

Unit Investment Trust Funds

METRO BALANCED FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended June 30, 2021

FUND FACTS

Classification:	Balanced	Net Asset Value per Unit (NAVPU):	3.313702
Launch Date:	April 8, 2005	Total Fund NAV (in Php Bns):	1.39
Trust Fee (per annum):	2.0% based on NAV	Dealing Day:	12NN, any banking day
Minimum Investment:	Php10,000	Redemption Settlement:	3 Banking Day after 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:
0.167%	0.000%	0.000%	0.012%
<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): **1.38**

INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a Peso-denominated balanced Unit Investment Trust Fund that aims to achieve for its participants, growth and high income from a portfolio of diversified, blue-chip and fundamentally sound equities listed at the Philippine Stock Exchange (PSE) and peso-denominated fixed income securities. The Fund may invest between 40% and 60% of its market value in equities listed in Philippine Stock Exchange and a minimum of 40% of its market value in peso-denominated fixed income securities. The Fund's composite benchmark is composed of 60% Philippine Stock Exchange Index and 40% Markit iBoxx ALBI Philippines 1-5.

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 BALANCED FUND is suitable only for investors who:

- Have an Aggressive profile.
- Want capital growth over the long-term and are willing to be exposed to a higher level of risk that may involve possible loss of principal in the short-term in exchange for higher long-term gains.
- Recommended investment horizon is at least five (5) years
- 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 and stocks/equities. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the bonds and stocks/equities.
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 customer@metrobank.com.ph

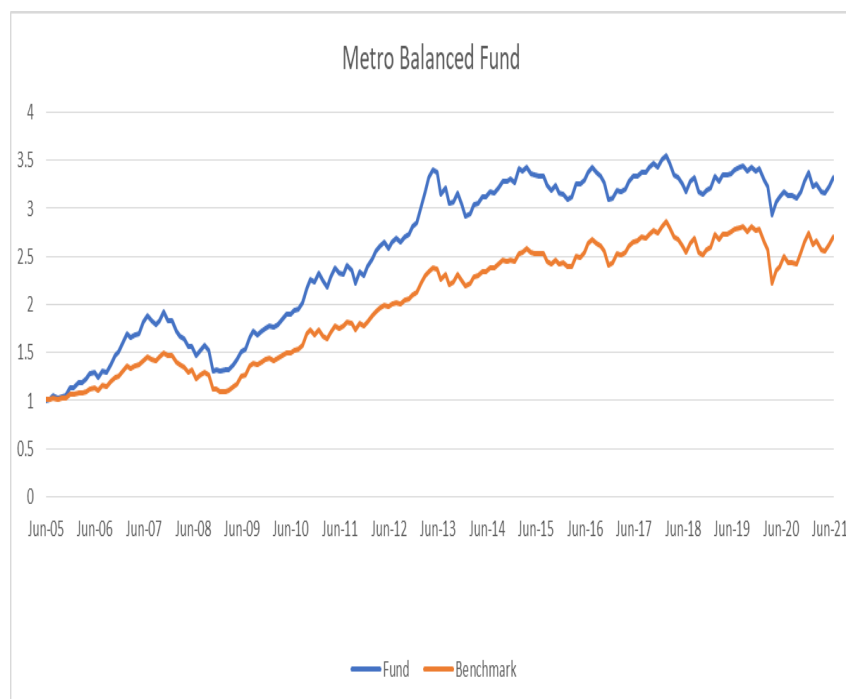


Unit Investment Trust Funds

FUND PERFORMANCE AND STATISTICS as of June 30, 2021

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

NAVPu GRAPH



NAVPu OVER THE PAST 12 MONTHS

Highest	3.415392
Lowest	3.101522

STATISTICS

Weighted Average Duration (in years)	2.02
Volatility, Past 1 Year (in %) ²	8.65%
Sharpe Ratio ³	0.35
Information Ratio ⁴	-0.55

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	2.736%	4.573%	-1.676%	4.383%	4.428%	-1.950%	231.370%
Benchmark	2.717%	4.847%	-1.751%	7.948%	6.280%	2.478%	169.953%

⁵ Benchmark return was based on the original benchmark of 50% 91-day Tbill and 50% Philippine Stock Exchange Index (PSEi) since inception, and was changed to 50% 91-day PDST-F and 50% PSEi from June 1, 2007 to August 31, 2010 then 60% PSEi and 40% HSBC Local Currency Bond Index (HSLI) 1-5 years (net of taxes) from September 1, 2010 to April 30, 2016 then 40% HSLI 1-5 years (net of taxes) was changed to 40% Bloomberg Philippine Sovereign Bond Index 1-5 year (BPHIL15) Adjusted, effective May 2016.

The BPHIL15-Adjusted Index was tentatively discontinued when the GS pricing basis shifted from PDST -R2 of PDEX to BVAL of Bloomberg effective October 29, 2018. The Fund used, an equivalent benchmark namely, the BPI Philippine Government Bond 1-5 Year Index (from October 30, 2018 to December 31, 2020) and Markit iBoxx ALBI Philippines 1-5 (from January 2020 until October 20, 2020). Effective October 21, 2020 the Fund benchmark is 60% Philippine Stock Exchange Index (PSEi) and 40% Markit iBoxx ALBI Philippines 1-5.

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	59.54%
Corporate Bonds	22.51%
Government Securities	16.53%
Time Deposits	1.55%
Cash	0.01%
Other Receivables - Net of Liabilities ⁶	-0.13%

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

Sector Holdings

Holdings	24.87%
Properties	22.53%
Industrials	19.09%
Financials	17.43%
Services	16.08%

TOP 10 HOLDINGS

Name	Maturity	% of Fund
1. SM		8.12%
2. CBBPI	09.27.21	7.23%
3. SMPH		6.53%
4. RTB	03.12.24	6.01%
5. BDO		3.87%
6. AC		3.60%
7. BPI		3.47%
8. CBCHIB	10.22.22	3.27%
9. ICT		3.21%
10. ALI		3.21%

RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in Php Mns)
MBTC	Corporate Bonds	40.10
MBTC	Shares of Stock	28.73
GT Capital	Shares of Stock	12.31
MPI	Shares of Stock	8.27

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:

- Equities listed in the PSE
- Fixed Income Instruments and Securities
- Deposits
- Other investments allowed under BSP regulations

OUTLOOK AND STRATEGY

Ascending by another +273pts or +4.21% MoM, the PSEi continued the rally this month to conclude June at 6,901 as progress on the vaccine drive further ignited the country's hope in economic recovery. Average daily turnover jumped to \$164 Mn from \$148 Mn in May pushed by the biggest Initial Public Offering (IPO) yet, MONDE. The local bond yields, on the other hand, continued to tread lower this month by 20-40 bps amidst the successful weekly auctions of the Bureau of Treasury (BTr).

Positive macro numbers also encouraged optimism in the market; BSP kept policy rates to its all-time low of 2% while June's CPI print eased to 4.1% from May's 4.5% which was the slowest since December. Unemployment rate for May declined to 7.7% from 8.7% in April even with the nation's quarantine restrictions.

On the local stock market front, MONDE took the spotlight climbing by +22% on its debut month while other non-index favorites- CNVRG and ACEN likewise grew by +17% and 13% respectively. Providing some color on BTr's successful auctions in the local fixed income space; 20-year was issued at an average yield of 5.084% - 31.4 bps lower compared to last November's auction. The 7-year auction was awarded at an average yield of 3.685% versus May's 3.678%. 10-year bond was met with strong demand as it was issued at 3.719%- lower by 89.5 bps from last March while the 5-year bonds were awarded lower at 3.815% compared to previous month's sale at 3.295%. Lastly, 11-year bonds were issued at 4.817%.

With the increasing pace in the vaccination program against the pandemic, strong liquidity in the local fixed income market has kept yields well-anchored and the PSEi is expected to improve along with the economy. Developments in the possible Taal volcano eruption may be a near-term headwind while notable IPO from the property- the slew of REITs in the horizon could keep the interest at a high note especially if the first time issuers present investors with juicy prospects.

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

