

Unit Investment Trust Funds

METRO\$ SHORT TERM FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended March 27, 2024

FUND FACTS

Classification:	Money Market - Dollar	Net Asset Value per Unit (NAVPu):	1.430214
Launch Date:	March 1, 2007	Total Fund NAV (in USD Mns):	59.23
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:	1 Banking Day after date of redemption
Minimum Holding Period:	7 calendar days from date of participation	Early Redemption Charge:	50% of income on redeemed amount

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 MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.038%	0.000%	0.000%	0.000%
Metrobank-Trust Banking Group	HSBC	SGV & Co.	Others

¹ As a percentage of average daily NAV for the month valued at (in USD Mns): 60.32

INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a US Dollar-denominated money market Unit Investment Trust Fund that aims to achieve for its participants income and liquidity by investing in a portfolio of short-term US dollar-denominated fixed income securities and money market instruments with a maximum weighted average duration of one year.

The Fund's benchmark is the 3-month US Treasury Bill. The choice of benchmark is aligned with the general characteristics of the fund which is short term investment facility, and it closely matches the risk-return objective the fund.

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\$ SHORT TERM FUND is suitable only for investors who:

- Have a Moderate profile.
- Want potential returns that are higher than regular deposit products and are willing to be exposed to some risk in consideration of higher returns.
- Recommended investment horizon is at least six (6) months
- 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.

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. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the bonds.
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 or contact us at 8-8700-700 or email us at customercare@metrobank.com.ph

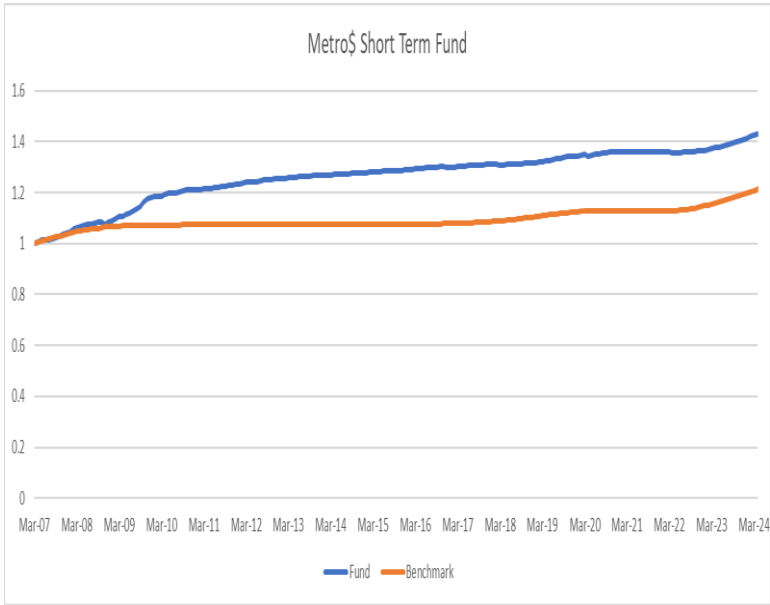


Unit Investment Trust Funds

FUND PERFORMANCE AND STATISTICS as of March 27, 2024

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

NAVPu GRAPH



NAVPu OVER THE PAST 12 MONTHS

Highest	1.430214
Lowest	1.375218

STATISTICS

Weighted Average Duration (in years)	0.46
Volatility, Past 1 Year (in %) ²	0.30%
Sharpe Ratio ³	-4.55
Information Ratio ⁴	1.70

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.

CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception ⁵
Fund	0.374%	1.143%	2.243%	3.966%	5.100%	8.110%	43.021%
Benchmark	0.381%	1.141%	2.293%	4.600%	7.470%	9.180%	21.245%

⁵ Benchmark return was based on the original benchmark of 1-month LIBOR since inception, and was changed to 1-month US T-bill from September 1, 2010 to April 30, 2016 then to 3-month US T-bill, net of applicable taxes from May 2016 until present

PORTFOLIO COMPOSITION

Allocation	% of Fund
Time Deposits	80.16%
Government Securities	18.85%
Corporate Bonds	0.83%
Cash	0.17%
Other Receivables - Net of Liabilities ⁶	-0.01%

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

Maturity Profile	% of Fund
Government Securities <1year	11.74%
Government Securities >5years	7.11%
Corporate Bonds <3 years	0.83%

TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. \$RDB	04.11.29	7.11%
2. \$TBL	05.09.24	3.36%
3. \$TBL	06.06.24	3.35%
4. \$GENTD RCBC	08.05.24	1.74%
5. \$GENTD RCBC	08.09.24	1.74%
6. PSB USD TD	04.11.24	1.72%
7. \$GENTD CHINABAN	04.12.24	1.71%
8. RCBC USD TD	04.22.24	1.70%
9. PSB USD TD	05.22.24	1.69%
10. PSB USD TD	05.24.24	1.69%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in USD Mns)
MBTC	Time Deposit Placement	0.40
PSBank	Time Deposit Placement	7.14

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 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:

- USD-denominated deposits
- Other money market instruments
- Government Securities
- Corporate Bonds
- Other investments allowed under BSP regulations

OUTLOOK AND STRATEGY

Entering Q2-2024, Is this merely reflation or a soft landing?

In the February FOMC meeting, rates were kept unchanged at 5.25% to 5.5%, with the central bank slowly hinting towards dovish moves within the year. Fed Chair Jerome Powell said it would be appropriate to lower borrowing costs this year, but made no clear timeline as the economy and labor market remains strong. He added that they will be cognizant of weakness in the jobs market and is prepared to cut rates to prevent job cuts from spiraling. The latest unemployment data has risen to 3.9%, the highest level seen since January 2022. Moving forward, private job creation has to be monitored, as it continues to fall. As of the end of Q1-2024, markets anticipate a rate pivot in June, with a 64% conviction. Fed officials penciled in three quarter-percentage point cuts by the end of 2024.

Recent data, including 3.2% YoY inflation, Logistics Managers Index at 58.3, and increasing non-farm payroll to 275k, suggests the U.S. economy's continued resilience in a high-interest rate environment spanning two decades. Improving outlook including a strong equity market has pushed consumer confidence from 76.9 to 79.4.

The bond market continues to expect a recession as US2Y vs US10Y yields remain inverted. The current inversion has shattered the previous record of 624 days, last observed in the 1970's. Reflation seems to have developed as over-optimism of a soft-landing broadens, driving hard commodities like copper and oil higher. The U.S. oil benchmark, WTI, is up 17% YTD to \$83.17 per barrel on supply and renewed geopolitical concerns. The U.S10Y moved with a downward bias in March from 4.25% to 4.20% despite the uptick in inflation, the formation seems to be a bear-flag, where yields are expected to rise in the short to medium term but bearish in the longer term.

In the short to medium term, the evolving soft-landing narrative raises concerns about reflation, given fiscal spending ahead of the 2024 U.S. Presidential elections, improving PMI data, and equity markets hitting new all-time highs. Meanwhile, opposite moves were observed in March as Japan exited its negative rate environment by hiking rates to 0.1%, marking its first move in 17 years, while Switzerland became the first major economy to cut rates, citing increased economic risks in the second half.

In conclusion, reflation is ongoing as market participants begin to price in a soft landing.

Additionally, the fund is capitalizing on favorable dollar time deposit rates, offering a 90-day yield of 5.30%.

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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