



LANDBANK

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LANDBANK EQUITY FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 30 June 2020

FUND FACTS

Classification	: Equity Fund	Net Asset Value per Unit	: 0.772178
Launch Date	: 01 August 2016	Total Fund NAV	: PhP 95,829,964.68
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	: 0.80%	Custodianship Fees	: n/a	External Auditor Fees	: n/a	Other Fees	: 0.45%
LANDBANK						PDTC fee/Brokers commission	

As a percentage of average daily NAV for the quarter valued at 90,322,577.18

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 shall 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.

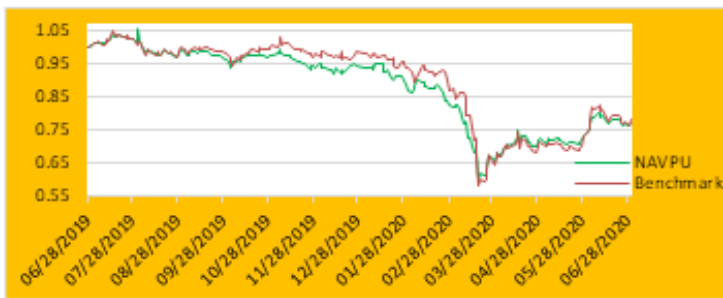
DISCLOSURES

- **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**

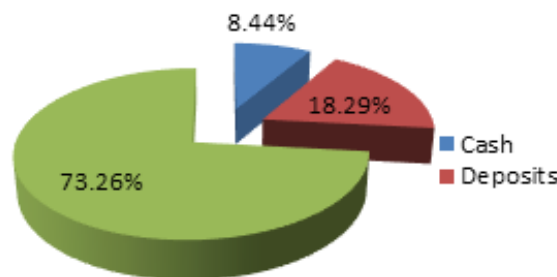


**CUMULATIVE PERFORMANCE (%)<sup>1</sup>**

Period	1 Mo	3 Mos	6 Mos	1Yr	3Yrs
Equity Index Fund	5.20%	14.54%	-18.10%	-23.13%	-24.50%
Benchmark <sup>2</sup>	6.32%	17.87%	-21.15%	-22.40%	-20.85%

<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**



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

Highest	1.060717
Lowest	0.600212

**STATISTICS**

Weighted Ave Tenor	0.05
Monthly Volatility	6.63%
Sharpe Ratio	-0.32
Information Ratio	-0.10

<sup>1</sup>Only for the fixed-income investment 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 2016)  
<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 2016)  
<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 2016)

**MAJOR ASSET HOLDINGS**

Issue	% of Port
SM	5.09%
MBT	5.04%
SMPH	4.60%
MEG	4.12%
FGEN	3.84%
Total	22.69%

**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to P8,094,429.18, 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 COVID-19 pandemic came out of nowhere to cause widespread havoc on all financial markets. Equities, however, were dealt the worst cards as panic selling would grip world stock markets. The case for the Philippines was made worse by the decision to close the exchange for two days. Desperate fund managers wishing to liquidate holdings, were shackled and left with no choice but to fret, worry and build up anxiety. So, when the bourse finally re-opened on March 19, so much selling pressure greeted the market, sending the index to an intraday low of 4,039. At this level, the market would be down 48% YTD. The index would rally though to close 1Q2020 at 5,321.23 but still, the decrease in value would be staggering at over P5 trillion. There was no particular sector that was hit hardest. It was a broad-based, systematic bloodbath that tormented the market. Under these circumstances, losses would be inevitable, and a lot of patience would be needed.

**VIEW STRATEGY**

The virus isn't going away without a fight. And from the look of things, it would be very tough to eliminate it because it reportedly has the ability to mutate in just a short span of time. Hence the level of uncertainty will linger for some time to come. That said, much volatility can be expected for the rest of the year. Nevertheless, the bottom may have already been reached on March 19, when the index dove to an intraday low of 4,039. At this level, the Relative Strength Index (RSI) was at 14 and PER valuation at just be between 8-9x, which is extremely cheap. Since all funds are in the red, the only sound strategy is to average down. That said, we will be buying on dips for trading positions.

**Contact Details**

For more information, visit, call or email  
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<https://www.landbank.com/unit-investment-trust-fund>