

Unit Investment Trust Funds

METRO MAX-5 BOND FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended December 27, 2024

FUND FACTS

Classification:	Bond - Medium Term	Net Asset Value per Unit (NAVPU):	2.256392
Launch Date:	April 6, 2005	Total Fund NAV (in Php Bns):	2.35
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:	1 Banking Day after date of redemption
Minimum Holding Period:	7 calendar days from date of participation	Early Redemption Charge:	50% of income on redeemed amount

FEES COLLECTED FOR THE MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.078%	0.001%	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): **2.38**

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants high income and potential returns that are higher than regular traditional deposit products by investing in a diversified portfolio of peso-denominated fixed income securities and instruments with a maximum weighted average duration of five years.

The Fund's benchmark is the Markit iBoxx ALBI Philippines 1-5 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 MAX-5 BOND FUND is suitable only for investors who:

- Have a Moderate profile.
- Want potential returns that are higher than regular Peso deposit products and are willing to be exposed to some risk in consideration of higher returns.
- Prefer a fund with an investment horizon of at least three (3) 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.

Interest Rate Risk:	The possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
Market/Price Risk:	The possibility for an investor to experience losses due to changes in the market prices of bonds. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the bonds.
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 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

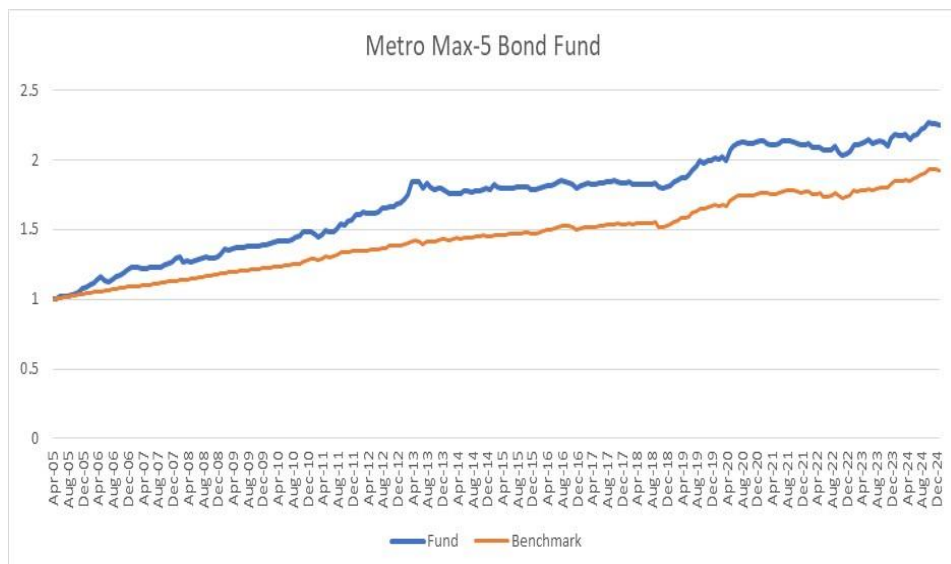


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FUND PERFORMANCE AND STATISTICS as of Dec 27, 2024

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

NAVPU GRAPH



NAVPU OVER THE PAST 12 MONTHS

Highest	2.277160
Lowest	2.146644

STATISTICS

Weighted Average Duration (in years)	3.96
Volatility, Past 1 Year (in %)²	3.37%
Sharpe Ratio³	-0.63
Information Ratio⁴	-0.79

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.

(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
Fund	-0.152%	-0.749%	3.118%	3.370%	6.863%	12.078%	125.639%
Benchmark	-0.082%	-0.240%	2.785%	4.448%	8.851%	15.099%	92.864%

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government Securities	78.87%
Corporate Bonds	12.69%
Time Deposit	8.47%
Cash	0.01%
Other Receivables - Net of Liabilities ⁵	-0.03%

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

Maturity Profile

Government Securities <=1 year	0.86%
Government Securities >1-3 years	7.50%
Government Securities >3-5 years	29.42%
Government Securities >5 years	41.09%
Corporate Bonds <=3 years	11.01%
Corporate Bonds >3-5 years	1.67%

TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. RTB	02.28.29	12.85%
2. FXT	01.18.31	7.81%
3. FXT	01.25.34	6.54%
4. FXT	07.19.31	5.38%
5. FXT	10.13.29	5.21%
6. FXT	06.23.32	5.19%
7. FXT	01.10.29	5.13%
8. FXT	08.17.33	4.88%
9. CBMBT	09.04.26	3.79%
10. FXT	07.27.30	3.72%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in PHP Mns)
MBTC	Corporate Bonds	89.19
MBTC	Time Deposit Placement	194.25

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:

- i. Deposits and special savings with local banks/branches of foreign banks operating in the Philippines;
- ii. Deposits and other evidences of indebtedness by the Bangko Sentral ng Pilipinas (BSP);
- iii. Tradable Philippine sovereign fixed income securities;
- iv. Tradable Philippine corporate fixed income securities;
- v. Loans arising from Repurchase Agreements (Repos) secured by government securities and which are traded in an exchange recognized by the SEC, subject to the condition that the repo contracts may be pre-terminated lawfully by the Trustee with due notice to its counterparty and the market operator;
- vi. 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; and
- vii. Other investments allowed under regulations issued by the Bangko Sentral Ng Pilipinas.

BENCHMARK INFORMATION

The benchmark of the fund is Markit iBoxx ALBI Philippines 1-5 index. Said benchmark provides reference for acceptable returns on a peso-denominated medium risk fixed-income portfolio comprised primarily of government securities, as well as corporate bonds, and time deposits. It complements the fund's maximum weighted average duration of five years.

Key Characteristics of the Benchmark. The Markit iBoxx ALBI Philippines 1-5 index is total return index composed of Peso-denominated fixed rate government bonds, including retail treasury bonds, with remaining tenor of 1-5 years and a minimum notional size of Php3.0 billion.

Further details regarding the benchmark are available from Bloomberg, and the websites of the Bureau of the Treasury and IHS Markit.

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

December 2024 wrapped up the year with a monetary symphony, where central banks conducted rate adjustments, and the markets adjusted their tune accordingly. The Peso fixed income market in December was shaped by both global and local developments. Inflation in the Philippines came out hotter-than-expected at 2.9% in December versus 2.6% estimate and also higher from 2.5% in November. 2024 full-year inflation at 3.2%, within BSP's target of 2% to 4%. 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%. Meanwhile, U.S. labor market data sent mixed signals, with private payrolls adding just 146,000 jobs in November—falling short of expectations—while job openings rose to 7.7 million. Globally, central bank decisions reflected varying economic realities. The European Central Bank (ECB) trimmed rates by 25 basis points (bps) to 3%, citing progress in aligning inflation with its 2% medium-term target. The Bank of Canada implemented a 50-bps cut to 3.25%, aiming to stimulate economic growth amid slowing momentum. Meanwhile, the Reserve Bank of Australia and the Bank of Japan maintained their respective rates at 4.35% and 0.25%. In China, the People's Bank of China kept its loan prime rates steady at 3.1% for the 1-year and 3.6% for the 5-year terms. Together, these decisions painted a picture of global caution and moderation, with central banks responding differently to domestic economic conditions.

However, the most market-moving decisions came from the Federal Reserve (Fed) and the Bangko Sentral ng Pilipinas (BSP). The Fed reduced its policy rate by 25 bps to 4.25%-4.50%, while revising its 2025 guidance to include only 50 bps of additional cuts, down from earlier expectations of 100 bps. This signaled a more cautious approach to monetary easing as the fight on inflation is not yet over. Locally, the BSP mirrored the Fed's move, cutting its policy rate by 25 bps to 5.75%. This highlighted the BSP's continued easing stance, supported by manageable inflation, which remained within its target range. Peso government securities (GS) yields moved higher by an average of 16 bps month-on-month (MoM), led by the short end of the curve as investors adjusted to global rate developments. In contrast, the long end of the curve displayed resilience, with the 20-year and 25-year tenors declining by 5 bps MoM.

The Bureau of the Treasury (BTr) maintained full acceptance of target-sized issuances in both Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds). Accepted bids for T-Bill issuances rose by an average of 11 bps across all tenors compared to November, consistent with the general upward movement in the yield curve. For Treasury Bonds, the reissuance of the 10-year FXT1072 saw an average awarded yield of 5.89%, slightly higher by 2 bps from October's 5.87% awarded average. For the first quarter of 2025, the Bureau of the Treasury announced a borrowing program of PHP 629 billion, comprising PHP 264 billion in Treasury Bills and PHP 365 billion in Treasury Bonds. The January 2025 auction schedule includes PHP 30 billion each for 5-year, 7-year, and 10-year tenors, alongside a combined PHP 35 billion for the 3-year and 25-year tenors. Looking ahead, the strategy for 2025 involves aligning portfolio duration closer to benchmark levels and increasing cash allocations to mitigate volatility risks. With the Fed and BSP expected to continue easing in 2025, the fixed income market presents opportunities for tactical positioning. However, vigilance remains crucial amid potential headwinds from global and local macroeconomic developments.

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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