

Unit Investment Trust Funds

METRO SHORT TERM FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended January 31, 2024

FUND FACTS

Classification:	Money Market	Net Asset Value per Unit (NAVPu):	1.180799
Launch Date:	March 15, 2017	Total Fund NAV (in Php Bns):	22.92
Trust Fee (per annum):	0.60% based on NAV	Dealing Day:	12NN, any banking day
Minimum Investment:	Php10,000	Redemption Settlement:	Same day as date of redemption
Additional Investment:	Php1,000	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 MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.047%	0.000%	0.004%	0.000%
<i>Metrobank-Trust Banking Group</i>	<i>Standard Chartered Bank</i>	<i>SGV & Co.</i>	<i>Others</i>

¹ As a percentage of average daily NAV for the month valued at (in Php Bns): **23.21**

INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a Peso-denominated money market Unit Investment Trust Fund that aims to achieve for its participants, liquidity and income slightly higher than regular time deposit products by investing in a diversified portfolio of Peso-denominated money market instruments and fixed income securities with a maximum weighted average duration of one year. The Fund's composite benchmark is composed of 75% average rate of the most recent 91-day Philippine Treasury Bill auction, net of taxes and 25% Markit iBoxx ALBI Philippines Money Market.

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 liquidity but are willing to take on minimal volatility in exchange for slightly better returns than regular time deposit products.
- Recommended investment horizon is at least six (6) months
- Participation in the Fund shall be open to all Philippine residents, including resident aliens and Filipino citizens residing therein, and domestic corporations.

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.
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

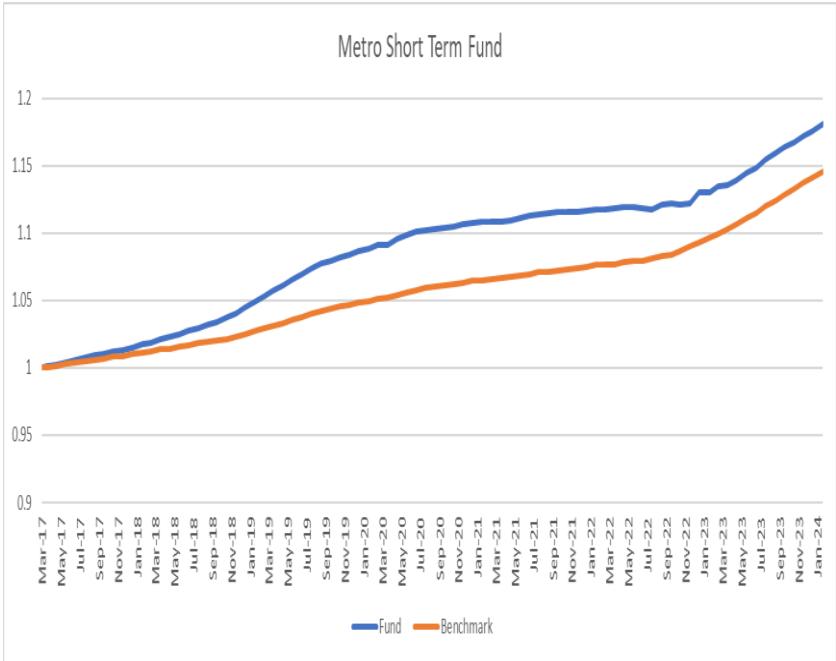


Unit Investment Trust Funds

FUND PERFORMANCE AND STATISTICS as of January 31, 2024

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

NAVPu GRAPH



NAVPu OVER THE PAST 12 MONTHS

Highest	1.180676
Lowest	1.130313

STATISTICS

Weighted Average Duration (in years)	0.14
Volatility, Past 1 Year (in %) ²	0.38%
Sharpe Ratio ³	-2.34
Information Ratio ⁴	0.80

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	0.412%	1.157%	2.290%	4.467%	6.573%	12.519%	18.080%
Benchmark	0.354%	1.149%	2.230%	4.453%	7.562%	11.467%	14.557%

⁵ The Bloomberg Philippine Sovereign Bond Index Money Market, Adjusted was tentatively discontinued when the GS pricing basis shifted from PDST –R2 of PDEX to BVAL of Bloomberg effective October 29, 2018. This was however replaced by the BPI Philippine Government Money Market Index starting November 2018 until present.

The Philippine Special Savings Rate General Average (net of taxes) has been discontinued effective 31 Dec 2019; The Fund used the last available value of PSAVAVE (from January 2020 to September 22, 2020) and the average rate of the most recent 91-day Philippine Treasury Bill auction, net of taxes (from September 23, 2020 until October 20, 2020).

The Fund changed its benchmark to 75% average rate of the most recent 91-day Philippine Treasury Bill auction, net of taxes and 25% Markit iBoxx ALBI Philippines Money Market on October 21, 2020.

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government Securities	56.42%
Corporate Bonds	26.58%
Time Deposits	16.94%
Cash	0.06%
Other Receivables - Net of Liabilities ⁶	-0.01%

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

Maturity Profile	
Government Securities <1 year	56.42%
Corporate Bonds <3 years	26.58%

TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. BSPBILL	02.27.24	13.03%
2. CBCHIB	02.18.24	12.04%
3. BSPBILL	03.05.24	10.85%
4. BSPBILL	03.26.24	10.82%
5. CBDBP	11.04.24	7.08%
6. BSPBILL	02.06.24	4.36%
7. BSPBILL	02.27.24	4.34%
8. BSPBILL	03.12.24	4.34%
9. BSPBILL	03.19.24	4.33%
10. CBSMIC	04.02.24	3.38%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in Php Mns)
MBTC	Time Deposit Placement	2,113.62
MBTC	Corporate Bonds	327.75

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



Unit Investment Trust Funds

INVESTMENT POLICY

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

- Deposits and special savings
- BSP deposit facilities
- Repurchase Agreements (Repos)
- Government Securities
- Corporate Bonds
- Other investments allowed under BSP regulations

OUTLOOK AND STRATEGY

2024 started with a bang with a lot of economic data releases both here and offshore. Let us start with the events in the U.S. that affected local trading. During the first half of the month, U.S. inflation for December 2023 came out with their headline and core inflation data turned out to be higher than expected. U.S. headline CPI printed at 3.4% YoY (0.3% MoM) versus November print at 3.1% YoY (0.1% MoM) while Core CPI rose 0.3% MoM in December, in line with consensus. Core CPI continues to be largely driven by services inflation, while core goods prices remain weaker. In the second half of the month, U.S. 4Q2023 GDP data was released where Real GDP rose 3.3% QoQ, well above market consensus estimate of 2.0%. The U.S. GDP price index rose 1.5% QoQ annualized, below the consensus estimate of 2.2%. The core PCE price index increased 2.0% QoQ annualized, matching consensus, and 3.2% YoY. Before the month ended, we saw the release of the results of the first FOMC meeting for 2024. The FED again unanimously voted to keep the federal funds target range unchanged at 5.25% to 5.50% for the fourth straight meeting and signaled its openness to cutting rates, though not necessarily right away. The FED indicated that March is likely too soon for a rate cut. FED Chair Powell said that the committee believes that the policy rate is likely at its peak for this tightening cycle. The January FOMC statement maintained a hawkish lean and that the committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2%.

In local news, there were two headlines for the month namely the country's 4th quarter GDP and January inflation print. For the first item, 4Q2023 PH GDP printed at 5.6% YoY, slightly better than market expectation of 5.2%. This latest print is slightly lower from the upwardly revised 3Q2023 print of 6.0%. On a QoQ basis, the economy expanded 2.1%. The full-year 2023 GDP is at 5.6% YoY, which is lower than the floor of the official government growth target of 6% to 7%. As expected, the increase came from household spending which expanded by 5.3% YoY while capital formation was up to 11.2% YoY after a quarter in contraction. Some drag came from the 1.2% YoY decline in government expenditures which had been a source of growth in 3Q2023. For the second item, PH January inflation further slowed to 2.8%, marking the 2nd consecutive month that the country's inflation is within the BSP's 2% to 4% target. This is lower than market expectation of 3.1%, and versus December's print of 3.9%. Core CPI eased for the 10th consecutive month as it slowed to 3.8% YoY in January from 4.4% in December. Seasonally adjusted core CPI rose 0.11% MoM which is below the pre-pandemic average of 0.31% MoM. Rice inflation however is at 22.6% YoY which was the highest since March 2009 while vegetable CPI fell 20.8% YoY.

The Bureau of Treasury (BTr) fully accepted all the target size issuances for both the Treasury Bills (T-Bills) and Treasury Bonds (T-Bond) auctions for January. Accepted bids for the T-Bills issuances were about 43bps higher MoM across all the 3 tenors offered. For the T-Bond auctions, what was noteworthy were the new 7year (FXT7-71) and new 10year (FXT1072) issuances which were more than 3.3x oversubscribed than the initial issue size target of Php30Bn. Because of this, the BTr offered additional Php5Bn tap for these two new issuances. On the BSP Bills, the 28day and 56-day bills were issued both at 6.77% average, which is almost the same level at what was awarded in December. The Peso Liquidity Funds continue to maximize its exposure in the BSP Bills with yield at at least 6.60%.

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).



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

