investment horizon is at least one (1) month.
- Participation in the Fund shall be open to all Philippine residents, including resident aliens and Filipino citizens residing therein, and domestic corporations.

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.

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

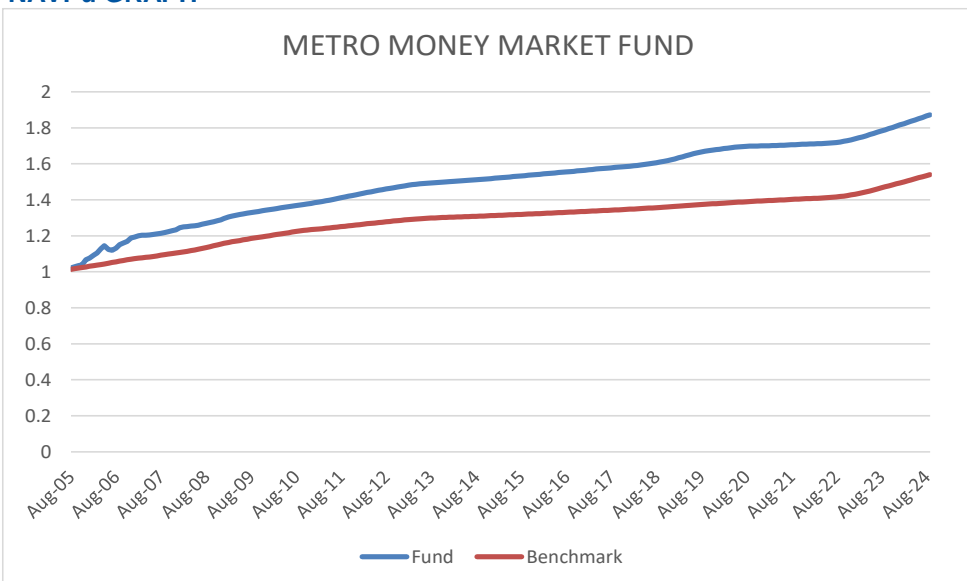


Unit Investment Trust Funds

FUND PERFORMANCE AND STATISTICS as of Aug 30, 2024

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

NAVPu GRAPH



NAVPu OVER THE PAST 12 MONTHS

Highest	1.872849
Lowest	1.788968

STATISTICS

Weighted Average Duration (in years)	0.06
Volatility, Past 1 Year (in %) ²	0.10%
Sharpe Ratio ³	-8.40
Information Ratio ⁴	-0.23

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	0.383%	1.163%	2.335%	4.687%	9.729%	12.152%	87.285%
Benchmark	0.392%	1.152%	2.307%	4.627%	9.797%	12.030%	54.052%

⁵ Initial benchmark adopted was the 91-day T-bill. The fund shifted to the 91-day PDST-F as its benchmark beginning June 1, 2007 until the Philippine Special Savings Rate General Average (net of taxes) was put in place on September 1, 2010. The fund changed its benchmark to average rate of the most recent 91-day Philippine Treasury Bill auction, net of taxes on September 23, 2020.

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government Securities	79.46%
Time Deposit	20.55%
Cash	1.06%
Other Receivables - Net of Liabilities ⁶	-1.07%

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

TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. BSPBILL	09.17.24	14.11%
2. BSPBILL	09.24.24	12.81%
3. BSPBILL	10.15.24	12.78%
4. BSPBILL	09.10.24	11.56%
5. GENSSA LBP	09.03.24	9.65%
6. BSPBILL	10.01.24	8.32%
7. BSPBILL	10.08.24	8.31%
8. BSPBILL	09.03.24	6.43%
9. BSPBILL	09.10.24	3.85%
10. MBTC PHP TD	09.02.24	1.29%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in PHP Mns)
MBTC	Time Deposit Placement	6,508.84

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 or contact us at 8-8700-700 or email us at customer@metrobank.com.ph



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INVESTMENT POLICY

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

- Deposits
- BSP deposit facilities
- Government Securities
- Other investments that take the nature of deposits allowed under BSP regulations

OUTLOOK AND STRATEGY

While August is often dubbed a 'ghost' month, the Peso Fixed Income market proved to be anything but haunted. The month delivered a mix of positive developments, both locally and internationally, that influenced the Peso Fixed Income space. Let's start with news from overseas. Global markets closely watched developments in the United States as the U.S. economy posted robust second-quarter GDP growth of 3.0% on a quarter-on-quarter, seasonally adjusted annual rate (QoQ SAAR) basis, slightly surpassing expectations of 2.8%. This strong economic performance was accompanied by stability in the U.S. Personal Consumption Expenditures (PCE) price index, the Federal Reserve's (FED's) preferred inflation gauge, which held steady at 2.5% year-on-year (YoY) in July. The moderation in PCE suggested that inflationary pressures were easing, aligning with the FED's objective of guiding inflation back to its 2% target. Further clarity on the FED's stance came from the minutes of its July meeting, which revealed a cautious, but supportive approach, to future rate cuts, with a strong likelihood of a rate cut in September. The minutes emphasized a shift in the balance of risks, with diminished upside risks to inflation and increased downside risks to employment, pointing to a more gradual and data-dependent approach to easing monetary policy. This cautious outlook was reinforced at the Jackson Hole symposium, where key FED officials expressed confidence in the trajectory of U.S. inflation but stressed that the timing and pace of any future rate cuts would be dictated by ongoing economic data.

On the local front, the long wait is finally over. After several months of anticipation, the Bangko Sentral ng Pilipinas (BSP) cut its benchmark interest rate by 25 basis points (bps) to 6.25%, marking the start of its easing cycle. This decision was driven by an improved inflation outlook, with the BSP revising its inflation forecasts downward for 2024 and 2025 at 3.3% and 2.9% respectively. The rate cut is expected to provide relief to borrowers and support economic growth, with the BSP indicating that further rate cuts may be possible later in the year (in October and/or December), depending on economic conditions. As the global context continues to evolve, the BSP's future policy decisions will be closely tied to both domestic developments and the broader international environment. In response to the rate cut by the BSP, Peso GS yields moved lower by an average of 4 bps month-on-month (MoM). Buying interest was mostly seen in the belly to the long end of the curve as the 5-year to 25-year BVALs were down by an average of 12 bps, with market players lengthening duration in anticipation of more cuts by the BSP. Both the 20-year and 25-year BVALs are down by at least 15 bps MoM, now at around the 6.17% level versus the previous month's close of 6.35%. MBTC's official house call is a 75 bps rate cut this year for both the BSP and the FED, with another 75 bps rate cut by the BSP in 2025.

The country's latest inflation print in August came out at 3.3%, returning to the BSP's 2-4% target after breaching in July at 4.4%. The latest print was also lower than the analysts' median estimate of 3.6%. The downtrend was primarily driven by slower YoY increase in food items such as rice, as well as lower transport inflation. Additionally, core inflation slowed to 2.6% in August from 2.9% the previous month.

The BTr continued to fully accept all target-size issuances for both Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds) auctions. Accepted bids for T-Bill issuances were higher for the 91-day T-Bill by about 20 bps but lower by an average of 5 bps for the 182-day and 364-day T-Bills compared to July levels. For the T-Bond auctions, the BTr awarded the average bids around 25 bps lower compared to the awarded averages in July, mirroring the rate cut by the BSP MB. Regarding BSP Bills, in the last auction in August, the average yields for the 28-day and 56-day bills were 6.38% and 6.47%, respectively, lower than the 6.57% average in July. This was partly due to one week in August when there was no auction due to the shortened workweeks. The Peso Liquidity Funds continue to maximize their exposure in BSP Bills, with yields of at least 6.45%, about 10 bps lower than last month's targets, to still secure full allocation on orders. The 28-day BSP Bill average of 6.38% is still higher than the current best Peso TD rates we are seeing at around 6.0% level.

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/uif> 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.



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