



LANDBANK

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LANDBANK MONEY MARKET FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 31 December 2015

FUND FACTS

Classification	: Money Market Fund	Net Asset Value per Unit	: 1.056514
Launch Date	: 27 March 2012	Total Fund NAV	: PhP 156,438,921.78
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 + 0
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	: 0.20%	Custodianship Fees	: n/a	External Auditor Fees	: n/a
LANDBANK					
Miscellaneous Expense per Unit at 0.000159					

INVESTMENT OBJECTIVE AND STRATEGY

The LANDBANK Money Market Fund aims to provide investors high liquidity and minimal risk but with decent returns on their capital, from short-term and flexible investments with less than one year duration.

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 Money Market Fund is suitable only for investors who:

- Have a Conservative Risk Profile
- With an Investment Horizon of < 1 year

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.

- The Fund implements a risk management policy that applies the principles of Value-at-Risk (VaR). VaR is a measure of the likely volatility of earnings due to rate fluctuations in the market. It 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.
- 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.

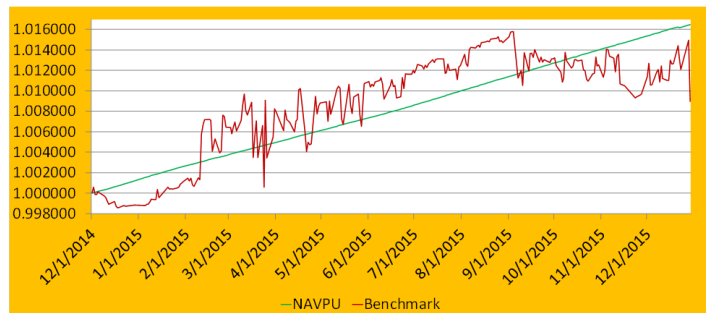
DISCLOSURES

- **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

**NAVPU GRAPH
ONE YEAR FUND PERFORMANCE**



NAVPU (Year-On-Year)

Highest	1.056514
Lowest	1.040630

STATISTICS

Weighted Ave. Tenor (Years)	0.52
Monthly Volatility, Past 1 Year ¹	0.01%
Sharpe Ratio ² YoY	(1.71)
Information Ratio ³	(0.02)

¹Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield.

²Sharpe Ratio evaluates the return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk.

³Information 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.

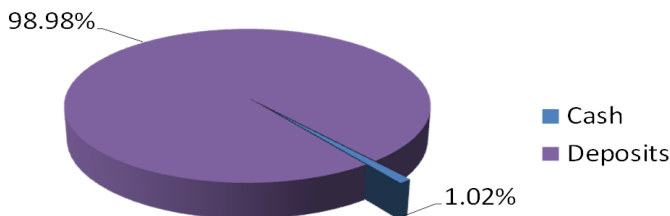
CUMULATIVE PERFORMANCE(%)¹

Period	1mo	3mos	6mos	1yr	3yrs
Money Market	0.13%	0.37%	0.78%	1.53%	3.77%
Benchmark ²	0.29%	0.29%	0.23%	1.59%	3.10%

¹Past performance is not indicative of future performance

²HSBC Philippines Local Currency Bond Index for Money Market

PORTFOLIO COMPOSITION



MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
BSP-SDA	1/7/2016	26.23%
BSP-SDA	1/4/2016	18.74%
BSP-SDA	1/6/2016	13.11%
SSDA	1/12/2016	12.49%
BSP-SDA	1/11/2016	9.99%
TOTAL		80.56%

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P 4,000,000.00 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

December 2015 will probably be remembered as the month the Federal Reserve raised interest rates for the first time in nearly a decade, ending an era of super accommodative monetary policy, as the U.S. economy emerged from the Great Recession of 2008. As the move was telegraphed and expected by most investors, it only elicited a knee-jerk reaction. Interest rates did not shoot up dramatically and even the stock market rallied. This showed the relief of the investing public from the exasperating on and off uncertainty of the liftoff in the preceding months. Although it offered a "quick fix" for most, it did not rid investors of the proverbial monkey on their backs. The Fed went on to issue pronouncements that it intends to implement four more quarter-percent rate hikes in 2016. As to whether the U.S. central bank's plan holds water or not, remains to be seen. But the divergent monetary policy of the U.S. with the rest of the world appears to be a most inappropriate backdrop for the Fed to proceed with this. Doing so could have very dire consequences not only for the U.S. but for the global economy.

In the local front, the Philippines appears headed for an exciting finish for 2015 after a slow start, early on. Although the government's official growth target for the year is already out of reach, a strong finishing kick could nudge full-year GDP growth near a very respectable 6%. Ramped up infrastructure and early election spending are providing the necessary catalysts for a robust Q4 growth. Domestic liquidity as measured by M3 reached P8 trillion as of November. With this very liquid environment, the BSP would normally be controlling excessive money in circulation but because inflation was subdued, the central bank allowed the financial system to stay awash with cash. Consequently, bank lending registered a healthy double-digit growth rate of 13.6% in November. This, in turn, may lead to an inference of brisk consumer spending for the holiday season. From the general tone of economic activities, full-year 2015 GDP growth could range between 5.7% to 6.1%.

VIEW STRATEGY

While we wanted to increase the Fund's LTNCD holdings, to further improve the portfolio yield, the non-availability of LTNCDs both in the primary and secondary markets was a limitation. We shall maximize our placements in BSP-SDA and in different high yielding deposits.

Contact Details

For more information, visit, call or email
 LANDBANK - TRUST BANKING GROUP
 21/F LANDBANK Plaza
 1598 M.H. Del Pilar St. Malate, Manila 1004
 Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761
 Email : LBP-Trust@mail.landbank.com

Visit our website:

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



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.