

# Unit Investment Trust Funds

## METRO\$ MONEY MARKET FUND

### KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended January 31, 2024

#### FUND FACTS

Classification:	Money Market	Net Asset Value per Unit (NAVPU):	1.084214
Launch Date:	June 18, 2018	Total Fund NAV (in USD Mns):	205.28
Trust Fee (per annum):	0.375% based on NAV	Dealing Day:	12NN, any banking day
Minimum Investment:	USD 500	Redemption Settlement:	1 Banking Day after date of redemption
Additional Investment:	USD 100	Early Redemption Charge:	50% of income on redeemed amount
Minimum Holding Period:	7 calendar days from date of participation		

#### COOLING-OFF PERIOD

Pursuant to BSP Circular No. 857, 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.

#### FEES COLLECTED FOR THE MONTH<sup>1</sup>

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.032%	0.000%	0.000%	0.000%
Metrobank-Trust Banking Group	HSBC	SGV & Co.	Others

<sup>1</sup> As a percentage of average daily NAV for the month valued at (in USD Mns): **202.85**

#### INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants income and liquidity by investing in a portfolio of US\$ denominated deposits and other money market instruments with a maximum weighted average duration of one year.

The Fund's benchmark is the Philippine Dollar Deposit Rates Savings Deposits (PPSDUS\$). The choice of benchmark is aligned with the general characteristic of the fund which is a short term investment facility.

#### 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\$ MONEY MARKET FUND is suitable only for investors who:

- Have an Conservative profile.
- The Fund aims to outperform the Philippine Dollar Deposit Rates Savings Deposits (PPSDUS\$).
- Recommended investment horizon is at least 30 days
- 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.

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.
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.
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 high-credit quality 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)

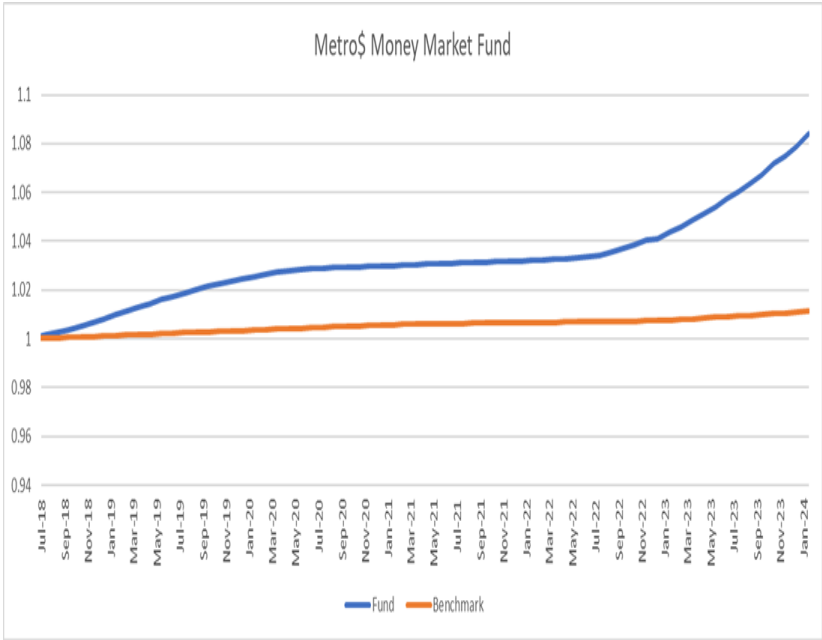


# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of January 31, 2024

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

### NAVPu GRAPH



### NAVPu OVER THE PAST 12 MONTHS

Highest	1.084010
Lowest	1.043648

### STATISTICS

Weighted Average Duration (in years)	0.35
Volatility, Past 1 Year (in %) <sup>2</sup>	0.28%
Sharpe Ratio <sup>3</sup>	-4.33
Information Ratio <sup>4</sup>	12.77

<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.

### CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Fund	0.493%	1.156%	2.244%	3.887%	5.262%	7.368%	8.421%
Benchmark	0.029%	0.094%	0.184%	0.340%	0.541%	0.981%	1.118%

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Time Deposits	85.97%
Government Securities	14.25%
Cash	-0.21%
Other Receivables - Net of Liabilities <sup>5</sup>	-0.01%

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

Maturity Profile	
Government Securities <1year	9.17%
Government Securities >5years	5.08%

### TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. \$RDB	04.11.29	5.08%
2. \$TBL	03.14.24	3.39%
3. \$TBL	06.13.24	1.44%
4. SCB USD TD	03.19.24	0.98%
5. SCB USD TD	03.20.24	0.98%
6. \$TBL	03.21.24	0.97%
7. \$TBL	06.06.24	0.96%
8. \$TBL	06.20.24	0.96%
9. MBTC USD TD	02.09.24	0.74%
10. \$GENTD CHINABAN	03.14.24	0.69%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in USD Mns)
MBTC	Time Deposit Placement	15.45
PSBank	Time Deposit Placement	9.15

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](http://www.metrobank.com.ph) or contact us at 8-8700-700 or email us at [customer@metrobank.com.ph](mailto:customer@metrobank.com.ph)



# Unit Investment Trust Funds

## INVESTMENT POLICY

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

- US Dollar-denominated deposits with local banks/branches of foreign banks operating in the Philippines;
- US Dollar-denominated money market instruments;
- Government Securities
- Other Investments allowed under regulations issued by the Bangko Sentral Ng Pilipinas.

## OUTLOOK AND STRATEGY

The market's over-optimism on Fed cuts ignites volatility.

To kick off 2024, participants are once again moving too far ahead of the curve by pricing in 6 rate cuts, despite the resilience of the U.S. economy; such cuts would imply a U.S. recession. The Federal Reserve remains patient and cautious about loosening policy rates, as cutting too soon may prompt inflation to inflect from its current downtrend. The Fed hinted at only 3 cuts in 2024. In January, the central bank kept rates unchanged at four-decade highs of 5.25% to 5.5%. As of end January, the probabilities for a March 2024 rate cut has diminished from 70% to 50% with consensus slowly shifting the first cut to May.

The impressive resilience of the U.S. economy can be attributed to the structural shift stemming from the pandemic. The Fed has successfully restricted December Core PCE to 2.9% YoY without a significant uptick in unemployment, while growth for 4Q-2023 printed at a notable 3.3% QoQ.

Recent developments seem supportive of a soft landing, with personal consumption expanding 2.8% QoQ on the back of improving consumer confidence, from 110.7 to 114.8. However, consumer debt continues to rise, with credit card delinquencies reaching levels last seen before the pandemic hit.

While markets continue to price in a recession with the yield curve inversion of 29bps between the U.S. 2Y and 10Y, leading Economic Indicators (LEI) manufacturing and services PMI expanded to 50.7 and 52.9, respectively, in January.

Following the year-end rally in both bonds and equities, 10Y yields inched lower to 3.91% MoM, but mixed data and geopolitical tensions contributed to the wide 3.86% to 4.20% monthly range. The developing view of the Fed seems to favor deferring rate cuts, prompting the dollar index to rise from 102.2 to 103.27. Tensions in the Middle East triggered WTI to jump 7.77% month-to-month from USD70.38 to USD75.85.

The fund is capitalizing on favorable dollar time deposit rates, offering a 60-day yield of 5.20%.

## 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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