



**LANDBANK**

www.landbank.com

**LANDBANK EQUITY FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 31 December 2019

**FUND FACTS**

Classification	: Equity Fund	Net Asset Value per Unit	: 0.942824
Launch Date	: 01 August 2016	Total Fund NAV	: PhP 111,268,933.41
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	: 0.37%	Custodianship Fees	: n/a	External Auditor Fees	: n/a	Other Fees	: 0.0884%
LANDBANK							RTGS/ Equity shares transaction cost/ PDTTC fee

As a percentage of average daily NAV for the quarter valued at 113,309,117.42

**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

Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761  
Email: LBP\_TRUST@mail.landbank.com

**NAVPU GRAPH**

**ONE YEAR FUND PERFORMANCE**

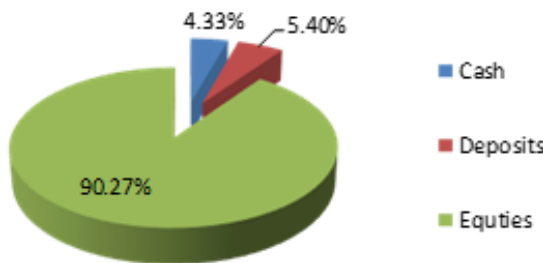


**CUMULATIVE PERFORMANCE (%)<sup>1</sup>**

Period	1 Mo	3 Mos	6 Mos	1Yr	3Yrs
Equity Index Fund	-0.01%	-2.60%	-6.14%	-3.08%	1.20%
Benchmark <sup>2</sup>	0.60%	0.47%	-2.31%	4.68%	14.15%

<sup>1</sup> Past performance is not indicative of future performance.  
<sup>2</sup> Percentage change in the closing Philippine Stock Exchange Index (PSEI)

**PORTFOLIO COMPOSITION**



**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to P4,830,296.85, 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**

Although they had brief shining moments, Philippine equities underperformed for the most part of 2019. Market players were initially turned off by lacklustre GDP growth due to the delayed passing of the budget. Despite the central bank's adoption of loose monetary policy, the local shares still couldn't seem to get a firm foothold against the global backdrop of uncertainty surrounding the U.S.-China trade talks. Additionally, domestic regulatory issues, with political undertones, weren't taken well by the market. The stock market ended the year with a mediocre performance. Foreign funds were net seller and the index settled at 7,815.28.

**VIEW STRATEGY**

With the imposition a new round of excise taxes for 2020 and a temporary spike in world crude oil prices, inflation for this year will undoubtedly be higher than last year. Although the projected rise in inflation is seen to be just moderate, interest rates will still adjust upwardly. Hence, shortening portfolio durations would be the proper investment posture to adopt. We shall continue to monitor inflation which could start to slow down starting in the second half of the year. Thereafter, we shall exercise vigilance and play the market, contingent on developing trends.

Meanwhile, the chances of positive results in the U.S.-China trade talks have improved dramatically. That said, sentiment should turn positive especially since Philippine equities are quite cheap as opposed to U.S. shares. In fact, there is a distinct possibility that a stock market bubble has already taken shape in the U.S. Foreign portfolios thus would be wary of U.S. equities and search for other assets in fundamentally sound emerging markets. With the country's growth story intact, Philippine shares will definitely be in investors' radar screens. It might be good to get moderately invested in equities.

**Contact Details**

For more information, visit, call or email  
LANDBANK - TRUST BANKING GROUP  
21/F LANDBANK Plaza  
1598 M.H. Del Pilar St. Malate, Manila 1004  
Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761  
Email: LBP\_Trust@mail.landbank.com

**NAVPU (Year-On-Year)**

Highest	1.060717
Lowest	0.921185

**STATISTICS**

Weighted Ave Tenor	0.03
Monthly Volatility	2.34%
Sharpe Ratio	-0.23
Information Ratio	-0.62

<sup>1</sup> Only for the fixed-income investments portion of the portfolio.  
<sup>2</sup> Volatility 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)  
<sup>3</sup> Sharpe 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)  
<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. (Not enough data. Fund launch date 01 August 2018)

**MAJOR ASSET HOLDINGS**

Issue	% of Port
AC	7.91%
SM	6.46%
SMPH	6.36%
ALI	5.91%
MBT	4.87%
<b>Total</b>	<b>31.51%</b>