



**LANDBANK**

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**LANDBANK EQUITY INDEX FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 30 June 2018

**FUND FACTS**

Classification	: Equity Fund	Net Asset Value per Unit	: 0.936401
Launch Date	: 01 August 2016	Total Fund NAV	: PhP 112,087,461.84
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

**FEEES**

Trust Fees	: <b>1.50%</b>	Custodianship Fees	: <b>n/a</b>	External Auditor Fees	: <b>n/a</b>
LANDBANK					
Miscellaneous Expense per Unit at 0.003414					

**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* should 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 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.

**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

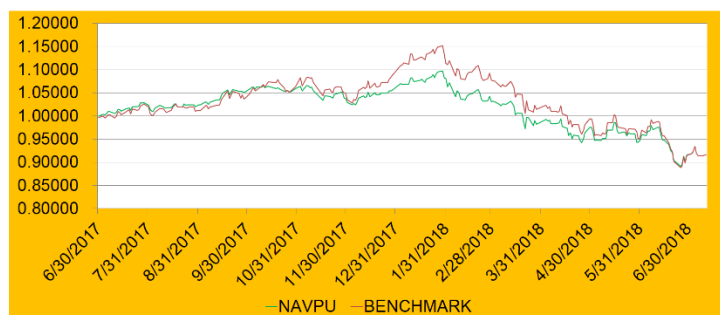
Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761  
Email: LBP-TRUST@mail.landbank.com

## Fund Performance and Statistics as of 30 June 2018

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

## EQUITY INDEX FUND

### NAVPU GRAPH ONE YEAR FUND PERFORMANCE

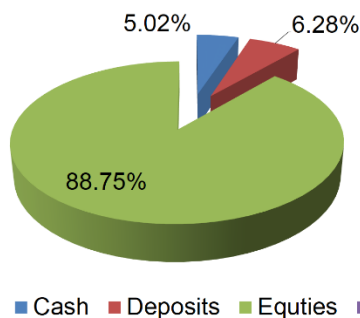


### CUMULATIVE PERFORMANCE (%)<sup>1</sup>

Period	1 Mo	3 Mos	6 Mos	1Yr	3Yrs
Equity Index Fund	-3.29%	-6.75%	-13.34%	-8.44%	n/a
Benchmark	-4.05%	-9.85%	-15.95%	-8.28%	-9.41%

<sup>1</sup>Past performance is not indicative of future performance  
<sup>2</sup>Fund launch date 01 August 2016  
<sup>3</sup>Percentage change in the closing Philippine Stock Exchange Index (PSEI)

### PORTFOLIO COMPOSITION



### NAVPU (Year-On-Year)

Highest	1.122273
Lowest	0.911994

### STATISTICS

Weighted Ave Tenor	0.06
Monthly Volatility	2.77%
Sharpe Ratio	-0.33
Information Ratio	-0.03

<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. (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
ALI	9.30%
SM	9.28%
AC	7.56%
SMPH	7.56%
SMC	5.29%
<b>Total</b>	<b>38.99%</b>

### RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P7,596,420.88, 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 beginning quarter of the Philippine economy proved strength as GDP released approached 6.8% compared to last quarter's 6.6%. The pick-up is mostly ascribed to investment and government spending. The government's target growth is ranging from 7-8.0% and Socioeconomic Planning Secretary has declared inflation as the deterrent to the objective. The PSEI touched an all-time high of 9,058.62 in January this year to descend to 7193.68 entering a bear market throughout the second quarter. The index saw valuations tumbling as inflation expectations climb, peso depreciates, and the risk-off sentiment brought about by U.S.-China trade tensions. Nevertheless, the PSEI sustained a double digit YTD at 22%, still remaining expensive historically compared to regional peers. The Dow Jones Index ended the second quarter at 24,271.41 managing volatility triggered by trade swings between U.S. and China while NASDAQ Composite Index ended at 7,510.304.

### VIEW STRATEGY

To minimize the volatility due external trade war tensions and foreign selling pressure on the local market, we've had substantially increase our cash position by reducing our exposures on equities, and shorten the portfolio duration. Moving forward, our strategy is to deliberately accumulate underperforming stocks within the index, and eventually lengthen the fund's portfolio duration by adding fixed income on the medium to long-end of the yield curve for higher yield.

### Contact Details

For more information, visit, call or email  
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Visit our website:

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



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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.