



**LANDBANK**

www.landbank.com

**LANDBANK MONEY MARKET FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 31 May 2016

**FUND FACTS**

Classification	: Money Market Fund	Net Asset Value per Unit	: 1.064133
Launch Date	: 27 March 2012	Total Fund NAV	: PhP 175,842,411.14
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	: <b>0.20%</b>	Custodianship Fees	: n/a	External Auditor Fees	: n/a
LANDBANK					
Miscellaneous Expense per Unit at 0.000073					

**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.

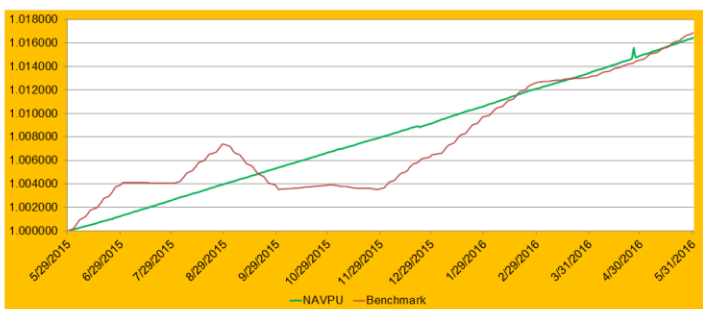
**DISCLOSURES**

- **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**

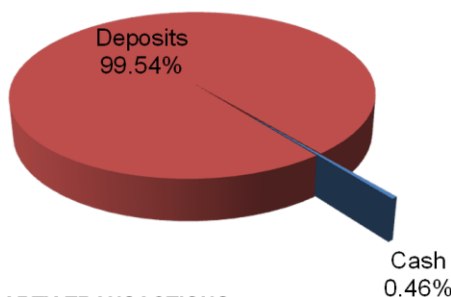


**CUMULATIVE PERFORMANCE (%)<sup>1</sup>**

Period	1mo	3mos	6mos	1yr	3yrs
Money Market	0.16%	0.43%	0.85%	1.64%	3.90%
Benchmark <sup>2</sup>	0.24%	0.43%	1.35%	1.46%	4.32%

<sup>1</sup>Past performance is not indicative of future performance.  
<sup>2</sup>HSBC Philippines Local Currency Bond Index for Money Market until 30 March 2016 & Bloomberg Philippine Sovereign Bond Index Money Market from 31 March 2016 onwards.

**PORTFOLIO COMPOSITION**



**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to P13,000,000.00 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**

The month of May provided confirmation of the above-average growth trajectory of the Philippines. At an annual rate of 6.9%, the country's 1Q2016 GDP growth was the fastest among the major ASEAN countries and even outpaced the reported 6.7% growth of China for the period. The prodigious economic expansion may be attributed to several factors, among which are: a low Q1 base effect, front-loaded government infrastructure spending, brisk consumer spending, election related-spending and the milder than expected agricultural damage from el niño. Note that the enviable growth rate came even with a contraction in exports. That means that internal demand is very strong and is capable of supporting the economy with the country's favorable demographics. Other notable data which would support this view are the increased factory output and imports. Factories wouldn't be importing and producing more if demand were weak. Consequently, domestic money supply (M3) increased by 12.7% to P8.6 trillion while bank lending accelerated at a faster pace of 15.6% as of April. This could spur inflation to run a bit faster in the coming months.

The strength of the real economy, however, does not insulate financial markets from volatility. Even though the Philippines is endowed with sound fundamentals, external factors could whipsaw the country's foreign exchange, bond and stock markets. The most obvious threat to these is the looming Federal Reserve rate hike, which could happen within a couple of weeks' time. Although economic data that came out of the U.S. were mixed, they were still skewed towards the positive side. The stabilization of world commodity prices is also a factor that could turn the tide as the Federal Reserve's inflation target would soon be just an arm's length away. And with the U.S. jobs picture already at or near full employment, there is compelling reason to hike interest rates. That said, it would be good advice to cut portfolio durations as well as to lighten up on fixed-income and listed equity investments. Once fairly sure of the timing of the rate hike, accumulate holdings a week before and after the rate hike.

**VIEW STRATEGY**

In order to improve Fund return, we will remain invested in BSP-SDA at the maximum level. We shall also consider additional investment in LTNCDs being offered in secondary market.

**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>

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

Highest	1.064133
Lowest	1.046920

**STATISTICS**

Weighted Ave. Tenor (Years)	0.47
Monthly Volatility, Past 1 Year <sup>1</sup>	0.01%
Sharpe Ratio <sup>2</sup> YoY	0.31
Information Ratio <sup>3</sup>	(0.02)

<sup>1</sup>Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield.  
<sup>2</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>3</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
BSP-SDA	6/1/2016	34.55%
BSP-SDA	6/1/2016	26.35%
<b>TOTAL</b>		<b>60.90%</b>



**Trust Banking Group**

Your Stewards for Growth and Good Governance