

# Unit Investment Trust Funds

## METRO EQUITY FUND

### KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended December 27, 2024

#### FUND FACTS

<b>Classification:</b>	Equity	<b>Net Asset Value per Unit (NAVPU):</b>	2.277627
<b>Launch Date:</b>	March 1, 2007	<b>Total Fund NAV (in Php Bns):</b>	4.43
<b>Trust Fee (per annum):</b>	2.0% 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

#### FEES COLLECTED FOR THE MONTH<sup>1</sup>

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
<b>0.156%</b>	<b>0.001%</b>	<b>0.000%</b>	<b>0.008%</b>
<i>Metrobank-Trust Banking Group</i>	<i>Standard Chartered Bank</i>	<i>SGV &amp; Co.</i>	<i>Qualified Expenses</i>

<sup>1</sup> As a percentage of average daily NAV for the month valued at (in Php Bns): **4.39**

#### INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve for its participants maximum growth from a portfolio of diversified, blue-chip and fundamentally sound equities listed at the Philippine Stock Exchange (PSE). The Fund may invest up to a maximum 100% or a minimum of 80% of its market value in equities.

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 EQUITY 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.
- Prefer a fund with an investment horizon of at least five (5) years.
- Are qualified to participate in this fund. 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 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)

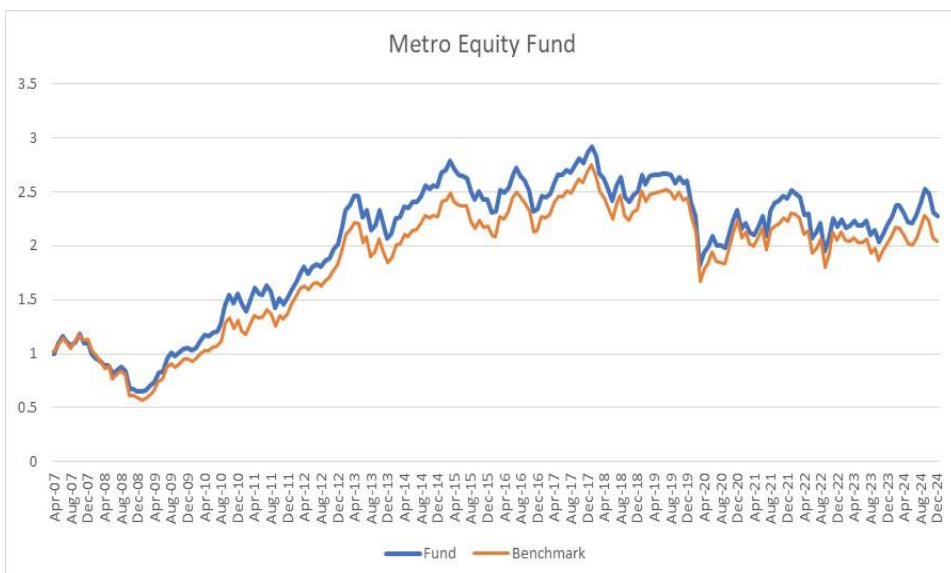


# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of Dec 27, 2024

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

### NAVPU GRAPH



### NAVPU OVER THE PAST 12 MONTHS

Highest	2.627519
Lowest	2.128030

### STATISTICS

Weighted Average Duration (in years)	N/A
Volatility, Past 1 Year (in %) <sup>2</sup>	13.60%
Sharpe Ratio <sup>3</sup>	-0.15
Information Ratio <sup>4</sup>	1.93

<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.

(For benchmark details, please refer to benchmark information section.)

### CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
<b>Fund</b>	-1.406%	-9.901%	2.788%	3.468%	-6.646%	-12.414%	127.763%
<b>Benchmark</b>	-1.286%	-10.228%	1.823%	1.221%	-8.337%	-16.461%	104.657%

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Stocks	94.68%
Time Deposit	5.04%
Cash	0.34%
Other Receivables - Net of Liabilities <sup>5</sup>	-0.06%

<sup>5</sup> Includes accrued income from investments, receivables from brokers/counterparties and unpaid expenses.

### Sector Holdings

Holdings	25.88%
Financials	25.50%
Services	18.99%
Properties	14.60%
Industrials	14.49%
Mining And Oil	0.54%

### TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. SM		13.16%
2. ICT		10.29%
3. BDO		9.95%
4. BPI		9.34%
5. SMPH		7.17%
6. ALI		5.12%
7. AC		4.92%
8. MBT		4.85%
9. JFC		3.92%
10. MBTC PHP TD	01.02.25	3.90%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in PHP Mns)
MBTC	Shares of Stock	215.18
MBTC	Time Deposit Placement	223.28
GT Capital	Shares of Stock	128.38

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 [customer@metrobank.com.ph](mailto:customer@metrobank.com.ph)



# Unit Investment Trust Funds

## INVESTMENT POLICY

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

i. Stocks listed in the Philippine Stock Exchange;

For prudential liquidity requirement, for interim or temporary investments and for investor's protection, the Fund may also invest in the following instruments:

ii. Deposits and special savings with local banks/branches of foreign banks operating in the Philippines;

iii. Deposits and other evidence of indebtedness by the Bangko Sentral ng Pilipinas;

iv. Financial derivatives instruments solely for the purpose of hedging risk exposures of the existing investments of the Fund, provided these are accounted for in accordance with existing BSP hedging guidelines and disclosed to participants;

v. Other investments allowed under regulations issued by the Bangko Sentral ng Pilipinas.

## BENCHMARK INFORMATION

The benchmark of the Fund is the Philippine Stock Exchange Index. Said benchmark provides reference for acceptable returns on a peso-denominated high-risk equity portfolio primarily invested in PSEI-listed equity securities.

Key Characteristics of the Benchmark. The PSEI is a free-float adjusted market capitalization-weighted index of the 30 largest and most active common stocks listed at the PSE. The index is reviewed quarterly, and its composition is rebalanced at least twice a year.

Further details regarding the benchmark are available at the website of the Philippine Stock Exchange.

## COOLING-OFF PERIOD

Pursuant to regulations on Financial Consumer Protection, 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.

## OUTLOOK AND STRATEGY

Breaking the 4-year slump. In December, the PSEI further weakened by -1.29% MoM closing at 6,528.79. However, it ended the year in positive territory, up by 1.22% YoY, marking a break from the four-year downturn since the COVID-19 pandemic. PSEI total return for the year was at 4.10%. Average daily turnover remained subdued at USD67 million as investors continue to take a cautious stance amid reduced rate cut expectations for both the FED and BSP following Trump's victory. Additionally, foreign funds were net sellers for the month, with outflows totaling USD 104 million, as they shifted from emerging markets to developed markets, with analysts anticipating a strong USD in the short to medium term. The Philippine Peso fell to a low of PHP 59 against the USD, offsetting the typically strong month due to remittances.

During the month, both the FED and the BSP reduced interest rates by 25 basis points, setting their policy rates at 4.5% and 5.75%, respectively. The FED adjusted its guidance to indicate fewer future rate cuts, while the BSP signaled a more cautious stance on monetary easing moving forward. The property sector experienced the largest outflows, as investors remained wary due to the ongoing deterioration in the residential segment, evidenced by declining pre-sales and increasing inventory days. Additionally, banks faced continued foreign selling despite reporting strong third-quarter results, as investors sought to lock in gains with the year drawing to a close.

Inflation surprised to the upside. December inflation came out hotter-than-expected at 2.9% versus 2.6% estimate and also higher than the prior month's 2.5% print, bringing 2024 full year inflation to 3.2%. This month's inflation print was primarily driven by higher utility costs, including electricity, rent, and LPG, as well as higher fuel prices. Core inflation also picked up to 2.8% in December from 2.5% in the previous month, bringing the full-year average at 3.0%.

For local equities, we believe that the long-term growth prospects for the market is still intact, particularly with inflation falling within the BSP's range, paving the way for further rate cuts, albeit on a slower pace than previously expected. Moreover, we also reiterate the relative attractiveness of local equities from a valuation standpoint, both historically and compared to ASEAN peers. However, in the short term, we continue to see increased volatility, largely due to global uncertainties from Trump 2.0, foreign exchange, and foreign outflows.

## 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)).



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)

