



LANDBANK

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LANDBANK EQUITY INDEX FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 30 September 2019

FUND FACTS

Classification	: Equity Fund	Net Asset Value per Unit	: 0.964023
Launch Date	: 01 August 2016	Total Fund NAV	: PhP 114,376,919.81
Minimum Investment	: PhP 5,000.00	Dealing Day	: Up to 12:00pm of any banking day
Additional Investment	: PhP 1,000.00	Redemption Settlement	: T + 3
Minimum Holding Period	: 30 Calendar Days	Early Redemption Charge	: 25% on the net earnings of the redeemed principal amount. At no instance shall the penalty be less than P500.00

FEES

Trust Fees	: 1.50%	Custodianship Fees	: n/a	External Auditor Fees	: n/a
LANDBANK					
Miscellaneous Expense per Unit at 0.008718					

INVESTMENT OBJECTIVE AND STRATEGY

To generate long-term capital growth, to the extent possible, through investments mainly in peso-denominated listed equities comprising the Philippine Stock Exchange Index (PSEi). The fund is suitable for investors who are willing to take extra risk in order to avail of the higher investment returns offered by the equities market.

CLIENT SUITABILITY

A *client profiling process* should be performed prior to participating in the Fund to guide 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 LANDBANK Equity Index Fund is classified as a Equity Fund suitable only for investors who:

- Have an Aggressive risk profile
- Can accept the risk that the principal investment can be lost in whole or in part
- With an investment horizon of 5 to 7 years.

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.

Credit Risk/Default Risk. The risk of 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 security which the borrower issued.

Reinvestment Risks. The risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.

Interest Rate Risk. This is the possibility for an investor to experience losses due to changes in interest rates.

Market/Price Risk. This is the possibility for an investor to experience losses due to changes in market prices of securities.

Inflation Risk. The risk that the value of investment is lower than the rate by which the prices of goods and services go up.

Liquidity Risk. This is 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 loss.

- The Fund implements a risk management policy that applies the principles of Value-at-Risk (VAR) and Modified Duration. VaR is defined as a statistical estimate of the amount of loss that an "open" risk position is unlikely to exceed during a given time period with a given level of confidence. Modified Duration is a means to measure the change in the value of a security in response to a change in interest rates. The formula is used to determine the effect that a 1% change in interest rates will have on the price of the bond.
- The Fund's investment outlets have been subject to proper screening and evaluation in accordance with LANDBANK – TBG's accreditation process and minimum regulatory requirements.

REDEMPTION CONDITIONS

Surrender of the Confirmation of Participation; subject to penalty if redeemed before the minimum holding period. For Partial Redemption, remaining balance should not be less than minimum investment.

DISCLOSURES

- 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 MOVEMENT/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 more information, you can contact us:
LANDBANK – TRUST BANKING GROUP

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NAVPU GRAPH

ONE YEAR FUND PERFORMANCE



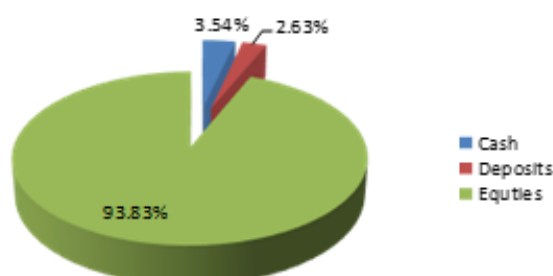
CUMULATIVE PERFORMANCE(%)¹

Period	1 Mo	3 Mos	6 Mos	1Yr	3Yrs ²
Equity Index Fund	-2.72%	-3.63%	-4.40%	0.40%	n/a
Benchmark ³	-2.51%	-2.76%	-1.79%	6.26%	n/a

¹Fund launch date 01 August 2018

²Percentage change in the closing Philippine Stock Exchange Index (PSEI)

PORTFOLIO COMPOSITION



RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P4,056,467.06, which is within the limit approved by the Board of Directors. Likewise, related parties transactions are conducted on an arm's length basis.

FUND MANAGER'S REPORT

The Philippine economy grew at a much slower pace at 5.5% in the second quarter of 2019 which fell below analysts' and the government's 6.0-7.0% target. This was attributable to the delayed national budget, the election ban on construction activities, and the global slowdown brought about by the trade war between the U.S. and China. But despite the slowdown, fundamentals remain strong and the second half could see some acceleration in growth largely driven by a significant ramp up in public investment. Corporate profits are expected to recover on this amid the easing inflation trend and pick up in government and public spending. However external developments still pose uncertainties in the U.S.-China negotiations which generally triggers a risk-off tone. Moreover, Fed officials continue to convey mixed policy outlook to global investors, that could trigger bouts of volatility as markets contend with the uncertain projections surrounding U.S. interest rates.

VIEW STRATEGY

To minimize the volatility due external trade war tensions and foreign selling pressure on the local market, we've had substantially increase our cash position by reducing our exposures on equities, and shorten the portfolio duration. Moving forward, our strategy is to deliberately accumulate underperforming stocks within the index, and eventually lengthen the fund's portfolio duration by adding fixed income on the medium to long-end of the yield curve for higher yield.

Contact Details

For more information, visit, call or email

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NAVPU (Year-On-Year)

Highest	1.060717
Lowest	0.917343

STATISTICS

Weighted Ave Tenor	0.01
Monthly Volatility	2.21%
Sharpe Ratio	-0.14
Information Ratio	-0.06

¹Only for the fixed-income investments portion of the portfolio.

²Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield. (Not enough data. Fund launch date 01 August 2018)

³Sharpe Ratio evaluates the return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk. (Not enough data. Fund launch date 01 August 2018)

⁴Information 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. (Not enough data. Fund launch date 01 August 2018)

MAJOR ASSET HOLDINGS

Issue	% of Port
SMPH	10.35%
AC	9.06%
BDO	5.15%
JFC	4.62%
URC	4.48%
Total	33.66%



Trust Banking Group

Your Stewards for Growth and Good Governance

Unit Investment Trust Funds (UITFs) are not deposit accounts or an obligation of, or guaranteed, or insured by the Land Bank of the Philippines or its affiliates or subsidiaries and, therefore, is not insured or governed by the Philippine Deposit Insurance Corporation (PDIC). Due to the nature of investment, yields and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the UITF, when redeemed, may be worth more or be worth less than his/her initial investment/contributions. Historical performance, when presented, is purely for reference purposes and not a guarantee of similar future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence.

Visit our website:
<https://www.landbank.com/unit-investment-trust-fund>