

# Unit Investment Trust Funds

## METRO\$ WORLD EQUITY FEEDER FUND (formerly Metro World Equity Feeder Fund)

### KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended August 31, 2021

#### FUND FACTS

<b>Classification:</b>	Feeder	<b>Net Asset Value per Unit (NAVPU):</b>	1.779821
<b>Launch Date:</b>	September 21, 2016	<b>Total Fund NAV (in USD Mns):</b>	31.01
<b>Trust Fee (per annum):</b>	1.0% based on NAV	<b>Dealing Day:</b>	12NN, any banking day
<b>Minimum Investment:</b>	USD 500	<b>Redemption Settlement:</b>	4 Banking Days after date of redemption
<b>Additional Investment:</b>	USD 100	<b>Early Redemption Charge:</b>	50% of income on redeemed amount
<b>Minimum Holding Period:</b>	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:
<b>0.100%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>0.001%</b>
<i>Metrobank-Trust Banking Group</i>	<i>None</i>	<i>SGV &amp; Co.</i>	<i>Others</i>

<sup>1</sup> As a percentage of average daily NAV for the month valued at (in USD Mns): **31.28**

#### INVESTMENT OBJECTIVE AND STRATEGY

The Investor Fund is a USD-denominated equity Unit Investment Trust Fund structured as a feeder fund and aims to achieve for its participants, long-term capital appreciation primarily by investing in a collective investment scheme focused on investing in equity securities of companies worldwide. The Fund's benchmark is the Morgan Stanley Capital International All Country World Daily Index (MSCI AC World Daily).

#### 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\$ WORLD EQUITY FEEDER FUND

(formerly Metro World Equity Feeder Fund) is suitable only for investors who:

- Have an Aggressive profile.
- Want capital appreciation over the long-term by primarily investing in Ninety One Global Strategic Equity Fund (formerly Investec Global Strategic Equity Fund).
- 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 domestic corporate accounts. However, persons from US, Canada and Australia are not allowed to open a M\$WEEFF account. For guidelines on the US Person qualifications, please refer to the Foreign Account Tax Compliance Act (FATCA).

#### 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.

<b>Interest Rate Risk:</b>	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.
<b>Market/Price Risk:</b>	The possibility for an investor to experience losses due to changes in the market prices of stocks/equities. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the stocks/equities.
<b>Liquidity Risk:</b>	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.
<b>Credit Risk / Default Risk:</b>	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.
<b>Reinvestment Risk:</b>	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.
<b>Foreign Exchange Risk:</b>	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.
<b>Country Risk:</b>	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.
<b>Other Risks:</b>	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)

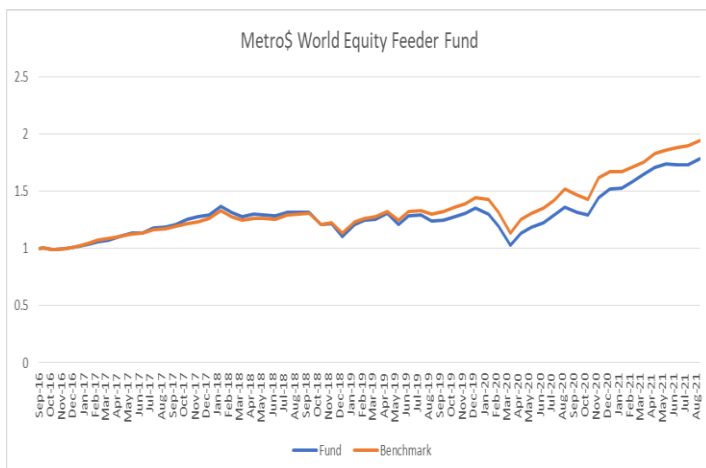


# Unit Investment Trust Funds

## FUND PERFORMANCE AND STATISTICS as of August 31, 2021

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

### NAVPu GRAPH



### NAVPu OVER THE PAST 12 MONTHS

Highest	1.779821
Lowest	1.275138

### STATISTICS OF THE TARGET FUND

Volatility, Past 1 Year (in %) <sup>2</sup>	13.31%
Sharpe Ratio <sup>3</sup>	2.63
Information Ratio <sup>4</sup>	1.54

<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.

<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
<b>Fund</b>	2.965%	2.435%	12.877%	31.254%	35.646%	N/A	77.982%
<b>Benchmark</b>	2.503%	4.569%	13.800%	28.306%	49.481%	N/A	94.376%

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Global Strategic Equity Fund	100.41%
Cash	0.73%
Other Receivables - Net of Liabilities <sup>5</sup>	-1.15%

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

### TOP 10 HOLDINGS OF THE TARGET FUND

Name	% of Fund
1. Alphabet Inc	4.7%
2. Microsoft Corp	4.4%
3. Amazon.com Inc	3.8%
4. Concentrix Corp	3.2%
5. Keysight Technologies Inc	3.0%
6. Facebook Inc	2.8%
7. Morgan Stanley Intl Ltd	2.5%
8. UnitedHealth Group Inc	2.4%
9. Lam Research Corp	2.4%
10. Citigroup Inc	2.4%

### GEOGRAPHIC ALLOCATION OF THE TARGET FUND

United States	58.3%
Europe ex UK	15.4%
Emerging Markets	11.2%
United Kingdom	6.2%
Japan	5.7%
Far East ex Japan	2.0%

### RELATED PARTY TRANSACTIONS

Related Party	Transaction	Market Value (in USD Mns)
- nothing to report -		

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.

### TARGET FUND FACTS

**Name of Target Fund:** Ninety One Global Strategic Equity Fund (formerly Investec Global Strategic Equity Fund)

**Domicile:** Luxembourg

**Fund Currency:** US Dollar

**Regulator:** Commission de Surveillance du Secteur Financier

**Fund Manager:** Ninety One Asset Management (formerly Investec Asset Management)

**Trustee and Custodian:** State Street Bank Luxembourg S.C.A.

**Inception Date:** April 6, 1994

**Benchmark:** MSCI AC World NR

### INVESTMENT OBJECTIVE

The Target Fund is a sub-fund of the Ninety One Global Strategy Fund (formerly Investec Global Strategy Fund) which aims to provide long-term capital growth primarily by investing in equities of listed companies from around the world, which are expected to enhance underlying profitability and shareholder value through operational or structural improvements to their businesses.

Fund Performance Report and relevant information about the Ninety One Global Strategic Equity Fund (formerly Investec Global Strategic Equity Fund) can be viewed and downloaded through [www.ninetyone.com](http://www.ninetyone.com).



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:

- USD-denominated deposits
- Other traded money market instruments
- Investments allowed under BSP regulations, units/shares in a collective investment schemes subject to the conditions enumerated under BSP Circular 767

## OUTLOOK AND STRATEGY

Fund/Index	MoM
Metro\$ World Equity Feeder Fund	2.97%
MSCI All Country World Index (Net Total Return USD Index)	2.50%
Ninety One Global Strategy Fund- Global Strategic Equity Fund	3.06%

*\*Note: For the period July 30, 2021 to August 31 2021*

Both Metro\$ World Equity Feeder Fund and its target fund Ninety One Global Strategy Fund- Global Strategic Equity Fund outperformed its benchmark MSCI All Country World Index by 47 bps and 56 bps respectively.

Below is the commentary from Ninety One.

### Market Background

August reflected the seventh consecutive month of positive returns for global equity markets, with strong earnings and accommodative monetary and fiscal policies outweighing concerns about the spread of the Delta variant and prospects of gradual policy tightening. New job openings in the US are at record levels, and GDP data has surprised positively despite concerns over new waves of infection. Despite this, the US Federal Reserve seems to be adopting a very gradual approach to reducing support. In Germany, the labour market is also recovering, with unemployment declining more than expected and now close to pre-pandemic levels. Meanwhile, economic growth in China has weakened, hurt by the Delta variant, a softening of export demand and supply constraints in technology.

The results season produced significant positive surprises in the US and Japan, lifting both markets, while Japan was the best performing market over the period. The Delta variant and production bottlenecks restrained equities elsewhere in the Pacific region, and export-driven Europe also lagged. Emerging markets experienced mixed fortunes, with a strong performance from India as the current wave of infection seems to be ebbing, but Brazil delivered a negative return for the month. A last-minute rally by the Chinese market left it flat over the period.

Increasing bond yields helped the financial sector. Less positive industrial activity and commodity market data meant that the materials sector eased over the month and industrials underperformed. Weaker oil prices also held back the energy sector. Technology was strong, with pricing supported by shortages of components. Media stocks also did well, helped by good results from US names like Netflix and Facebook.

### Performance Review

The Strategy outperformed the MSCI AC World Index over the month, gross of fees.

### Leaders

Z Holdings Corporation: Japanese internet company Z Holdings reported strong results as advertising revenue recovered for both search engine Yahoo and messaging app Line, and with Line now profitable well ahead of expectations.

Yangzijiang Shipbuilding (Holdings) Ltd.: China's Yangzijiang Shipbuilding outperformed after announcing a review of its investment portfolio, potentially spinning off its held-to-maturity assets. This was partly as a consequence of our engagement with management on the issue.

Keysight Technologies Inc: US testing equipment business Keysight Technologies delivered good results and provided a better outlook on both revenues and margins, despite concerns over the impact of COVID-related disruptions on its supply chain and fears that 5G investment may be peaking.

NIPPON STEEL CORP.: Japanese steel producer Nippon Steel also recovered from recent lows on positive results which benefited from domestic restructuring and strong earnings from overseas operations, where both volumes and pricing were beneficial.

Morgan Stanley: US financial group Morgan Stanley continued to display positive momentum after July's strong results that highlighted the excellent outlook for its wealth management business and the benefits from recent acquisitions.

### Laggards

Alibaba Group Holding Ltd.: Regulatory pressure facing Chinese internet-related stocks continued to hold back Alibaba Group. We exited the position due to mounting downside risk to the price multiple which has not yet priced in analyst downgrades.

Lam Research Corporation: Semiconductor wafer fabrication equipment supplier Lam Research produced good results, but underperformed as concerns about a peak in the semiconductor cycle affected the company in particular.

General Motors Company: US automotive corporation General Motors suffered after management cut prior guidance significantly, citing semiconductor supply issues impacting production volumes more than expected.

Mastercard Incorporated Class A: A delayed recovery in cross-border card transaction activity was one of the reasons behind weakness in Mastercard, along with concerns about pressure on the level of transaction fees they can charge following Amazon introducing a surcharge in Singapore and a broader renewed focus in the US. Post-pandemic, we believe we will see a structural benefit from less cash usage/ more card transactions (higher yield for Mastercard) which accelerates the secular tailwinds towards cashless payments. We believe cross-border headwinds related to the pandemic are masking these trends at the moment.

Novatek Microelectronics Corp.: Integrated circuit chip provider Novatek Microelectronics reported good results, but concerns about price sustainability and large screen driver demand offset positive comments made by the company.

### Outlook and Strategy

As markets continue their seemingly inexorable rise, talk of reducing, or 'tapering', monetary policy support is dominating the headlines. This is despite some evidence of declining growth expectations on the back of the Delta variant outbreak. However, inflation data has broadly exceeded forecasts and has led to some steepening of yield curves in August throughout developed markets, following the broad flattening seen since May, suggesting loose monetary policy is no longer appropriate. Hawkish sentiment is growing, and the consensus now expects some tapering from the Federal Reserve by the end of the year.

The fact that markets have broadly taken this in their stride is perhaps testament to a good earnings season which has seen the majority of companies beating on both top and bottom lines over the second quarter. This is despite cost increases, particularly in transportation and raw materials, that have resulted in some crimping of margins. The future trend in margins, in the face of a slowdown in the rapid pace of growth and supply chain issues, will likely define equity market direction from here, given the relatively high valuation levels. Optimism rests on the perceived positive impact of a worldwide budgetary stimulus as infrastructure programmes swing into action across the globe. Effectively, this is a transition from loose to less loose monetary stimulus and towards looser fiscal policy.

This will not be an easily managed change and we suspect that market sentiment will prove volatile, with inflation numbers likely a key focus of attention. However, we do feel that a successful transition can enable further market progress, though avoiding companies challenged by supply chains, labour and material costs, as well as increased regulatory scrutiny, will be important to adding value above the market return.

## 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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