



**LANDBANK**

www.landbank.com

**LANDBANK GROWTH FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 29 July 2016

**FUND FACTS**

Classification	: Balanced Fund	Net Asset Value per Unit	: 2.367225
Launch Date	: 24 March 2006	Total Fund NAV	: PhP78,621,349.46
Minimum Investment	: PhP 10,000.00	Dealing Day	: Up to 12:00pm of any banking day
Additional Investment	: PhP 5,000.00	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>1.25%</b>	Custodianship Fees	: <b>0.015%</b>	External Auditor Fees	: <b>n/a</b>
LANDBANK					
Miscellaneous Expense per Unit at 0.000913					

**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 is 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* 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 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.

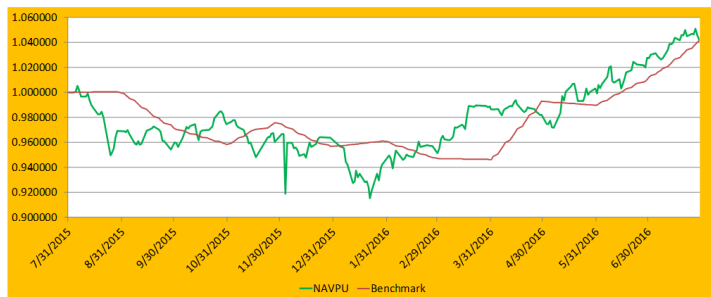
**DISCLOSURES**

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

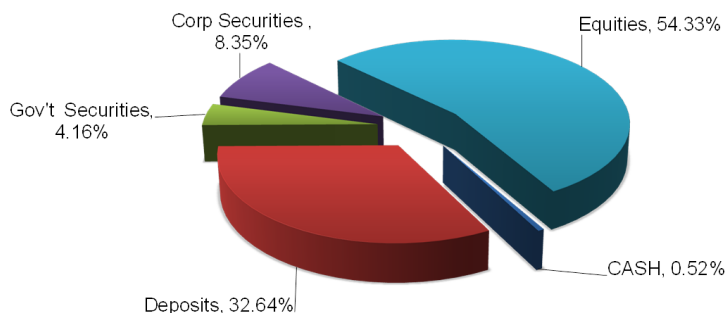


**CUMULATIVE PERFORMANCE(%)<sup>1</sup>**

Period	1mo	3mos	6mos	1yr	3yrs
Growth Fund (Net)	1.43%	6.14%	9.74%	4.23%	12.19%
Benchmark <sup>2</sup> (Gross)	1.31%	6.64%	11.24%	4.97%	12.20%

<sup>1</sup>Past performance is not indicative of future performance.  
<sup>2</sup>Simple average of the percentage change of HSBC Philippines Local Currency Bond Index for securities with maturities not exceeding five (5) years and Closing Philippine Stock Exchange Index (PSEI) until 31 March 2016.  
Simple average of the percentage change in the Bloomberg Government Bond Index AI and Closing Philippine Stock Exchange Index (PSEI) from 31 March 2016.

**PORTFOLIO COMPOSITION**



**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to P411,913.89, 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 global economic landscape in July appeared to be stable but in no way secure. Overall, what's been happening since the start of the second quarter, just continued to play out according to script. While the U.S. economy seemed to be plodding along ever so slowly with a 1% GDP growth in H1, the rest of the world is struggling to keep their economies afloat. Europe is still in the doldrums with unemployment stubbornly high at double digit figures. Adding to the pain, the continent's already dim prospects was further dampened by the recent Brexit. Indeed, it wouldn't take much of a shock to plunge the Eurozone, growing at just 0.3%, back into recession. A severe Brexit fallout could easily do it.

In Asia, the two main growth engines in the region are sputtering. Although China was able to stabilize its financial markets, there is fear about the country's growing debt level as economic growth continues to slow down. Japan's monetary policy, meanwhile, has failed miserably as the Yen strengthened on haven demand, effectively negating the BOJ's intent to weaken its currency. Hence, the country unleashed a \$120 billion fiscal program to counter any Brexit repercussions.

While the foregoing might paint a bleak picture of the global economy, the Philippines is definitely hanging tough. The prodigious 6.9% GDP growth registered in Q1 is widely expected to be replicated, if not surpassed in Q2. Even with negative exports, internal demand is strong enough to propel the country to new heights. Also, the reversal pattern and significant pullback in world crude oil prices mean that the Filipino's spending power will not be curtailed. This bodes well for the economy as nearly 70% of GDP comes from consumer spending. And with a decisive, quick-acting and results-oriented government, massive infrastructure spending will surely stimulate economic activity. Indeed, the P120 billion budget deficit recorded in H1 (in stark contrast to the surplus registered in the same period last year) indicates that government spending will not be held back and will provide a big boost to the economy.

**VIEW STRATEGY**

Our strategy is to maintain a minimal level of exposure in the index stocks, increase exposure in preferred shares, and to gradually increase the duration of the fixed income assets once rates again go up and reach acceptable levels, so as to lock in at higher yields. We shall continually and closely monitor the market, to act accordingly.

**Contact Details**

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

Highest	2.387146
Lowest	2.078814

**STATISTICS**

Weighted Ave. Tenor (Years) <sup>1</sup>	2.42
Monthly Volatility <sup>2</sup> , Past 1 Year	1.97%
Sharpe Ratio <sup>3</sup> YoY	0.1192
Information Ratio <sup>4</sup>	(0.23)

<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**

**Fixed Income**

Issue	Maturity	% of Portfolio
Deposits	8/1/2016	17.22%
Deposits	8/17/2016	6.31%
Deposits	8/24/2016	4.39%
Gov't Securities	7/19/2031	2.79%
Corporate Bonds/Notes	12/12/2020	2.60%
<b>TOTAL</b>		<b>33.31%</b>

**Equities**

Stock	% of Portfolio
SM	5.67%
ALI	4.18%
SMPH	3.30%
JGS	2.99%
TEL	2.91%
<b>TOTAL</b>	<b>19.05%</b>

