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UITF ADVISORY

22 September 2023

SUBJECT : **AMENDMENTS TO THE LANDBANK UNIT INVESTMENT TRUST FUNDS (UITF)**

Dear **Valued Client:**

Greetings from the Land Bank of the Philippines (LANDBANK)!

Please be informed that the following amendments to the LANDBANK UITFs will be implemented effective **01 December 2023:**

1. Updating of fund classifications of the LANDBANK Bond Fund, LANDBANK PERA Bond Fund, and LANDBANK Growth Fund;
2. Using "Weighted Average Portfolio Life" instead of "Modified Duration" for all LANDBANK UITFs;
3. Limiting the underlying assets of the LANDBANK Money Market Fund and LANDBANK Money Market Plus Fund to securities with a maturity of not more than three (3) years;
4. Updating of the benchmarks of LANDBANK UITFs;
5. Amendment of the Investment Objective & Allowable Investment Outlets of the LANDBANK Equity Fund;
6. Amendment of the Investment Objective of the LANDBANK Alpha Equity Fund; and
7. Amendment of the Allowable Investment Outlets and increase of the Trust Fee from 0.75% to 1.50% per annum of the LANDBANK Blue Chip Equity Fund.

Attached with this notice is the complete summary of the amendments for your better appreciation.

For queries and more information, you may get in touch with the Trust Account Management Department at (02) 8405-7351 or via email at lbp_trust@mail.landbank.com.

We look forward to continuously serve your investment needs.

Sincerely,

LOLITA M. ALMAZAR

First Vice President & Head
LANDBANK Trust Banking Group

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Summary of Amendments

- A. Amendments to LANDBANK's UITFs in compliance with BSP Circular 1152, Series of 2022 (Amendments to the Regulations on Unit Investment Trust Funds (UITFs))

1. Updating of Fund Classifications

UITF	Classification	
	From	To
▪ LANDBANK Bond Fund	Bond Fund	Fixed-Income Fund
▪ LANDBANK PERA Bond Fund	Bond Fund	Fixed-Income Fund
▪ LANDBANK Growth Fund	Balanced Fund	Multi-asset Fund

2. Change from "Modified Duration" to "Weighted Average Portfolio Life"

UITF	From	To
▪ LANDBANK Money Market Fund	Modified Duration: Shall not exceed one (1) year	Weighted Average Portfolio Life: Shall not exceed one (1) year. Provided that underlying assets of the fund shall have a remaining term to maturity of not more than three (3) years.
▪ LANDBANK Money Market Plus Fund	Modified Duration: Shall not exceed one (1) year	Weighted Average Portfolio Life: Shall not exceed one (1) year. Provided that underlying assets of the fund shall have a remaining term to maturity of not more than three (3) years.
▪ LANDBANK Bond Fund	Modified Duration: Shall not exceed ten (10) years	Weighted Average Portfolio Life: Shall not exceed ten (10) years
▪ LANDBANK Growth Fund	Modified Duration: N/A	Weighted average portfolio life does not apply to the equity component. For the fixed income component, a weighted average portfolio life of not more than ten (10) years is applicable
▪ LANDBANK Equity Fund	Modified Duration: N/A	Weighted average portfolio life: N/A
▪ LANDBANK Global \$ Fund	Modified Duration: Shall not exceed ten (10) years	Weighted Average Portfolio Life: Shall not exceed ten (10) years
▪ LANDBANK PERA Money Market Fund	Modified Duration: Shall not exceed one (1) year.	Weighted Average Portfolio Life: Shall not exceed one (1) year. Provided that underlying assets of the fund shall have a remaining term to maturity of not more than three (3) years.
▪ LANDBANK PERA Bond Fund	Modified Duration: Shall not exceed ten (10) years	Weighted Average Portfolio Life: Shall not exceed ten (10) years

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3. Limiting of the Underlying Assets of Money Market Funds

UITF	Allowable Investment Outlets/Underlying Assets	
	From	To
<ul style="list-style-type: none"> ■ LANDBANK Money Market Fund 	<p>...</p> <p>***None indicated***</p>	<p>...</p> <p>Provided that underlying assets of the fund shall have a remaining term to maturity of not more than three (3) years.</p> <p>Provided further that the weighted average portfolio life of the fund and its investments shall be consistent with the weighted average portfolio life and the investment horizon indicated in this document.</p>
<ul style="list-style-type: none"> ■ LANDBANK Money Market Plus Fund 	<p>...</p> <p>***None indicated***</p>	<p>...</p> <p>Provided that underlying assets of the fund shall have a remaining term to maturity of not more than three (3) years.</p> <p>Provided further that the weighted average portfolio life of the fund and its investments shall be consistent with the weighted average portfolio life and the investment horizon indicated in this document.</p>

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B. Amendment of the Benchmarks of LANDBANK UITFs

UITF	From	To
1. LANDBANK Bond Fund	Percentage change in the Bloomberg Government Bond Index AI (All in) or, in its absence, any relevant and industry-accepted benchmark	<p>Weighted average percentage change in the following indices:</p> <ul style="list-style-type: none"> a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) – 95% b. 1-month BVAL – 5% <p>or in the absence of any one of the indices, any relevant and industry-accepted benchmark.</p> <p>However, this should not be construed as a guarantee of yield.</p> <p><u>Description of the Benchmarks</u></p> <ul style="list-style-type: none"> a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) <p>The Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) is a rules-based market-value weighted index engineered to measure the fixed-rate local currency securities publicly issued by the Philippines, including retail securities. To be included in the index a security must have a minimum par amount of Php3 Billion.</p> <p>Bloomberg’s BVAL Evaluated Pricing Service provides transparent and highly defensible prices for fixed-income securities across the liquidity spectrum. The key to BVAL’s methodology is its real-time access to market observations from a wealth of contributed sources. This accumulated mass of market data is the main driver of an innovative and quantitative approach that first corroborates market levels on actively traded bonds and then derives a comparable relative value price for those securities that are less liquid.</p> <p>This methodology aligns with Bloomberg’s trusted capabilities as the financial industry’s leading analytics platform and source of fixed-income information. In addition to sophisticated algorithms that generate evaluated prices, the BVAL methodology assigns a BVAL Score based on the amount and consistency of market data used in our models.</p> b. 1-month BVAL <p>The shortest benchmark tenor. Based on the one-month prevailing market rate that comprises the front-end of the Philippine yield curve.</p>

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UITF	From	To
		<p><u>Key characteristics of the Benchmarks</u></p> <p>a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)</p> <p>Comprised by a basket of peso-denominated government securities with remaining tenors of 1 up to 5 years.</p> <p>b. The 1-month BVAL reflects the current yield on the 30-day fixed-income security.</p> <p><u>Relation of the benchmarks to the fund's objectives/investment strategies</u></p> <p>The Fund aims to generate a steady stream of income mainly through investments in a diversified portfolio of peso-denominated fixed-income securities while the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15), similarly, is a basket of securities with remaining maturities of 1 up to 5 years, approximating the rate of return of the fund.</p> <p>To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements. As such, the weighted average of the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) (95%) and the 1-month BVAL (5%) is the most appropriate benchmark for the fund's performance.</p> <p><u>References/sources of its detailed information</u></p> <ul style="list-style-type: none"> - Bloomberg Terminal - PDS website
2. LANDBANK Growth Fund	<p>Simple average of the percentage change in the following indices:</p> <p>a. Bloomberg Government Bond Index AI</p> <p>b. Closing Philippine Stock Exchange Index (PSEi)</p> <p>or, in its absence, any relevant and industry-accepted benchmark</p>	<p>Weighted average percentage change in the following indices:</p> <p>a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)*</p> <p>b. Closing Philippine Stock Exchange Index (PSEi)*</p> <p>c. 1-month BVAL -5%</p> <p>or in the absence of any one of the indices, any relevant and industry-accepted benchmark.</p> <p>*The benchmark will be calibrated based on the actual asset mix of the UITF at the end of each reporting period, typically on a quarterly basis. This ensures that the benchmark reflects the composition of the fund's assets and provides a more accurate performance measurement.</p>

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UITF	From	To
		<p>However, this should not be construed as a guarantee of yield.</p> <p><u>Description of the Benchmarks</u></p> <p>a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)</p> <p>The Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) is a rules-based market-value weighted index engineered to measure the fixed-rate local currency securities publicly issued by the Philippines, including retail securities. To be included in the index a security must have a minimum par amount of PhP3 Billion.</p> <p>Bloomberg's BVAL Evaluated Pricing Service provides transparent and highly defensible prices for fixed-income securities across the liquidity spectrum. The key to BVAL's methodology is its real-time access to market observations from a wealth of contributed sources. This accumulated mass of market data is the main driver of an innovative and quantitative approach that first corroborates market levels on actively traded bonds and then derives a comparable relative value price for those securities that are less liquid.</p> <p>This methodology aligns with Bloomberg's trusted capabilities as the financial industry's leading analytics platform and source of fixed-income information. In addition to sophisticated algorithms that generate evaluated prices, the BVAL methodology assigns a BVAL Score based on the amount and consistency of market data used in our models.</p> <p>b. Philippine Stock Exchange Index (PSEi)</p> <p>Composed of the 30 blue chip listed firms that are most representative of the cross-section of the Philippine economy. These issues should meet the minimum standards as prescribed by Exchange, such as but not limited to, the value of the company, free float level of listed shares, and liquidity in terms of daily trading or value turnover.</p> <p>c. 1-month BVAL</p> <p>The shortest benchmark tenor. Based on the one-month prevailing market rate that comprises the front-end of the Philippine yield curve.</p> <p><u>Key characteristics of the Benchmarks</u></p> <p>a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)</p>

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UITF	From	To
		<p>Comprised by a basket of peso-denominated government securities with remaining tenors of 1 up to 5 years.</p> <p>b. Philippine Stock Exchange Index (PSEi) is a fixed basket of thirty (30) common stocks of listed companies, carefully selected to represent the general movement of the stock market. In other words, it is the benchmark measuring the performance of the Philippine stock market.</p> <p>c. The 1-month BVAL reflects the current yield on the 30-day fixed income security.</p> <p><u>Relation of the benchmarks to the fund's objectives/investment strategies</u></p> <p>The Fund aims to generate capital growth through a combination of diversified investments in peso-denominated listed equities and tradable fixed-income securities while its benchmark, a composite of the PSEi, (which is composed of 30 selected stocks that measures the overall performance of the Philippine Stock market) the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15), and the 1-month BVAL, mirrors the returns of a fund with such a multi-asset portfolio allocation.</p> <p>To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements. As such, the weighted average of PSEi, the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15), and the 1-month BVAL (5%) is the most appropriate benchmark for the fund's performance.</p> <p><u>References/sources of its detailed information</u></p> <ul style="list-style-type: none"> - Bloomberg Terminal - PSE Website - PDS Website
3. LANDBANK Equity Fund	The percentage change in the closing Philippine Stock Exchange Index (PSEi) or, in its absence, any available relevant or similar benchmark.	<p>The Weighted Average Percentage change in the following indices:</p> <p>a. Philippine Stock Exchange Index (PSEi) – 95% and</p> <p>b. 1-month BVAL – 5%</p> <p>or in the absence of any one of the indices, any relevant and industry-accepted benchmark.</p> <p>However, this should not be construed as a guarantee of yield.</p> <p><u>Description of the Benchmarks</u></p>

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UITF	From	To
		<p>The Philippine Stock Exchange Index (PSEi) is composed of the 30 blue chip listed firms that are most representative of the cross-section of the Philippine economy. These issues should meet the minimum standards as prescribed by Exchange, such as but not limited to, the value of the company, free float level of listed shares, and liquidity in terms of daily trading or value turnover.</p> <p>The 1-month BVAL is the front-end of the Philippine yield curve which reflects the current yield for a 30-day fixed-income security.</p> <p><u>Key characteristics of the Benchmarks</u></p> <p>The Philippine Stock Exchange Composite Index (PSEi), is a fixed basket of thirty (30) common stocks of listed companies, carefully selected to represent the general movement of the stock market. In other words, it is the benchmark measuring the performance of the Philippine stock market.</p> <p>The 1-month BVAL reflects the current yield on the 30-day fixed income security.</p> <p><u>Relation of the benchmarks to the fund's objectives/investment strategies</u></p> <p>The fund is designed for sophisticated investors with a high-risk appetite. It invested mostly in shares listed on the Philippine Stock Exchange with the objective of at least having a return at par with the PSEi.</p> <p>To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements. As such, the weighted average return of the PSEi (95%) and the 1-month BVAL (5%) is the most appropriate composite benchmark for the fund's performance.</p> <p><u>References/sources of its detailed information</u></p> <ul style="list-style-type: none"> - Bloomberg Terminal - PSE website - PDS website
4. LANDBANK Global \$ Fund	Average of the daily one-year ROP rates	<p>Weighted average percentage change in the following indices:</p> <ul style="list-style-type: none"> a. One-year ROP (i.e., the outstanding ROP series with remaining term greater than but nearest to 1 year) – 95% b. 1-month U.S. Treasury – 5%

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UITF	From	To
		<p><u>Relation of the benchmarks to the fund's objectives/investment strategies</u></p> <p>The Fund aims to generate a relatively higher income through investments in Dollar-denominated fixed-income securities issued by the National Government and by local companies. To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements.</p> <p>As such, the weighted average of the one-year ROP (95%) and the 1-month U.S. Treasury Benchmark (5%) is the most appropriate composite benchmark for the fund's performance.</p> <p><u>References/sources of its detailed information</u></p> <ul style="list-style-type: none"> - Bloomberg Terminal - Official website of the U.S. Department of the Treasury
5. LANDBANK PERA Money Market Fund	Percentage change in the Bloomberg Philippine Sovereign Bond Index Money Market or, in its absence, any relevant and industry-accepted benchmark.	<p>1-month Bloomberg Valuation Service (BVAL) or, in its absence, any relevant and industry-accepted benchmark.</p> <p>However, this should not be construed as a guarantee of yield.</p> <p><u>Description of the Benchmarks</u></p> <p>Bloomberg's BVAL Evaluated Pricing Service provides transparent and highly defensible prices for fixed-income securities across the liquidity spectrum. The key to BVAL's methodology is its real-time access to market observations from a wealth of contributed sources. This accumulated mass of market data is the main driver of an innovative and quantitative approach that first corroborates market levels on actively traded bonds and then derives a comparable relative value price for those securities that are less liquid.</p> <p>This methodology aligns with Bloomberg's trusted capabilities as the financial industry's leading analytics platform and source of fixed-income information. In addition to sophisticated algorithms that generate evaluated prices, the BVAL methodology assigns a BVAL Score based on the amount and consistency of market data used in our models.</p> <p><u>Key characteristics of the Benchmarks</u></p> <p>The shortest benchmark tenor. It is based on the one-month prevailing market rate that comprises the front-end of the Philippine yield curve.</p>

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UITF	From	To
		<p><u>Relation of the benchmarks to the fund's objectives/investment strategies</u></p> <p>The fund was designed essentially for very conservative PERA contributors. Invested purely in deposit placements, the one-month benchmark would compare favorably with the yield of the fund.</p> <p><u>References/sources of its detailed information</u></p> <ul style="list-style-type: none"> - Bloomberg Terminal - PDS website
6. LANDBANK PERA Bond Fund	Percentage change in the Bloomberg Government Bond Index AI (All in) or, in its absence, any relevant and industry-accepted benchmark	<p>Weighted average percentage change in the following indices:</p> <ul style="list-style-type: none"> a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) – 95% b. 1-month BVAL – 5% <p>or in the absence of any one of the indices, any relevant and industry-accepted benchmark.</p> <p>However, this should not be construed as a guarantee of yield.</p> <p><u>Description of the Benchmarks</u></p> <ul style="list-style-type: none"> a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) <p>The Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) is a rules-based market-value weighted index engineered to measure the fixed-rate local currency securities publicly issued by the Philippines, including retail securities. To be included in the index a security must have a minimum par amount of PhP3 Billion.</p> <p>Bloomberg's BVAL Evaluated Pricing Service provides transparent and highly defensible prices for fixed-income securities across the liquidity spectrum. The key to BVAL's methodology is its real-time access to market observations from a wealth of contributed sources. This accumulated mass of market data is the main driver of an innovative and quantitative approach that first corroborates market levels on actively traded bonds and then derives a comparable relative value price for those securities that are less liquid.</p>

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UITF	From	To
		<p>This methodology aligns with Bloomberg's trusted capabilities as the financial industry's leading analytics platform and source of fixed-income information. In addition to sophisticated algorithms that generate evaluated prices, the BVAL methodology assigns a BVAL Score based on the amount and consistency of market data used in our models.</p> <p>b. 1-month BVAL The shortest benchmark tenor. It is based on the one-month prevailing market rate that comprises the front-end of the Philippine yield curve.</p> <p><u>Key characteristics of the Benchmarks</u></p> <p>a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)</p> <p>Comprised by a basket of peso-denominated government securities with remaining tenors of 1 up to 5 years.</p> <p>b. The 1-month BVAL reflects the current yield on the 30-day fixed income security.</p> <p><u>Relation of the benchmarks to the fund's objectives/investment strategies</u></p> <p>The Fund aims to generate a steady stream of income through investments in a diversified portfolio of peso-denominated fixed-income securities making it comparable to the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) which similarly, is a basket of securities with remaining maturities of 1 up to 5 years, approximating the rate of return of the fund.</p> <p>To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements. As such, the weighted average return of the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) (95%) and the 1-month BVAL (5%) is the most appropriate composite benchmark for the fund's performance.</p> <p><u>References/sources of its detailed information</u></p> <ul style="list-style-type: none"> - Bloomberg Terminal - PDS website

C. Amendments to the Fund Features of LANDBANK UITFs

1. LANDBANK Equity Fund

UITF Feature	From	To
Investment Objective	The Fund aims for long-term capital growth, to the extent possible, through investments mainly in peso-denominated listed equities.	The Fund aims <u>to generate returns that are at least at par with the performance of its benchmark</u> and seeks long-term capital growth, to the extent possible, through investing in a <u>concentrated portfolio</u> of peso-denominated stocks listed on the Philippine Stock Exchange.
Allowable Investment Outlets	<p>...</p> <p>c. Equities Exchange-listed shares of stock of corporations, common and/or preferred equities which are already listed or being offered publicly and <u>soon to be listed</u> in the Philippine stock market.</p> <p>...</p>	<p>...</p> <p>c. Equities</p> <ol style="list-style-type: none"> 1. Exchange-listed securities 2. Equity shares offered in an Initial Public Offering (IPO) provided that the company will be listed on the Philippine Stock Exchange within the listing period (approximately thirty (30) days from the start of the offer period) <p>...</p>

2. LANDBANK Alpha Equity Fund

UITF Feature	From	To
Investment Objective	The Fund aims to achieve long-term capital growth by actively investing in equities listed on the Philippines Stock Exchange (PSE).	The Fund aims <u>to generate returns that outperform its benchmark and</u> achieve long-term capital growth, to the extent possible, by actively trading or investing in peso-denominated equity securities listed on the Philippines Stock Exchange (PSE).

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3. LANDBANK Blue-Chip Equity Fund

UITF Feature	From	To
Allowable Investment Outlets	<p>...</p> <p>b. Top 50 exchange-listed securities, based on market capitalization, <u>that are already listed or being offered publicly and soon to be listed on the Philippine Stock Exchange;</u></p> <p>...</p>	<p>...</p> <p>b. Top 50 exchange-listed securities based on market capitalization.</p> <p>...</p>
Trust Fee	<u>0.75%</u> per annum based on the gross portfolio value of the fund	<u>1.50%</u> per annum based on the gross portfolio value of the fund