

Unit Investment Trust Funds

METRO\$ US INVESTMENT GRADE CORPORATE BOND FEEDER FUND KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended August 31, 2021

FUND FACTS

Classification:	Feeder	Net Asset Value per Unit (NAVPU):	1.183088
Launch Date:	February 14, 2018	Total Fund NAV (in USD Mns):	0.53
Trust Fee (per annum):	0.50% based on NAV	Dealing Day:	12NN, any banking day
Minimum Investment:	USD 500	Redemption Settlement:	4 Banking Days 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 MONTH¹

Trustee Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees:
0.045%	0.000%	0.030%	0.021%
<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 USD Mns): **0.50**

INVESTMENT OBJECTIVE AND STRATEGY

The Investor Fund is a USD-denominated Unit Investment Trust Fund structured as a feeder fund and aims to provide market returns from a representative portfolio of USD-denominated investment grade corporate bonds that comprise the US Investment Grade Corporate Bond Market by investing at least 90% of its assets in the iSHARES IBOXX \$ INVESTMENT GRADE CORPORATE BOND ETF. The Fund's benchmark is the Markit IBOXX USD Liquid Investment Grade Index (IBOXIG Index).

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\$ US INVESTMENT GRADE CORPORATE BOND FEEDER FUND is suitable only for investors who:

- Have an Aggressive profile.
- Want capital appreciation over the long-term by primarily investing in iSHARES IBOXX \$ INVESTMENT GRADE CORPORATE BOND ETF
- 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 stocks/equities. It refers to the portfolio's exposure to marked-to-market valuation due to market price fluctuations of the 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.
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.
Index Tracking Risk:	The possibility for the Fund not being able to achieve a level of return that closely mirrors the index being tracked due to operational and fund management expenses.
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

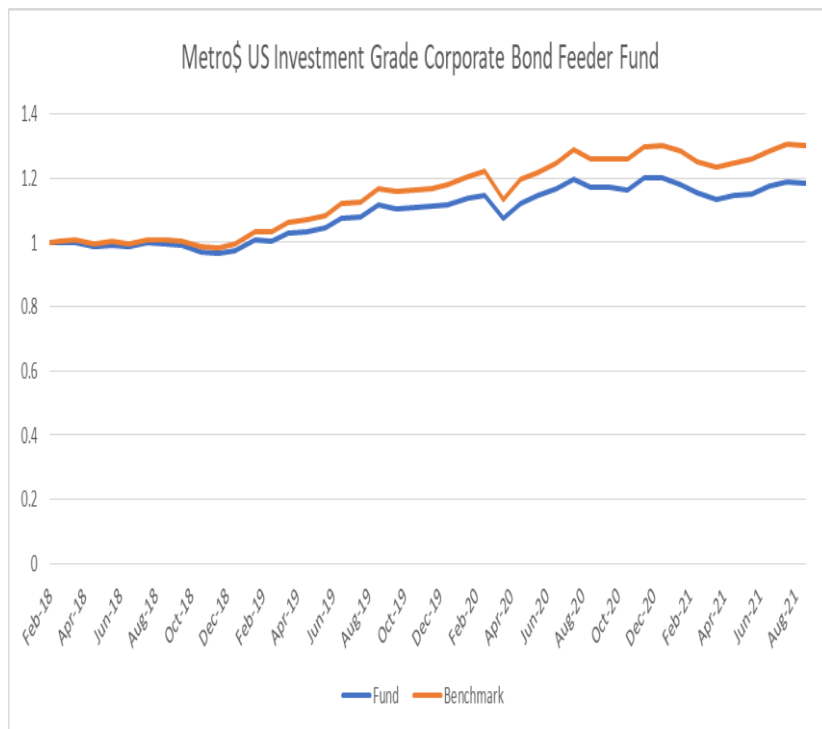


Unit Investment Trust Funds

FUND PERFORMANCE AND STATISTICS as of August 31, 2021

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

NAVP_u GRAPH



NAVP_u OVER THE PAST 12 MONTHS

Highest	1.202007
Lowest	1.120328

STATISTICS OF THE TARGET FUND

Weighted Average Duration (in years)	9.86
Volatility, Past 1 Year (in %) ²	6.07%
Sharpe Ratio ³	0.45
Information Ratio ⁴	-0.19
Tracking Error ⁵	0.64

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.

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.

⁵ Tracking Error measures the deviation between the Fund's return and benchmark return over the past year. The lower the number, the more aligned the Fund's return is with the benchmark.

CUMULATIVE PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Fund	-0.463%	2.838%	2.670%	0.974%	18.722%	N/A	18.309%
Benchmark	-0.339%	3.144%	3.955%	3.119%	28.774%	N/A	29.851%

PORTFOLIO COMPOSITION

Allocation	% of Fund
IShares iBOXX \$ IG Corp Bond ETF	99.97%
Cash	6.76%
Other Receivables - Net of Liabilities ⁶	-6.73%

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

Maturity Profile of the Target Fund

20+ years	30.04%
15-20 years	9.66%
10-15 years	6.01%
7-10 years	18.09%
5-7 years	14.31%
3-5 years	20.95%
2-3 years	0.33%
1-2 years	0.05%

TOP 10 HOLDINGS OF THE TARGET FUND

Name	% of Fund
1. BLK CSH FND TREASURY SL AGENCY	0.72%
2. GE CAPITAL INTERNATIONAL FUNDING C	0.34%
3. ANHEUSER-BUSCH COMPANIES LLC	0.30%
4. CVS HEALTH CORP	0.26%
5. GOLDMAN SACHS GROUP INC	0.21%
6. WELLS FARGO & COMPANY MTN	0.20%
7. T-MOBILE USA INC	0.20%
8. AT&T INC 144A	0.19%
9. AT&T INC 144A	0.19%
10. BOEING CO	0.19%

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: iShares iBOXX \$ Investment Grade Corporate Bond ETF

Fund Currency: US Dollar

Fund Manager: BlackRock Fund Advisors

Inception Date: July 22, 2002

Benchmark: Markit iBoxx USD Liquid Investment Grade Index

Domicile: United States of America

Regulator: Securities and Exchange Commission

Administrator, Custodian and Transfer Agent: State Street Bank & Trust Company

INVESTMENT OBJECTIVE

The Target Fund seeks to track the investment results of an index composed of U.S. dollar-denominated, investment grade corporate bonds.

Fund Performance Report and relevant information about the iShares iBoxx \$ Investment Grade Corporate Bond ETF can be viewed and downloaded through www.iShares.com.



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

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

- USD-denominated deposits
- USD-denominated money market instruments
- Tradable Philippine sovereign, quasi-sovereign and corporate fixed income securities
- Tradable fixed income securities issued by other sovereign countries and foreign quasi-sovereign and private institutions
- Tradable USD-denominated subordinated fixed income instruments issued by corporations and financial institutions
- Other USD-denominated investments allowed under BSP regulations

B. The Investor Fund may invest a minimum of 90% of its fund in the target Fund and a maximum of 10% in cash, deposits and other money market instruments. The investment of the Investor Fund in any one Target Fund shall not exceed 10% of the Total Net Asset Value of the Target Fund.

OUTLOOK AND STRATEGY

Global markets remains resilient amid Covid-19 Delta variant posing risk to growth outlook as vaccinations continue to be effective in preventing critical complications among patients; with some countries already announcing booster programs to support further re-opening of their economies. Even though peak rate of growth have passed, August economic data still indicates expansion.

Federal Open Market Committee remains accommodative to support economic recovery; but could start tapering monthly bond purchase program by the end of the year. Fed Chair Powell during his speech at the Jackson Hole Symposium cited that while the US economy is at a strong path forward, they are still looking at incoming data from the labor market. Unemployment rate dropped to a pandemic low of 5.4% coming from previous month's figure of 5.9%. US inflation rose by 5.4% year-on-year in line with both market expectation and prior month's print. However, slower increase of 0.5% was seen month-on-month due to lower prices of used cars and apparel. Core inflation which excludes food and energy prices rose by 4.3% year-on-year (vs 4.5% prior month) and 0.3% month-on-month (vs 0.9% prior month).

The target fund contracted by 0.5% MoM with benchmark US treasury yields moving higher by 1-8 bps month-on-month as investors continue to price gradual monetary easing hinted by the Fed. Investment grade bond credit spread widened pushing corporate bond yields upward amid investors shifting to riskier assets in light of a positive economic outlook.

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

