

# Unit Investment Trust Funds

## METRO CORPORATE BOND FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended February 28, 2025

### FUND FACTS

<b>Classification:</b>	Bond - Medium Term	<b>Net Asset Value per Unit (NAVPU):</b>	1.259982
<b>Launch Date:</b>	November 23, 2016	<b>Total Fund NAV (in Php Mns):</b>	388.94
<b>Trust Fee (per annum):</b>	0.75% 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>	3 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>0.058%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>0.000%</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 Mns): **387.09**

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants income generation and capital appreciation by investing in a diversified portfolio of predominantly peso-denominated corporate fixed income securities.

The Fund aims to outperform its benchmark, which 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 CORPORATE BOND FUND is suitable only for investors who:

- Have a Moderate profile.
- Want income generation and capital appreciation over the medium-term.
- 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>Interest Rate Risk:</b>	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.
<b>Market/Price Risk:</b>	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.
<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)

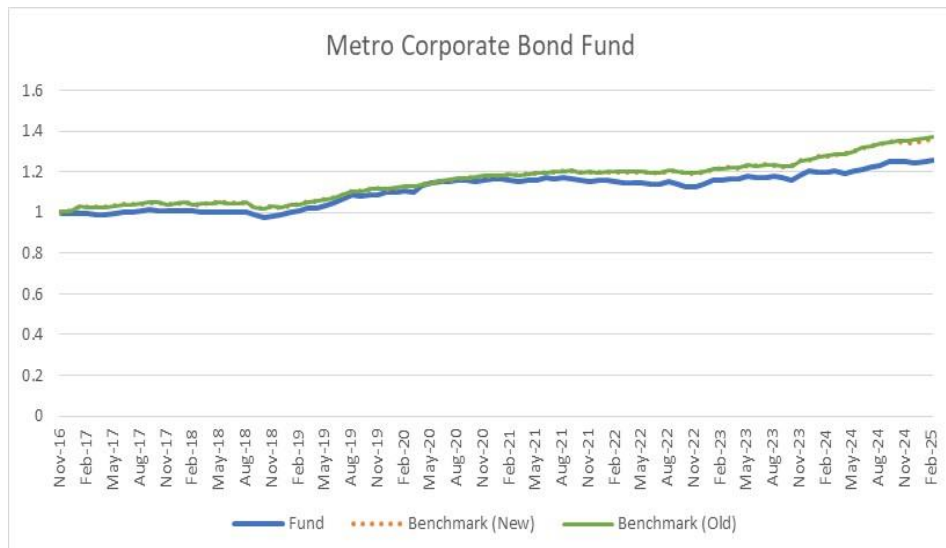


# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of Feb 28, 2025

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

### NAVPU GRAPH



### NAVPU OVER THE PAST 12 MONTHS

Highest	1.261582
Lowest	1.189013

### STATISTICS

Weighted Average Duration (in years)	2.56
Volatility, Past 1 Year (in %) <sup>2</sup>	2.43%
Sharpe Ratio <sup>3</sup>	-0.37
Information Ratio <sup>4</sup>	-0.31

<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>	0.625%	0.928%	2.104%	4.935%	9.545%	13.630%	25.998%
<b>Benchmark (New)<sup>5</sup></b>	0.479%	1.282%	2.611%	6.535%	13.436%	20.502%	36.171%
<b>Benchmark (Old)<sup>6</sup></b>	0.528%	1.183%	2.394%	7.276%	14.226%	21.341%	37.119%

<sup>5</sup> For strategy alignment, the fund changed its benchmark to Markit iBoxx ALBI Philippines 1-5 Index on October 11, 2024.

<sup>6</sup> The fund used a composite benchmark composed of 80% BPI Philippine Corporate Bond Index and 20% average rate of the most recent 91-day Philippine Treasury Bill auction, net of taxes from September 23, 2020 to October 10, 2024.

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Corporate Bonds	55.99%
Government Securities	36.25%
Time Deposit	9.08%
Other Receivables - Net of Liabilities <sup>7</sup>	-0.04%
Cash	-1.28%

<sup>7</sup> Includes accrued income from investments, receivables from brokers/counterparties and unpaid expenses.

### Maturity Profile

Government Securities <=1 year	3.78%
Government Securities >1-3 years	10.20%
Government Securities >3-5 years	14.07%
Government Securities >5 years	8.20%
Corporate Bonds <=3 years	36.13%
Corporate Bonds >3-5 years	17.13%
Corporate Bonds >7-10 years	2.72%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in PHP Mns)
MBTC	Corporate Bonds	19.53
MBTC	Time Deposit Placement	35.30

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.

### TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. CBSMFB	03.10.27	8.70%
2. CBCNVRG	04.08.27	6.27%
3. CBALI	05.05.28	6.01%
4. FXT	09.06.27	5.46%
5. FXT	10.13.29	5.43%
6. CBRLC	08.26.27	5.12%
7. CBMBT	09.04.26	5.02%
8. CBSMPH	04.22.29	4.38%
9. MBTC PHP TD	04.01.25	3.86%
10. CBAPC	03.17.29	3.10%



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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;
- iii. Tradable Philippine corporate fixed income securities;
- iv. Tradable Philippine sovereign 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 Fund's benchmark is the Markit iBoxx ALBI Philippines 1-5 Index.

This benchmark is appropriate for the UITF that is invested in predominantly peso-denominated corporate fixed-income bonds, along with other fixed income securities. It complements the fund's maximum weighted average duration of five (5) years.

Key Characteristics of the Benchmark. 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 remaining tenor of 1-5 years and a minimum notional size of Php3.0B.

Further details regarding the benchmark are available from Bloomberg and the 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

"Tariff Tango: Markets Sway as Trade Tensions Resurface"

Offshore markets experienced significant shifts in February, with US inflation data showing core PCE steady at 2.8%, while headline PCE rose to 2.6%, driven by higher energy prices. The US reintroduced tariffs — 25% on Canadian and Mexican goods, and 10% on Chinese imports — prompting retaliatory measures. However, US Pres. Trump later paused tariffs on Canada and Mexico for 30 days, easing market tensions. Meanwhile, US Treasury Secretary Bessent clarified that the administration aims to lower long-term yields through deregulation and tax reforms rather than pressuring the Fed for immediate rate cuts. The Bank of England cut rates by 25 basis points (bps) to 4.5% despite lingering inflation, while the Reserve Bank of Australia (RBA) followed suit, reflecting global monetary easing trends. In Asia, South Korea's inflation ticked up to 2.2%, prompting the Bank of Korea to cut rates by 25 bps to their lowest level since August 2022. Meanwhile, China's consumer inflation rose to 0.5%, while producer prices remained in deflation, reflecting weak domestic demand.

Locally, the Bangko Sentral ng Pilipinas (BSP) surprised markets by holding policy rates steady at 5.75%, citing lingering global uncertainties and raising its 2025 inflation forecast to 3.5%. The BSP also announced a 200-bps cut to the reserve requirement ratio (RRR) — from 7% to 5% — effective March 28, releasing Php300 to 350 billion in liquidity to support credit growth. February headline inflation printed at 2.1%, lower than market expectations of 2.6% and down from January's 2.9%. The decline was driven by lower food prices (rice, tomatoes, vegetables) and reduced electricity and fuel costs. Core inflation slowed to 2.4% from January's 2.6%. Peso government securities (GS) yields moved sideways with a downward bias, closing the month around 2 bps lower, with the 5 to 10 year portion of the curve leading the decline, down by an average of 8 bps.

The Bureau of the Treasury (BTr) maintained full acceptance of target-sized issuances for both Treasury Bills (T-Bills) and Treasury Bonds (T-Bonds). Accepted bids for T-Bill issuances were higher by an average of around 14 bps across all tenors compared to January, reflecting market reaction to the BSP's rate pause. Meanwhile, the average yield for the 10-year reissuance of FXT1072, which was also auctioned in January, was lower by around 13 bps, aligning with the month-on-month movement of the yield curve. For February, the Peso Fixed Income fund strategy focused on capturing profit opportunities on the long end of the curve while rotating into belly bonds to align fund durations closer to benchmarks. Auction results, inflation data, and offshore yield movements will continue to drive local bond prices, with investors closely watching inflation prints and central bank signals. The outlook remains cautiously optimistic — softening inflation and dovish global central bank trends could provide more room for yields to grind lower, though volatility is expected to persist amid ongoing trade tensions and whispers of a potential jumbo bond issuance soon.

## 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)).



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