Annex A

Frequently Asked Questions (FAQs)

<table>
<tr><th>Question</th><th>Answer</th></tr>
<tr><td>1. Why am I receiving this notice?</td><td>You are receiving this notice because Metrobank is updating the Declarations of Trust (DOTs) of select UITFs to align with new regulatory requirements issued by the Bangko Sentral ng Pilipinas (BSP) under Circular No. 1234.</td></tr>
<tr><td>2. Why are these amendments being implemented?</td><td>The amendments are being implemented to ensure compliance with BSP Circular No. 1234, which updates the maximum exposure limits of UITFs, particularly for investments in exchange-traded equity securities. These changes support prudent risk management while allowing greater flexibility in portfolio construction.</td></tr>
<tr><td>3. Which funds are affected, and which specific section(s) of the Declaration of Trust (DOT) have been updated?</td><td>Relative to BSP Circular No. 1234, which amends the maximum exposure limits of UITFs, particularly for exchange-traded equity securities, the following funds and parts of the Declarations of Trust (DOTs) are amended specifically:
<table>
<tr><th>DOT Section</th><th>From</th><th>To</th><th>Affected Funds</th></tr>
<tr><td>Appendix I:

2. Investment Policy</td><td>b. The combined exposure of the UITF to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the UITF. Provided, That, a UITF invested, partially or substantially, in exchange traded equity securities shall be subject to the fifteen percent (15%) exposure limit to a single entity/issuer. This limitation shall not apply to non-risk assets as defined by the Bangko Sentral ng Pilipinas</td><td>b. The combined exposure of the Fund to any entity shall not exceed fifteen percent (15%) of the market value of the Fund: Provided, That, a Fund invested, partially or substantially, in exchange-traded equity securities shall be subject to a twenty percent (20%) exposure limit to a single entity/issuer; Provided, further, That any exposure exceeding fifteen percent (15%), up to the applicable twenty percent (20%) limit, shall be solely in the form of investments in exchange-traded equity securities of the same entity/issuer. The limitation shall not apply to non-risk assets as defined by the Bangko Sentral ng Pilipinas (BSP).

Any changes in the exposure limits as may be prescribed by the BSP shall be applicable to the Fund and shall supersede the limits stated in this document, subject to prior client notification.</td><td>1. Metro Balanced Fund
2. Metro Equity Fund
3. Metro High Dividend Yield Unit Paying Fund
4. Metrobank PERA Equity Fund</td></tr>
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Question	Answer
	A copy of the amended DOT can be accessed on the Metrobank website. Clients may access the announcement using the URL, https://www.metrobank.com.ph/articles/uitf-policies-amendments and follow the step-by-step guide **Home Page > Wealth > Unit Investment Trust Funds > Amendments > Declaration of Trust** to view the amendment details.
4. **What is Single Exposure Limit (SEL)? What changes are being implemented?**	A Single Exposure Limit (SEL) refers to the maximum percentage of a fund's assets that may be invested in a single issuer or entity. This limit helps manage concentration risk and supports diversification within the portfolio. Under BSP Circular No. 1234, the exposure limit to a single issuer remains at 15% of the Fund's market value. However, for exchange-traded equity securities, exposure may now be increased up to 20%, subject to BSP-prescribed conditions.
5. **Is there a specific action that clients need to take once the changes are implemented?**	**Clients do not need to do anything.** The amendments will be applied automatically as part of the updated DOT provisions governing the Funds. Clients' holdings in the Fund will continue to be managed in accordance with the fund's investment objectives and policies. The fund's risk profile and portfolio composition will remain the same.
6. **What can potentially happen to clients' funds as a result of this amendment?**	The amendment provides the Fund Manager with greater flexibility in managing exposure to exchange-traded equity securities, which may support more efficient portfolio positioning. However, returns are not guaranteed and any impact on the Fund's performance will continue to depend on market conditions and overall portfolio outcomes.
7. **Does the increase in exposure limit mean higher risk for the Fund?**	The updated exposure limit allows the Fund to invest a higher portion in exchange-traded equity securities of a single issuer under defined conditions. This change remains within BSP-prescribed limits and will be implemented as part of the Fund's existing approach to managing investments across issuers.