



FUND FACTS

Classification:	Equity Feeder Fund	Net Asset Value per Unit (NAVPU):	0.978027
Launch Date:	September 22, 2021	Total Fund NAV:	USD 0.56 Million
Minimum / Additional Investment:	USD 1,000 (via the PNB UITF Online or any PNB branch)	Dealing Day:	9:00 to 11:00 AM of any banking day
		Redemption Settlement:	T + 4
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	50% of income earned
Trust Fee:	1.00% p.a.	Valuation:	Marked-to-Market

FEES\*

Trustee Fees:	Taxation Fees:	Custodianship Fees:	External Auditor Fees:	Other Fees**:
<u>0.0861%</u>	<u>0.0012%</u>	<u>0.0000%</u>	<u>0.0000%</u>	<u>0.0004%</u>
PNB Trust Banking Group	BIR	Deutsche Bank AG, Manila	SGV and Co.	Others

*\*As a percentage of average daily NAV for the month valued at USD 0.57 Million.*  
*\*\*Other Fees may include transaction, broker's, and TOAP website fees.*

INVESTMENT OBJECTIVE AND STRATEGY

The PNB US Equity Sustainability Leaders Feeder Fund is an equity Unit Investment Trust Fund structured as a feeder fund that allows investors to diversify their portfolios and gain access to global companies with superior ESG characteristics through its target fund, the FTGF ClearBridge US Equity Sustainability Leaders Fund. The benchmark of the Fund is the Russell 3000 Index. This benchmark measures the performance of the largest 3,000 publicly traded U.S. stocks. It provides a comprehensive view of the U.S. equity market. The risk profile of the fund's benchmark maybe viewed as aggressive. Additional information on the benchmark may be obtained from Bloomberg.

CLIENT SUITABILITY

A client profiling process should be 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 advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

- The Fund is suitable for individual and corporate investors with aggressive risk appetite and who are aware of the potential for high yields in global stock market investments and are willing to take the corresponding risk of such investments.
- In order to minimize risks and maximize the earning potential of their investments, the participants/trustors are recommended to stay invested in the Fund for at least 5 years.
- The fund may not be appropriate for short-term investment.

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.

- **Liquidity Risk** – The possibility for a Trustor to experience losses due to the Fund's inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.
  - **Credit Risk** – The possibility for a Trustor to experience losses in the event the borrower/issuer defaults on his obligation or in the case of a counterparty, when it fails to deliver on the agreed trade.
  - **Equities Price Risk** – The risk that the fair value of equities decreases as a result of changes in the level of equity indices and the value of individual stocks.
  - **Country Risk** – The possibility to experience losses arising from investments in securities issued by/in foreign countries due to political, economic, and social structures of such countries.
  - **Foreign Exchange Risk** – The possibility to experience losses due to fluctuations in foreign exchange rates.
- See additional disclosures in the “General Information on the Target Fund” under “Primary Risks”.  
The Fund's investment strategy and processes are in accordance with the Trustee's written Desk Manual. Regulatory exposure limits are monitored on a regular basis.

COOLING OFF PROVISION

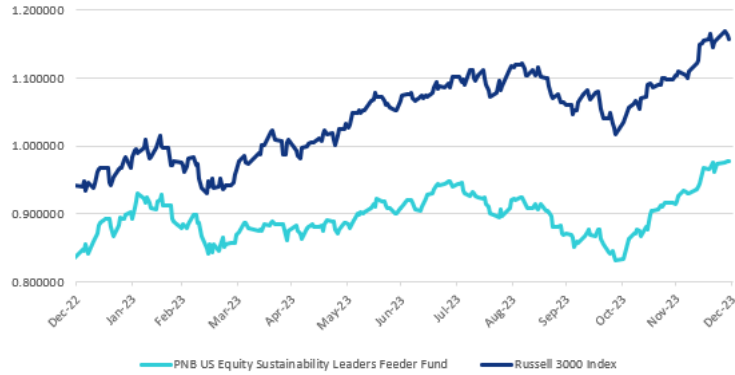
The participant of the Fund may avail of the cooling-off period of two (2) business days immediately following the approval of the participation to cancel his participation without penalty, subject to submission of a written notice during the cooling off period.

- **THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.**
- **DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.**
- **THAT ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT. AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE OF THE TRUSTEE.**
- **THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/ PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.**

FUND PERFORMANCE AND STATISTICS

Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results.

NAVPU Graph



Cumulative Performance (%)

Period	1 mo	3 mos	6 mos	1 yr	3 yrs	S.I.*
Fund	6.53%	12.35%	7.38%	17.26%	N/A	-2.20%
Benchmark	4.88%	9.14%	7.77%	22.95%	N/A	15.78%

\*Since Inception

MARKET OUTLOOK: US MARKET

**What happened in the market?** Equity markets continued their upward momentum in December, with the S&P 500 returning 4.54% for the month. Smaller-cap stocks outperformed their larger-cap counterparts, with the Russell 2000 Index returning 12.22% versus the Russell 1000 Index's 4.94% in a sign of broadening market participation. Value stocks also outperformed growth stocks during the month, with the Russell 1000 Value Index returning 5.54% while the Russell 1000 Growth Index advanced 4.43%.

Despite optimism over fourth-quarter earnings growth rates, companies continue to be conservative in their projections entering reporting season. According to FactSet, the estimated year-over-year growth rate of 2.4% would be the second straight quarter of earnings growth. However, 72 S&P 500 companies have issued negative earnings guidance for fourth-quarter earnings compared to 39 issuing positive guidance.

The Federal Reserve ("Fed") voted to keep interest rates unchanged at its December meeting but helped spur equity markets as policymakers released their projections of up to three rate cuts in 2024. Year over year, the Consumer Price Index declined from 3.2% to 3.1% in November, the lowest reading in five months, and the Personal Consumption Expenditures Price Index (PCE) cooled from 2.9% to 2.6%. The Fed's preferred inflation gauge, core PCE, which excludes volatile food and energy costs, showed a 3.2% year-over-year increase in November, a lower reading than October's 3.4% and below market expectations.

The U.S. economy added 199,000 jobs in November, exceeding market expectations, but marked the second consecutive month below the average monthly gain of 240,000 over the past year, signaling a slowdown in the labor market. Likewise, the unemployment rate declined from 3.9% to 3.7%. Consumer spending rose 0.2% in November and retail sales increased 0.3% month over month, rebounding from a decline in October thanks to a boost from the holiday shopping season. The University of Michigan Survey of Consumers saw consumer sentiment jump eight points in December to 69.7, snapping a four-month streak of declines. Meanwhile, business activity remained in contraction territory for the 13th consecutive month with the ISM Manufacturing PMI remaining unchanged at 46.7%.

Ten-year Treasury yields fell 45 basis points in December to 3.88% as economic optimism and the prospect of interest rate cuts in 2024 spurred investor demand.

**What happened in the Fund?** The Fund outperformed its benchmark in December due to stock selection and sector allocation. Stock selection in the industrials sector and a lack of energy holdings added the most to relative results, while stock selection in the information technology and health care sectors detracted.

The individual absolute contributors to performance for the month were Costco, Regal Rexnord, Morgan Stanley, JPMorgan Chase and CVS Health. Top individual detractors included UnitedHealth Group, Synopsys, Procter & Gamble, Microsoft and Bloom Energy.

**What did the portfolio manager do?** During the month, the portfolio managers exited Bloom Energy in the industrials sector, Progyny and Thermo Fisher Scientific in the health care sector and Charles Schwab in the financials sector.

NAVPU over the past 12 months

Highest	0.978027
Lowest	0.925502

Statistics

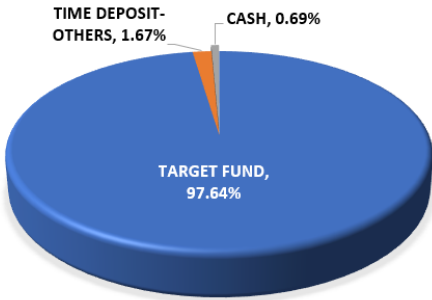
Volatility, Past 1 Year*	3.45%
Sharpe Ratio**	1.77
Information Ratio***	0.27

\*Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

\*\*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.

\*\*\*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.

Portfolio Composition (Feeder Fund)



**What is the outlook?** The economic outlook is improving with the probability of a recession decreasing and the Fed likely to pivot and lower the federal-funds rate in the months ahead. For the fourth quarter, more S&P 500 companies have issued negative than positive EPS guidance, although the year-over-year overall growth rate is still expected to be positive. This is consistent with a soft-landing scenario of slower but still positive growth. In this environment, the portfolio managers are cautiously optimistic and have positioned the portfolio to have some exposure to both defensive as well as cyclical characteristics. They remain focused on investing in companies that they believe can outperform through full market cycles and maintain their conviction that high-quality companies with leading sustainability profiles will prove to be rewarding longterm investments.

Source: Franklin Templeton FTGF ClearBridge US Equity Sustainability Leaders Fund, December 31, 2023)

GENERAL INFORMATION ON THE TARGET FUND

Name of Target Fund	FTGF ClearBridge US Equity Sustainability Leaders Fund <sup>1</sup>	Fund Category	Equity Fund
Investment Objective	The Fund's investment objective is to provide long term capital appreciation.	Base Currency	US dollar (USD)
Investment Policy	The Fund invests at all times at least 85% of its Net Asset Value in US equity securities (including common stock and preferred shares) that are listed or traded on Regulated Markets in the United States and that are issued by companies that meet the Investment Manager's financial criteria and its criteria for sustainability and environmental, social and governance ("ESG") policies ("Sustainability Leaders").	Benchmark	Russell 3000 Index. The Fund is actively managed. The Investment Manager has discretion in selecting investments within the Fund's objective and investment policies. The Benchmark is used for performance comparison purposes. While most of the Fund's securities will be components of the Benchmark, the weightings of the holdings may differ materially from the weightings in the Benchmark. The Fund may also invest in securities that are not included in the Benchmark. The Fund's percentage exposures to sectors and industries may differ materially from those of the Benchmark.
Primary Risks	The Fund's primary risks are: <ul style="list-style-type: none"><li>• Equity Risks</li><li>• ESG Risks</li><li>• Concentration Risk</li><li>• Custody and Settlement Risks</li></ul>	Profile of a Typical Investor	The Fund could be a suitable investment for investors who are looking to invest in a fund that is seeking long term capital appreciation and who are willing to accept fluctuations (sometimes significant) in the Net Asset Value per Share of the Fund during the short term.
Inception Date	30 September 2015	Investment Manager	ClearBridge Investments, LLC.
Management and Other Fees	<ul style="list-style-type: none"><li>• Premiere Class - Annual Management Fee: 0.60% p.a.</li><li>• Others:<ul style="list-style-type: none"><li>– Annual Administration and Depositary Fee: 0.15% p.a.</li></ul></li></ul>	Total Fund NAV as of December 2023	USD 1.36 billion
Additional Information	More information on the target fund can be found at <a href="http://www.franklintempleton.lu">http://www.franklintempleton.lu</a>		

<sup>1</sup>Formerly Legg Mason ClearBridge US Equity Sustainability Leaders Fund. Renaming effectivity: February 21, 2023

TARGET FUND PERFORMANCE AS OF DECEMBER 31, 2023

Cumulative Performance (%)							Portfolio Composition (Target Fund)	
Period	1 mo	3 mo	6 mo	1 yr	3 yr*	S.I.**	Asset	%
Fund	5.45%	12.67%	6.23%	16.26%	4.14%	11.96%	Equities	99.15%
Benchmark	5.30%	12.07%	8.43%	25.96%	8.54%	14.92%	Cash & Cash Equivalents	0.85%

\*Annualised return

\*\*Since Inception, annualised return

Top 10 Holdings (%) – Target Fund		Sector Exposure	
Company Name	% to Total	Sector	% to Total
Microsoft Corp.	8.81	Information Technology	28.07
Apple Inc.	6.28	Health Care	15.06
JPMorgan Chase & Co.	3.71	Financials	12.94
Eaton Corp PLC	3.05	Industrials	11.64
Alphabet Inc.	2.97	Consumer Discretionary	9.26
Costco Wholesale Corp.	2.87	Consumer Staples	7.56
Home Depot Inc/The	2.37	Communication Services	4.42
UnitedHealth Group Inc.	2.34	Utilities	3.59
Booking Holdings Inc.	2.20	Other	6.62
Visa Inc.	2.14	Cash & Cash Equivalents	0.85

SWITCHING OF TARGET FUND

The Trustee, in the normal course of business, may decide to switch its Target Fund. Such may be deemed necessary in case of any, but not limited to the following: 1) The Target Fund has been consistently underperforming vis-à-vis expectations; 2) Change in the investment objective, investment style or risk profile of the Target Fund; 3) Resignation of the fund manager/s of the Target Fund; 4) Closure of the Target Fund or its maximum Asset Under Management capacity has been reached; 5) Prolonged suspension of subscription/redemption to/from the target fund; 6) Change in the Target Fund’s fees that shall significantly affect the total expense ratio of the Fund; 7) Regulatory change in the jurisdiction where the Target Fund is domiciled that would significantly affect the Target Fund’s operations; 8) Significant legal disputes; and 9) Market conditions which, in the reasonable opinion of the Trustee, warrant a change in target fund.

Participants shall be notified within ten (10) banking days after the Trustee has knowledge of such occurrence. This shall be done through any of the following forms: 1) Electronic Mail; 2) Announcement in the Trustee's official website; 3) Key Information and Investment Disclosure Statement.

Switching of Target Fund can be made with or without change in the Fund's investment objective. Switching of Target Fund due to a change in the Target Fund’s investment objectives shall be accompanied by a change in the Fund’s Declaration of Trust. It shall be conducted with due diligence with the approval of the Trustee’s Trust Committee.

Frequency of monitoring of the underlying investments of the Target Fund shall be on a quarterly basis.

MATERIAL CHANGES IN THE TARGET FUND’S STRUCTURE

Material changes in the Target Fund shall require re-assessment and review by the Trustee. Material changes can be described as a change, with all else being unchanged, that a reasonable investor would consider important in the investor’s decision to buy, hold, or sell. Such changes may include but are not necessarily limited to, the occurrences enumerated in above. (i.e., under Switching of Target Fund)

Should the Trustee decide to retain the Target Fund despite such material change, such change must be properly disclosed to all investors through any of the following forms: 1) Electronic Mail; 2) Announcement in the Trustee's official website; 3) Key Information and Investment Disclosure Statement.

OTHER DISCLOSURES

- Not available to US/Canadian citizens
- Investor details and all other information, including country of tax residence, tax identification number, account balances, may be reported or communicated to competent local tax authorities in other countries in accordance with the Foreign Account Tax Compliance Act (FATCA), or other foreign or international law in relation to automatic exchange of financial information, and other International Tax Agreements.

Related Party Transactions

The Fund has deposits with the Bank Proper and outstanding investments with the following companies related to Philippine National Bank (PNB):

Company Name	Amount
Philippine National Bank	3,917.70

Investments in the said outlets were approved by the PNB Board of Directors. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.