

Unit Investment Trust Funds

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

Month Ended Sep 30, 2024

FUND FACTS

Classification:	Equity	Net Asset Value per Unit (NAVPU):	1.090047
Launch Date:	October 10, 2014	Total Fund NAV (in Php Bns):	8.86
Trust Fee (per annum):	1.0% 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:	2 Banking Days after date of redemption
Minimum Holding Period:	7 calendar days from date of participation	Early Redemption Charge:	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 MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.087%	0.001%	0.000%	0.092%
<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): **9.25**

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.

Market/Price Risk: 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.

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.

Index Tracking Risk: 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.

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

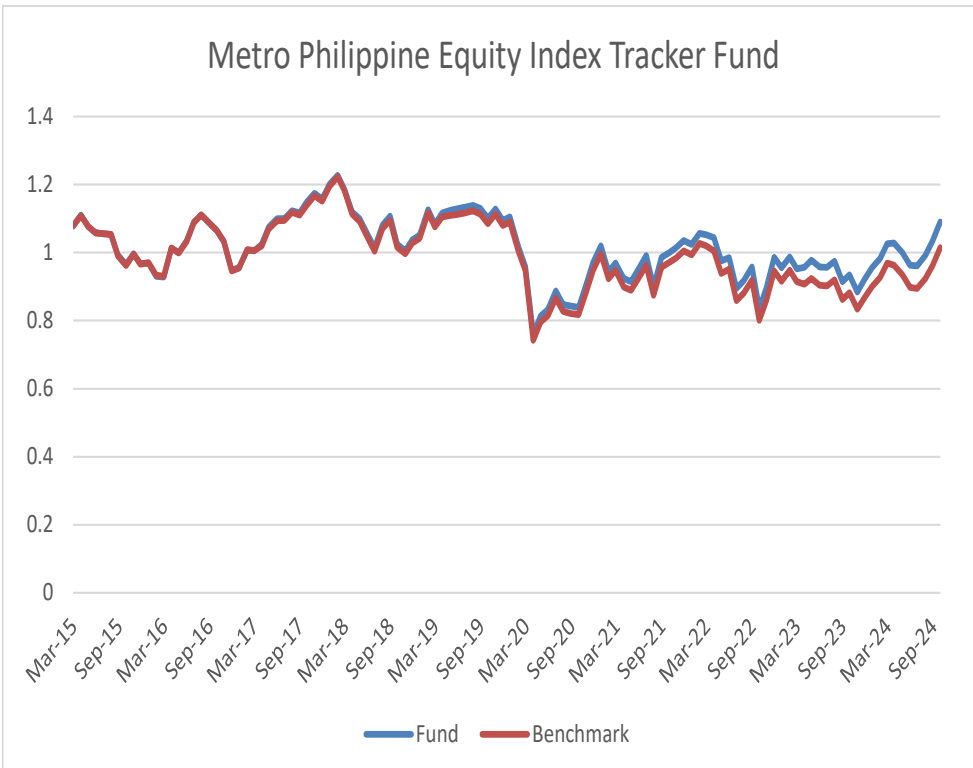


Unit Investment Trust Funds

FUND PERFORMANCE AND STATISTICS as of Sep 30, 2024

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

NAVPU GRAPH



NAVPU OVER THE PAST 12 MONTHS

Highest	1.117931
Lowest	0.882090

STATISTICS

Weighted Average Duration (in years)	N/A
Volatility, Past 1 Year (in %) ²	12.62%
Sharpe Ratio ³	0.88
Information Ratio ⁴	1.89
Tracking Error ⁵	0.27%

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.

⁵ 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. (Starting September 2021 report the basis for the Tracking Error computation is since the Fund's inception.)

CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Fund	5.413%	13.438%	5.983%	16.700%	9.089%	-0.974%	9.005%
Benchmark	5.438%	13.424%	5.347%	15.051%	4.599%	-6.510%	1.469%

PORTFOLIO COMPOSITION

Allocation	% of Fund
Stocks	99.37%
Time Deposit	1.21%
Other Receivables - Net of Liabilities ⁶	-0.19%
Cash	-0.38%

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

Sector Holdings

Holdings	28.81%
Financials	22.04%
Services	18.21%
Properties	15.04%
Industrials	14.74%
Mining And Oil	1.16%

TOP 10 HOLDINGS

Name	% of Fund
1. SM	13.88%
2. ICT	10.37%
3. BDO	9.07%
4. BPI	8.64%
5. SMPH	8.54%
6. ALI	6.40%
7. AC	5.26%
8. MBT	4.20%
9. JFC	3.36%
10. MER	3.18%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in PHP Mns)
MBTC	Shares of Stock	371.91
MBTC	Time Deposit Placement	107.37
GT Capital	Shares of Stock	151.56

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 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:

- Equities comprising the PSEI

OUTLOOK AND STRATEGY

Volume-Driven Rally. September proved to be the best month of the year in terms of monthly gains as the PSEi benchmark finally breached the much-anticipated 7,000 level for the first time in over a year, closing higher by +5.44% MoM at 7,272.65. Numerous factors contributed to this strong rally, with volume being a key ingredient, showing signs of conviction on risk assets. Average daily turnover improved to USD 158 million compared to last month's USD 107 million while foreigners continued to be net buyers for the month, amounting to USD 346 million, which coincidentally is the highest net foreign buy in over a year as well. As of September 2024 year-to-date (YTD), foreign funds are now net buyers by USD 35 million .

Positive Macro Surprises. The September inflation print clocked in at 1.9%, falling well below the consensus estimate of 2.5% and the prior month's 3.3%. Core inflation also cooled to 2.4% from 2.6%. This lower print was mainly driven by the deceleration in food inflation, with rice inflation slowing down to 5.7% from 14.7%. On that note, the positive surprise may pave the way for another rate cut by the BSP in their next meeting on October 16, with the question being whether to cut by 25 basis points (bps) or 50 bps. Another surprise was the BSP's recent announcement of a 250-basis point reduction (from 9.50% to 7.00%) in the reserve requirement ratio (RRR), effective October 25. This cut is anticipated to inject at least PHP 250 billion into the economy, increasing system liquidity and potentially boosting bank lending.

Rate cuts and earnings key to rerating. After months of anticipation, the U.S. Federal Reserve has cut interest rates by 50 basis points, lowering the target range to 4.75%-5.00%. This is the first rate cut in four years, indicating increased confidence in controlling inflation and a strong labor market. Further rate cuts are projected, with the federal funds rate expected to drop to 4.4% by the end of 2024 and even lower in 2025, with a total reduction of 100 basis points each year. We are quite hopeful about the long-term outlook for the local market, particularly with the recent initiation of the rate cut cycle by both the BSP and the Fed. This development is expected to provide a favorable backdrop for market growth and could warrant a re-rating. However, in the short term, we foresee some potential corrections and increased volatility. This is largely due to the resistance pressures in the index, which have emerged following a robust rally driven by improving macroeconomic conditions. Despite these short-term fluctuations, the overall earnings growth remains stable, aligning with the long-term average. Looking ahead, we are revising our year-end target for the index to 7,500. This target reflects a PE ratio of 12x and an updated earnings growth of 9% to factor in the robust results we've seen in 1H24.

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).



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