



**LANDBANK**

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**LANDBANK GROWTH FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 31 March 2021

**FUND FACTS**

|                        |                    |                          |  |
|------------------------|--------------------|--------------------------|--|
| Classification         | : Balanced Fund    | Net Asset Value per Unit | : 2.321208   |
| Launch Date            | : 24 March 2006    | Total Fund NAV           | : PhP 87,080,788.27  |
| 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 : 0.344% | Custodianship Fees : 0.0009% | External Auditor Fees : n/a | Other Fees : 0.014%                                       |
| LANDBANK            | Standard Chartered           |                             | RTGS/ Maintenance Fee (LTNCD)/ PDC Fee/Brokers commission |

\*As a percentage of average daily NAV for the quarter valued at PhP 88,698,379.71

**INVESTMENT OBJECTIVE AND STRATEGY**

To generate capital growth while maintaining a 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 investors 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 an 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.

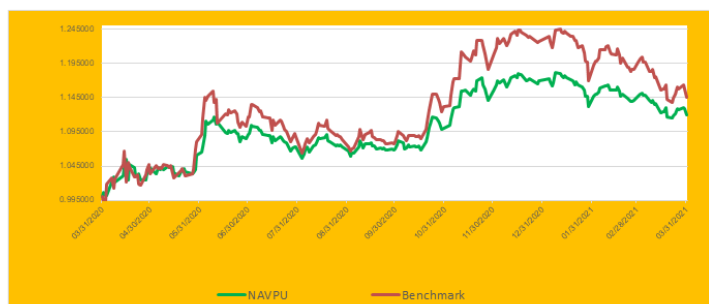
**DISCLOSURES**

- **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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**NAVPU GRAPH**  
**ONE YEAR FUND PERFORMANCE**

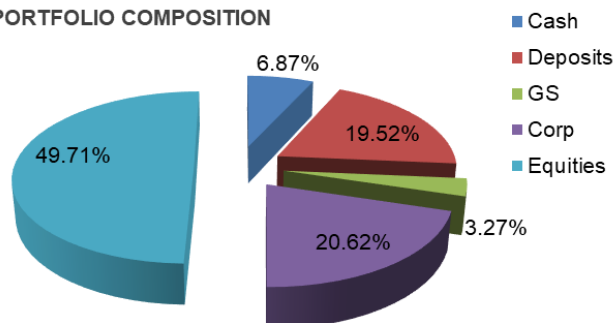


**CUMULATIVE PERFORMANCE (%)<sup>1</sup>**

| Period                 | 1Mo    | 3Mos   | 6Mos  | 1Yr    | 3Yrs   |
|------------------------|--------|--------|-------|--------|--------|
| Growth Fund            | -1.88% | -4.30% | 4.64% | 11.99% | -2.69% |
| Benchmark <sup>2</sup> | -3.30% | -6.29% | 6.04% | 14.59% | -3.26% |

<sup>1</sup>Past performance is not indicative of future performance.  
<sup>2</sup>Simple average of the percentage change in the Bloomberg Government Bond Index AJ and Closing Philippine Stock Exchange Index (PSEI)

**PORTFOLIO COMPOSITION**



**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to 17,981,945.20 which is within the limit approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

**FUND MANAGER'S REPORT**

The going got tough in 1Q2021 for balanced funds as both the equity and bond markets were routed. The stock market retreated by over 9% at the same time that interest rates reversed direction with a firm upward bias that saw the 10-year benchmark yield spike from 3.002% at the start of the year to 4.4085% by the end of the quarter. From most indications, this would be the norm for 2021.

Equities will struggle to stage any kind of a rally as economic growth is expected to be challenged with corporate earnings seen to languish in the red for some time to come. This, as infection rates spiked and the strictest lockdown was re-imposed in the last week of the quarter in NCR plus. The outlook is not bright at all as the government's vaccination program could only get off the ground starting in the third to fourth quarter. The consequent downgrades in the country's growth forecast soured sentiment.

For fixed-income, a bearish trend is already firmly established. This is happening because of the bright prospects for the U.S. economy. The highly efficient and aggressive U.S. vaccination program augurs well for the early reopening of the U.S. economy. The massive fiscal stimulus unleashed and still to be deployed has kept the U.S. economy firing on all cylinders. This resulted in much optimism and risk-on trade sending U.S. yields higher as investors left their safety and went for stocks. What's happening in the U.S. will set the tone for all financial markets in the world.

**VIEW STRATEGY**

With the U.S. seen to stage a spectacular economic recovery this year, the foregoing scenario is expected to persist. That said, a highly defensive investment posture is needed. We shall thus continue to average costs down with our equity holdings and shorten durations in fixed-income to avoid losses from rising interest rates.

**Contact Details**

For more information, visit, call or email  
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**NAVPU (Year-On-Year)**

|         |          |
|---------|----------|
| Highest | 2.448983 |
| Lowest  | 2.072684 |

**STATISTICS**

|                    |       |
|--------------------|-------|
| Weighted Ave Tenor | 1.41  |
| Monthly Volatility | 2.41% |
| Sharpe Ratio       | 0.36  |
| Information Ratio  | 0.26  |

<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.  
<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.  
<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.

**MAJOR ASSET HOLDINGS**

| Issue    | Maturity  | % of Portfolio |
|----------|-----------|----------------|
| Deposits | 19-Apr-21 | 5.74%          |
| Deposits | 22-Jun-21 | 5.74%          |
| Deposits | 11-May-21 | 4.59%          |
| Deposits | 27-Apr-21 | 3.45%          |
| Total    |           | 19.52%         |

| Equities |  | % of Portfolio |
|----------|--|----------------|
| Issue    |  |                |
| SM       |  | 4.6897%        |
| ALI      |  | 4.2720%        |
| SMPH     |  | 4.1760%        |
| GTPPB    |  | 3.5484%        |
| SMC2K    |  | 3.0837%        |
| Total    |  | 19.7699%       |

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