



LANDBANK

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LANDBANK GROWTH FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 30 September 2020

FUND FACTS

| | | | | | |
|------------------------|---|------------------|--------------------------|---|--|
| Classification | : | Balanced Fund | Net Asset Value per Unit | : | 2.218354 |
| Launch Date | : | 24 March 2006 | Total Fund NAV | : | PhP 82,673,434.90 |
| 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 subject to a min. of P500 |

FEES*

| | | | | | | | | | | | |
|------------|---|----------|--------------------|---|--------------------|-----------------------|---|-----|------------|---|---|
| Trust Fees | : | 0.96% | Custodianship Fees | : | 0.0023% | External Auditor Fees | : | n/a | Other Fees | : | 0.0245% |
| | | LANDBANK | | | Standard Chartered | | | | | | RTGS/ Maintenance Fee (LTNCD)/ PDC Fee/Brokers commission |

*As a percentage of average daily NAV for the quarter valued at 83,845,188.00

INVESTMENT OBJECTIVE AND STRATEGY

To generate capital growth while maintaining steady stream of income through a combination of diversified investments in peso-denominated listed equities and tradable fixed income securities. 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 and debt markets.

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 Growth Fund is classified as a Balanced 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.
- To maintain a balance in debt and equity, the Fund will correspondingly invest no more than 60% in equity securities traded in the PSE, including common stocks and preferred stocks of any market capitalization.

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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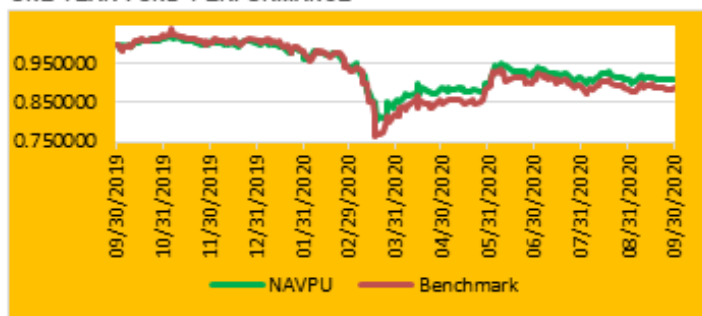
Fund Performance and Statistics as of 30 September 2020

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

GROWTH FUND

NAVPU GRAPH

ONE YEAR FUND PERFORMANCE



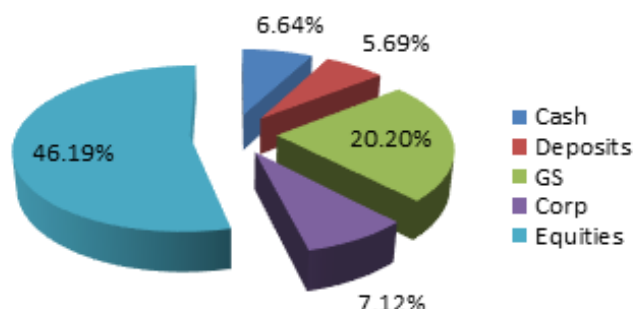
CUMULATIVE PERFORMANCE (%)¹

| Period | 1Mo | 3Mos | 6Mos | 1Yr | 3Yrs |
|------------------------|--------|--------|-------|---------|--------|
| Growth Fund | -0.22% | -1.98% | 7.03% | -9.00% | -8.43% |
| Benchmark ² | 0.63% | -3.19% | 8.05% | -11.32% | -8.32% |

¹ Past performance is not indicative of future performance.

² Simple average of the percentage change in the Bloomberg Government Bond Index All and Closing Philippine Stock Exchange Index (PSEi).

PORTFOLIO COMPOSITION



RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P9,490,397.80, 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 equities market remained depressed after second quarter corporate earnings came out generally very weak, in line with expectations. This, as the effects of the lockdowns intensified, leading to the worst economic contraction in Philippine history in Q2. As for fixed-income, interest rates remained near historic lows as the country's Covid infection rate rose, with the highest active cases in Southeast Asia. Both the equities and bond markets exhibited much volatility, getting whipsawed at times with starkly opposing views. On the one hand, there were occasional spurts of rally in stocks on good U.S. data, linked to stimulus measures. Brief episodes of optimism were also observed causing interest rates to rise on promising signs from vaccine producers. But the bulls would eventually give way to bears as the rising infection rate dashed hopes of a sustainable recovery with stricter quarantine restrictions even re-imposed. Nevertheless, not all is gloom and doom. A silver-lining is dawning in the horizon as the first effective and safe vaccine may be just a couple of months away. This should be keenly anticipated as it would likely lead to an inflection point.

VIEW STRATEGY

With the prevailing negative atmosphere in the stock market seen to linger, coupled with the relatively high price-earnings valuations of over 19x, we shall continue our strategy of buying on market dips to average costs down. For fixed-income, we shall unload securities with low yield-to-maturities (YTM) in anticipation of a breakthrough vaccine, which we expect to push interest rates higher in the next couple of months. This could eventually reverse the economic cycle.

Contact Details

For more information, visit, call or email

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NAVPU (Year-On-Year)

| | |
|---------|----------|
| Highest | 2.504939 |
| Lowest | 1.959742 |

STATISTICS

| | |
|--------------------|-------|
| Weighted Ave Tenor | 2.18 |
| Monthly Volatility | 3.69% |
| Sharpe Ratio | -0.24 |
| Information Ratio | 0.14 |

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

² Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield.

³ Sharpe Ratio evaluates the return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk.

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.

MAJOR ASSET HOLDINGS

| Issue | Maturity | % of Portfolio |
|-----------------------|-----------|----------------|
| Government Securities | 11-Feb-23 | 12.60% |
| Deposits | 01-Oct-20 | 6.64% |
| Deposits | 03-Nov-20 | 4.84% |
| Government Securities | 01-Oct-20 | 4.01% |
| Total | | 28.09% |

Equities

| Issue | % of Portfolio |
|-------|----------------|
| SM | 5.0603% |
| ALI | 3.8906% |
| GTPPB | 3.7013% |
| SMPH | 3.6948% |
| AC | 2.9961% |
| Total | 19.3431% |



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>