



**LANDBANK**

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**LANDBANK GROWTH FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 31 December 2021

**FUND FACTS**

Classification	: Balanced Fund	Net Asset Value per Unit	: 2.439343
Launch Date	: 24 March 2006	Total Fund NAV	: PhP 92,023,627.18
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	: 1.27036%	Custodianship Fees	: 0.001489%	External Auditor Fees	: n/a	Other fees	: 0.069210%
	LANDBANK		Standard Chartered				RTGS/PDTC fee/Brokers commission/taxes on sale of equity shares

\*As a percentage of average daily NAV for the quarter valued at PhP 92,925,474.60

**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 possibility for an investor to experience 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.

**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.** 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**

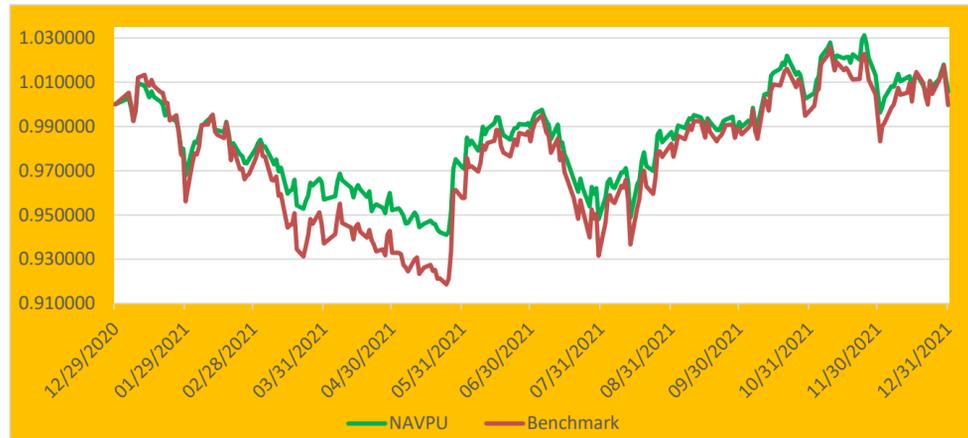
- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT 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

Tel. Nos. 8405-7351; 8405-7119; 8405-7100; 8405-7761  
Email: LBP\_TRUST@mail.landbank.com

**NAVPU GRAPH**

**ONE YEAR FUND PERFORMANCE**



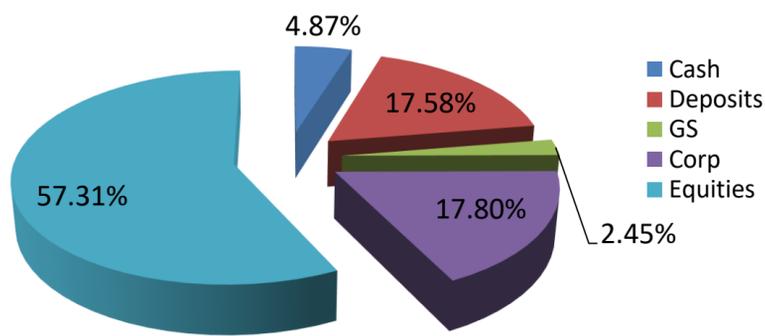
**CUMULATIVE PERFORMANCE(%)<sup>1</sup>**

Period	1Mo	3Mos	6Mos	1Yr	3Yrs
Growth Fund	-0.74%	1.38%	1.63%	0.57%	5.20%
Benchmark <sup>2</sup>	-0.46%	1.10%	1.71%	-0.03%	6.59%

<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 AI and Closing Philippine Stock Exchange Index (PSEI)

**PORTFOLIO COMPOSITION**



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

Highest	2.501439
Lowest	2.282674

**STATISTICS**

Weighted Ave Tenor	1.16
Monthly Volatility	2.34%
Sharpe Ratio	-0.0028
Information Ratio	-0.0032

<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	11-Jan-22	5.49%
Deposits	22-Jan-22	5.49%
Deposits	-	4.87%
Deposits	11-Jan-22	3.30%
<b>Total</b>		<b>19.15%</b>

**Equities**

Issue	% of Portfolio
SM Investment Corp	4.56%
Ayala Land Inc	4.37%
SM Prime Holdings Inc	3.87%
GTPPB	3.34%
Ayala Corp.	2.96%
<b>Total</b>	<b>19.10%</b>

**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to 15,429,839.45 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 economic toll that the Covid pandemic has exacted is severe. As a result, both fixed-income and equity markets exhibited much volatility. From the start of the year, the trough of the PSE index would register at -13.65% and the peak would just rise to +4.23%. As can be seen from this, the market upside was very limited. Still, the Growth Fund would outperform the benchmark. Even though 2021 was a roller coaster ride, it also saw a bit of a recovery as infection rates seem to have been getting under control, especially going into the last two months of the year. But alas, the Omicron variant would suddenly emerge just when things seem to be getting better. The highly transmissible variant would force new lockdowns and limit economic activity all over the world. Hence, the outlook going forward would be clouded by uncertainty. Nevertheless, some quarters see the beginning of the end of the pandemic as Omicron seems to be less potent and would easily be controlled by booster shots. With fingers crossed, economic recovery was interrupted just momentarily and would continue after a couple of months.

**VIEW STRATEGY**

There is a distinct probability that a stock market bubble has formed in the US with the very strong performance of US stocks in the last couple of years. And since the Federal Reserve is scheduled to end its bond-buying program in March 2022 and start hiking rates thereafter, higher yields would lead to some bearishness in both the equity and bond markets. It would thus pay to be defensive. Durations should be minimized and defensive stocks should be overweight. Bank stocks would also be good as these would likely perform better in a rising interest rate environment.

**Contact Details**

For more information, visit, call or email

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**Trust Banking Group**

Your Stewards for Growth and Good Governance