

Unit Investment Trust Funds

METRO ASPIRE BALANCED FEEDER FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended January 31, 2025

FUND FACTS

Classification:	Multi-Asset - Feeder	Net Asset Value per Unit (NAVPU):	0.975837
Launch Date:	August 27, 2015	Total Fund NAV (in Php Mns):	22.44
Trust Fee (per annum):	None	Dealing Day	12:00NN for Branch Channels
Minimum Investment:	Php1,000	(any banking day):	2:30PM for Electronic Channels
Additional Investment:	Php500	Redemption Settlement:	2 Banking Days after date of redemption
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES COLLECTED FOR THE MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.000%	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 Mns): **23.73**

INVESTMENT OBJECTIVE AND STRATEGY

The Investor Fund intends to achieve for its participants high growth and high income primarily by investing in Metro Balanced Fund.

The Fund's benchmark is the 60% Philippine Stock Exchange Index and 40% 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 ASPIRE BALANCED FEEDER FUND is suitable only for investors who:

- Have an Aggressive profile.
- Want high growth and high income primarily by investing in Metro Balanced Fund.
- Prefer a fund with an investment horizon of at least five (5) years.
- Are qualified to participate in this fund. Participation in the Investor 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 and stocks/equities. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the bonds and 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.
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

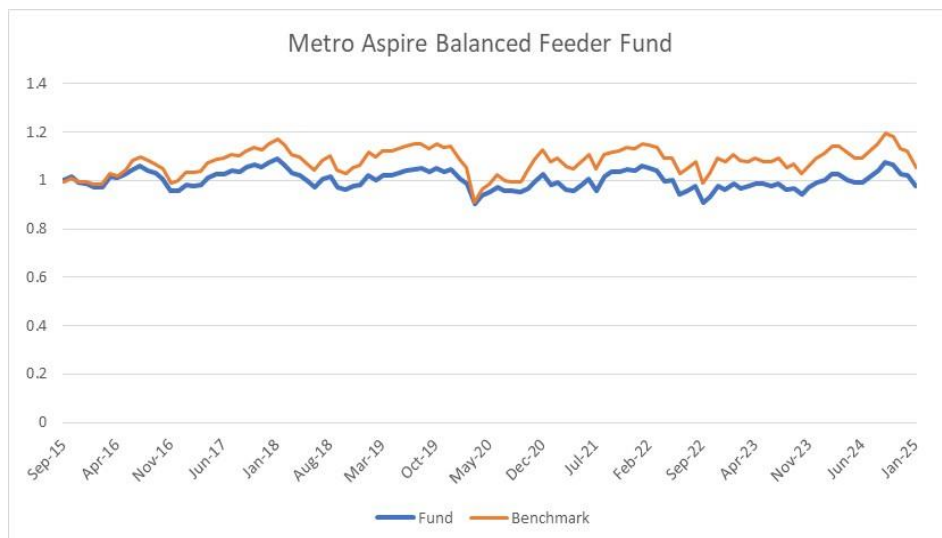


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FUND PERFORMANCE AND STATISTICS as of Jan 31, 2025

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

NAVPU GRAPH



NAVPU OVER THE PAST 12 MONTHS

Highest	1.092826
Lowest	0.973420

STATISTICS

Weighted Average Duration (in years)	1.90
Volatility, Past 1 Year (in %) ²	8.39%
Sharpe Ratio ³	-1.02
Information Ratio ⁴	0.96

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	-4.273%	-8.314%	-3.864%	-2.765%	-7.970%	-3.127%	-2.416%
Benchmark	-5.770%	-10.508%	-5.777%	-5.048%	-8.568%	-2.928%	5.462%

PORTFOLIO COMPOSITION

Allocation	% of Fund
Metro Balanced Fund	99.54%
Time Deposit	1.58%
Cash	0.46%
Other Receivables - Net of Liabilities ⁵	-1.58%

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

Sector Holdings of the Target Fund

Holdings	32.30%
Financials	23.92%
Services	18.26%
Industrials	13.17%
Properties	11.65%
Mining And Oil	0.70%

TOP 10 HOLDINGS OF THE TARGET FUND

Name	Maturity	% of Fund
1. FXT	10.13.29	8.19%
2. FXT	06.23.32	7.11%
3. SM		6.11%
4. MBTC PHP TD	02.03.25	6.09%
5. ACPAR		5.70%
6. BDO		5.07%
7. FXT	09.06.27	5.06%
8. ICT		5.00%
9. BPI		4.51%
10. FXT	01.10.29	4.01%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in PHP Mns)
MBTC	Time Deposit Placement	0.36

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.

TARGET FUND FACTS

Name of Target Fund: Metro Balanced Fund
Fund Currency: Philippine Peso
Fund Manager: Metropolitan Bank & Trust Company
Inception Date: April 8, 2005

Benchmark: 60% Philippine Stock Exchange Index
 40% Markit iBoxx ALBI Philippines 1-5 Index

Domicile: Philippines

Regulator: Bangko Sentral ng Pilipinas

INVESTMENT OBJECTIVE

The Fund intends to achieve for its participants growth and high income from a portfolio of diversified blue-chip and fundamentally sound equities listed at the Philippine Stock Exchange (PSE) and peso-denominated fixed income securities. The Fund may invest between 40% and 60% of its market value in equities listed in Philippine Stock Exchange and a minimum of 40% of its market value in peso-denominated fixed income securities.



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. Units/shares in a collective investment schemes by Metrobank-Trust Banking Group subject to the conditions enumerated under BSP Circular 767;
- 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. Other Investments allowed under regulations issued by the Bangko Sentral Ng Pilipinas.

BENCHMARK INFORMATION

The Fund's benchmark is a blended benchmark composed of 60% Philippine Stock Exchange Index (PSEi), and 40% Markit iBoxx ALBI Philippines 1-5 index.

The benchmarks provide references for acceptable returns on a peso-denominated high-risk multi-asset fund comprised of PSE-listed equities and government bonds. The benchmark is heavily weighted on the PSEi to track an aggressive fund strategy. The fixed income benchmark reflects the bond composition of the fund.

Key Characteristics of the Benchmarks. 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. The Markit iBoxx ALBI Philippines 1-5 index is a total return index composed of Peso-denominated fixed rate government bonds, including retail treasury bonds, with a remaining tenor of 1–5 years and a minimum notional size of PHP 3.0 billion.

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

Worst month in over 2 years. The PSEI commenced the new year with a negative trajectory, experiencing a 10.2% monthly decline to conclude at 5,862.59. Technically, this decline places the market within bear market territory, having fallen below -20% from its peak of 7,500 reached in October 2024. The primary factors contributing to this decline are persistent concerns regarding a prolonged period of elevated inflation, exacerbated by the return of President Trump to office and his subsequent threats to impose tariffs on major exporting nations. These actions have raised fears of another inflationary regime. In terms flows, the market witnessed net foreign selling for the third consecutive month, with foreign funds withdrawing a total of \$114.1 million. Additionally, the average daily turnover deteriorated to \$92.02 million (from \$100.16 million).

Rebalancing flows dragged. PSEI rebalancing also took effect during the month's close, further intensifying the selling pressure as passive funds sold across the board to acquire new index entrants, AREIT and CBC. Due to the relative illiquidity of certain index constituents, several stocks experienced substantial sell-offs despite the rebalancing, as buyers were scarce. New index members AREIT (+7.69%) and CBC (+38.91%) witnessed substantial increases in stock prices on the month-end alone. While among the top losers were WLCON (-41.3% MoM) and NIKL (-37.8% MoM) ahead of their deletion from the PSEI.

Negative macro surprises. 4Q24 GDP clocked in at 5.2%, falling short of the consensus estimate of 5.5%. Consequently, full-year 2024 GDP was 5.6%, below the government's target range of 6-6.5%. The slowdown in both consumption and investment, exacerbated by severe weather conditions in the fourth quarter of 2024, were significant factors in the underperformance. January inflation was steady at 2.9% YoY, slightly exceeding the 2.8% consensus estimate. However, core inflation eased to 2.6% from the previous month's 2.8%. The primary contributors to inflation were food, non-alcoholic beverages, and utilities. Key food items, such as meat, fish, and vegetables, remain susceptible to further price increases in February.

For local equities, fundamentals of the market remain strong, with a key driver being corporate earnings growth which we expect to settle around 9% for 2025. Moreover, we also reiterate the relative attractiveness of local equities from a valuation standpoint, both historically and in comparison to ASEAN peers. However, in the short term, volatility is anticipated to persist, largely due to global uncertainties from Trump 2.0, foreign exchange, and foreign outflows. In light of these factors, we recommend adopting a selective approach, prioritizing highly liquid names with clear earnings visibility and maximizing dividend-paying names.

In the fixed income space, Peso government securities yields broadly declined in January, averaging a 20 bps drop across the curve. The short to belly tenors led the rally, with yields dropping by an average of 32 bps, supported by strong demand in auctions and easing inflation expectations. However, longer tenors (10 years and above) bucked the trend, rising by 19 bps month-on-month (MoM), reflecting caution amid global yield movements and upcoming local supply. Market participants are likely to remain cautious amid evolving inflation trends and global monetary policy shifts. The recommended investment strategy is to align duration closer to benchmark levels, maintaining flexibility in response to changing inflation expectations and central bank policy shifts.

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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