

Unit Investment Trust Funds

METRO\$ US INVESTMENT GRADE CORPORATE BOND FEEDER FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended January 31, 2025

FUND FACTS

Classification:	Feeder	Net Asset Value per Unit (NAVPU):	1.015436
Launch Date:	February 14, 2018	Total Fund NAV (in USD Mns):	0.99
Trust Fee (per annum):	0.50% based on NAV	Dealing Day	12:00NN for Branch Channels 2:30PM for Electronic Channels
Minimum Investment:	USD 500	(any banking day):	
Additional Investment:	USD 100	Redemption Settlement:	4 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

FEES COLLECTED FOR THE MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.043%	0.012%	0.000%	0.003%
<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 USD Mns): **0.93**

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to provide market returns from a representative portfolio of US Dollar denominated, investment grade corporate bonds that comprise the US Investment Grade Corporate Market by investing at least 90% of its assets in the iSHARES iBOXX \$ INVESTMENT GRADE CORPORATE BOND ETF.

The benchmark of the fund is the iBoxx USD Liquid Investment Grade Index TR.

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\$ US INVESTMENT GRADE CORPORATE BOND FEEDER FUND is suitable only for investors who:

- Have an Aggressive profile.
- Want capital appreciation over the long-term by primarily investing in iShares iBoxx \$ Investment Grade Corporate Bond ETF.
- 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 domestic 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 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.
Foreign Exchange Risk:	The possibility for an investor to experience losses due to fluctuations in foreign exchange rates. The exchange rates depend upon a variety of global and local factors, e.g. interest rates, economic performance, and political developments.
Country Risk:	The possibility for an investor to experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of these countries. There are risks in foreign investments due to the possible internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases of the foreign country involved which are difficult to predict but must be taken into account in making such investments.
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 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

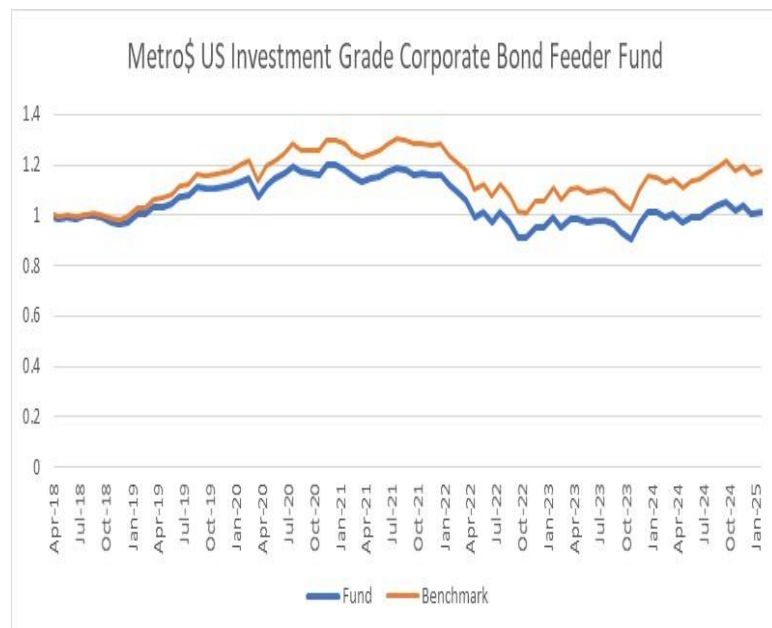


Unit Investment Trust Funds

FUND PERFORMANCE AND STATISTICS as of January 31, 2025

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

NAVPU GRAPH



NAVPU OVER THE PAST 12 MONTHS

Highest	1.063112
Lowest	0.967443

STATISTICS OF THE TARGET FUND

Weighted Average Duration (in years)	7.90
Volatility, Past 1 Year (in %) ²	7.83%
Sharpe Ratio ³	-0.61
Information Ratio ⁴	-2.75
Tracking Error ⁵ , 5 year (%)	0.75%

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.

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.)

⁵ Tracking Error measures the deviation between the Fund's return and benchmark return. 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 the most recent 5-year data)

CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Fund	0.700%	-0.609%	-0.439%	0.451%	-9.333%	-10.667%	1.544%
Benchmark	0.816%	-0.457%	0.165%	1.883%	-5.001%	-2.419%	17.439%

PORTFOLIO COMPOSITION

Allocation	% of Fund
iShares iBoxx \$ Investment Grade Corporate Bond ETF	97.14%
Time Deposit	2.47%
Cash	0.49%
Other Receivables - Net of Liabilities ⁶	-0.10%

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

Maturity Profile of the Target Fund

20+ years	27.37%
15-20 years	7.95%
10-15 years	6.32%
7-10 years	19.35%
5-7 years	17.18%
3-5 years	20.67%
2-3 years	0.27%
0-1 years	0.04%

TOP 10 HOLDINGS OF THE TARGET FUND

Name	Maturity	% of Fund
1. BLK CSH FND TREASURY SL AGENCY		1.16%
2. ANHEUSER-BUSCH COMPANIES LLC	02.01.46	0.23%
3. T-MOBILE USA INC	04.15.30	0.18%
4. CVS HEALTH CORP	03.25.48	0.18%
5. GOLDMAN SACHS GROUP INC/THE	10.01.37	0.16%
6. PFIZER INVESTMENT ENTERPRISES PTE	05.19.53	0.15%
7. ABBVIE INC	11.21.29	0.15%
8. ANHEUSER-BUSCH COMPANIES LLC	02.01.36	0.15%
9. AT&T INC	09.15.53	0.14%
10. WELLS FARGO & COMPANY MTN	04.04.51	0.14%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in USD Mns)
MBTC	Time Deposit Placement	0.02

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: iShares iBoxx \$ Investment Grade Corporate Bond ETF

Fund Currency: US Dollar

Fund Manager: BlackRock Fund Advisors

Inception Date: July 22, 2002

Benchmark: Markit iBoxx USD Liquid Investment Grade Index

Domicile: United States of America

Regulator: Securities and Exchange Commission

Administrator, Custodian and Transfer Agent: State Street Bank & Trust Company

INVESTMENT OBJECTIVE

The Target Fund seeks to track the investment results of an index composed of U.S. dollar-denominated, investment grade corporate bonds.

Fund Performance Report and relevant information about the iShares iBoxx \$ Investment Grade Corporate Bond ETF can be viewed and downloaded through www.iShares.com.



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

INVESTMENT POLICY

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

- i. US Dollar-denominated units/shares in collective investment schemes subject to the conditions enumerated under BSP Circular 767;
- ii. US Dollar-denominated deposits with local banks/branches of foreign banks operating in the Philippines;
- iii. US Dollar-denominated money market instruments that are traded in an organized exchange; or
- iv. Other US Dollar-denominated Investments allowed under regulations issued by the Bangko Sentral Ng Pilipinas; and
- v. Financial derivatives instruments solely for the purpose of hedging risk exposures of the existing investments of the Investor Fund, provided these are accounted for in accordance with existing BSP hedging guidelines and disclosed to participants.

BENCHMARK INFORMATION

The benchmark of the fund is the iBoxx USD Liquid Investment Grade Index TR, the same benchmark as the target fund, iShares iBoxx \$ Investment Grade Corporate Bond ETF. The fund's benchmark, being the same as the target fund, provides reference for acceptable returns on a diversified corporate bond portfolio composed of US corporate debt instruments.

This provides investors ample exposure in the US corporate bond market.

Key Characteristics of the Benchmark. The fund's benchmark consists of liquid USD investment grade bonds, excluding debt issued by governments, sovereigns, quasi-sovereigns, and government-backed or guaranteed entities. The index is market-weighted with an issuer cap of 3%. Index constituents have remaining tenors of at least 3 years, and minimum amount outstanding of USD750 million. Bond types include fixed coupon, step-up, bonds with sinking funds, medium term notes, callable and puttable bonds.

Further details regarding the benchmark are available from Bloomberg and at the official website of 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

The fund increased by 0.69% in January, markets have anchored on the deflation theme despite inflationary concerns in leading data. Stay cautious on the fixed income space by trading the range.

In the January FOMC meeting, the Federal Reserve turned hawkish as it paused its easing cycle after reducing rates by 100-bps in 2024. The end of dovish rhetoric is expected to increase market volatility in 2025 as the Fed stated that it is "in no hurry to cut rates again" given economic stability. Meanwhile, Donald Trump becomes the 47th President of the United States. His administration's decision is expected to disrupt norms bringing great uncertainty from the point of view of immigration, tariffs and taxes to name a few.

The hawkish development will keep yields and the dollar elevated which are growth restrictive. In Q4-2024, U.S. GDP dropped from 3.1% to 2.3%, despite personal consumption rising from 3.7% to 4.2%. Inflation inched higher at 2.9% YoY, with leading indicator, producer prices index supporting at 3.3% YoY. Near-term risk of inflation remains low, however; the developing "no landing" rhetoric now raises concerns that inflation may inflect and head higher by the second half of 2025.

Services, which constitute roughly 70% of the U.S. economy fell to 52.9, while manufacturing expanded after 6 months in contraction, rising to 51.2. The incoming Trump Administration aims to re-shore manufacturing and production which should improve that lagging side of the economy. Meanwhile, unemployment declined to 4.1%.

On rising inflation expectation, consumer confidence declined to 104.1. Reflation was the trend in 2024 given the U.S. elections. Data remains very mixed with leading economic indicators flashing a potential bottom in inflation, while lagging data continues to support the disinflation theme.

The US10Y jumped to as high as 4.81% in January as the inauguration of President Donald Trump sparked fears of inflationary policies, post inauguration exhaustion kicked-in allowing yields to fall back to 4.54%, just a 2-bp increase month-on-month. The 10Y flashes a minor topping pattern called a "head and shoulders" with a drawdown target of 4.33%, 4.33% happens to be the breakout zone from the bull-flag mentioned in previous months. Cross asset volatility sparked following the upward break caused by the hawkish tilt of the Federal Reserve.

Inflation rebounding has emerged as the greatest risk to the U.S. economy as the "no landing" narrative becomes the most probable outcome in the near-term. A "no landing" scenario refers to an economic situation where the economy continues to grow despite efforts by the Federal Reserve to control inflation through interest rate hikes. In this scenario, inflation remains a concern because the economy keeps expanding, which may lead the Federal Reserve to continue raising interest rates to try to cool things down.

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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