



**LANDBANK**

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**LANDBANK GROWTH FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 30 June 2024

**FUND FACTS**

Classification	: Multi-Asset Fund	Net Asset Value per Unit	: 2.521660
Launch Date	: 24 March 2006	Total Fund NAV	: PhP 56,160,426.74
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

**FEES\***

Trust Fees	: 0.319956%	Custodianship Fees	: 0.002060%	External Auditor Fees	: n/a	Other fees	: 0.030586%
LANDBANK		Standard Chartered				RTGS/PDTC fee/Brokers commission/	taxes on sale of equity shares

\*As a percentage of average daily NAV for the quarter valued at PhP 55,902,984.43

**INVESTMENT OBJECTIVE AND STRATEGY**

To generate capital growth while maintaining a steady stream of income through a combination of diversified investments in peso-denominated listed equities and tradable fixed income securities. 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 and debt markets.

**CLIENT SUITABILITY**

A *client profiling process* shall be performed prior to participating in the Fund to guide prospective investors 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 Multi-Asset 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 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 Risk.** 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.

**Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g., bonds and equities).

**Liquidity Risk.** 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 or submission of a Letter of Instruction and such other reasonable requirements which the TRUSTEE may require; subject to penalty if redeemed before the minimum holding period.

For Partial Redemption, remaining balance should not be less than minimum investment.

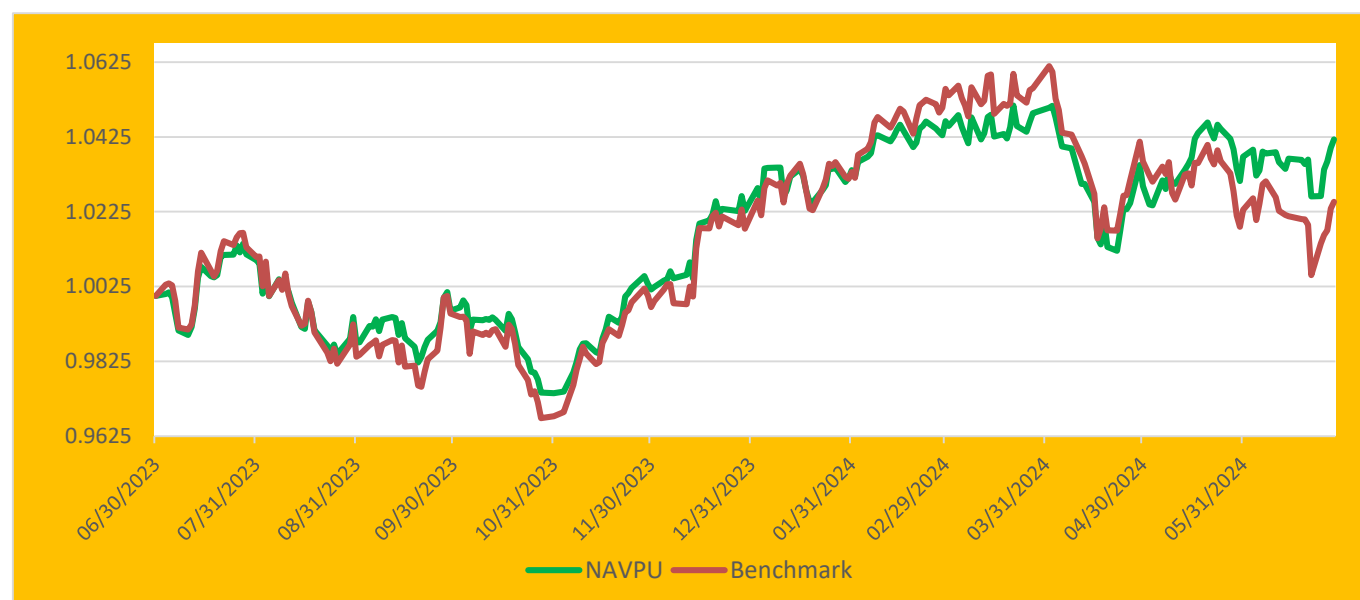
**DISCLOSURES**

- **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**
- **INVESTORS MUST READ THE COMPLETE DETAILS OF THE FUND IN THE PLAN RULES, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, HE/SHE MUST SEEK INDEPENDENT/PROFESSIONAL OPINION, BEFORE MAKING AN INVESTMENT.**

For more information, you can contact us:  
LANDBANK TRUST BANKING GROUP

Tel. Nos. 8405-7351; 8405-7119; 8405-7100; 8405-7761  
Email Addresses: New Accounts: TBDD@landbank.com  
Existing Accounts: TRAMD@landbank.com

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



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

Period	1Mo	3Mos	6Mos	1Yr	3Yrs
Growth Fund <sup>2</sup>	0.44%	-0.67%	1.86%	4.18%	5.06%
Benchmark <sup>3</sup>	0.20%	-2.76%	0.71%	2.58%	0.09%

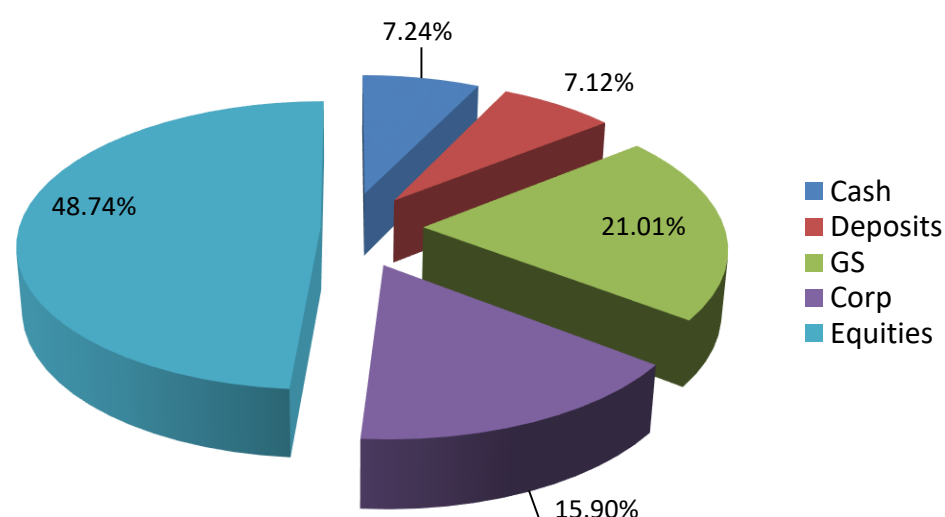
<sup>1</sup>Past performance is not indicative of future performance

<sup>2</sup>Net of imputed Expected Credit Loss (ECL)

<sup>3</sup>Weighted Average Percentage change in the following indices:

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) (Gross of tax)
- b. Closing Philippine Stock Exchange Index (PSEI) (Gross of tax)
- c. 1-month BVAL (Gross of tax) – 5%

**PORTFOLIO COMPOSITION**



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

Highest	2.543791
Lowest	2.357540

**STATISTICS**

Weighted Ave Tenor <sup>1</sup>	4.42
Monthly Volatility <sup>2</sup>	1.63%
Sharpe Ratio <sup>3</sup>	-0.0145
Information Ratio <sup>4</sup>	0.1629

<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**

Issue	Maturity	% of Portfolio
Deposits	01-Jul-24	7.24%
GS	19-May-29	5.35%
Corporate Bond	23-Feb-25	2.65%
Corporate Bond	22-Sep-27	2.37%
Total		17.62%

**Equities**

Issue	% of Portfolio
GTPPB	4.80%
SMC2K	4.18%
SMPH	3.57%
ICT	3.53%
MER	2.81%
Total	18.88%

**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting 4,065,541.36 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**

Multi-asset funds had to contend with a very tough operating environment as both the fixed-income and equity markets tanked in the second quarter. One figure that came out in April was enough to spook all foreign investors out of the local bourse after U.S. March headline inflation ticked up to 3.5%. This was a higher reading for the second month in a row, virtually dashing hopes of any Fed rate cuts in the second quarter. As a result, all three months of the second quarter saw net foreign fund outflows from the stock market, pulling the bourse sharply lower from the 6,979.81 peak at the onset to below 6,200 by the third week of June. Consequently, the fixed-income market also reacted negatively to the high U.S. inflation with yields exhibiting an upward bias.

**VIEW STRATEGY**

With the unpredictability of financial markets behavior, characterized by extreme volatility, the most sensible strategy for equities would be to exercise patience, time the market cycle, accumulate on major downswings and realize gains on sharp market rebounds. As for fixed-income, short positions are favorable given the flat yield curve and the market volatility. But when U.S. inflation dips below 3.0%, lock in the long-tenors.

**Contact Details**

For more information, visit, call or email

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Visit our website:

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



**Trust Banking Group**

LANDBANK

Your Stewards for Growth and Good Governance

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, are 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/account, even if invested in government securities, is for the account of the trustor/investor. As such, funds of the trustor/investor, 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. Investors must read the complete details of the fund in the Plan Rules, make his/her own risk assessment, and when necessary, he/she must seek independent/professional opinion, before making an investment.



# UNIT INVESTMENT TRUST FUND

## ABOUT THE LANDBANK GROWTH FUND'S BENCHMARK

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Weighted Average Percentage change in the following:

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)\*
- b. Closing Philippine Stock Exchange Index (PSEi)\*
- c. 1-month BVAL – 5%

\*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.

### Description of the Benchmarks

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)

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.

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.

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.

- b. Philippine Stock Exchange Index (PSEi)

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.

- c. 1-month BVAL

The shortest benchmark tenor. Based on the one-month prevailing market rate that comprises the front-end of the Philippine yield curve.

### Key Characteristics

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)

Comprised by a basket of peso-denominated government securities with remaining tenors of 1 up to 5 years.

- 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.

- c. The 1-month BVAL reflects the current yield on the 30-day fixed income security.

### Relation of the benchmarks to the fund's objectives/investment strategies

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 measure 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.

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.

# UNIT INVESTMENT TRUST FUND

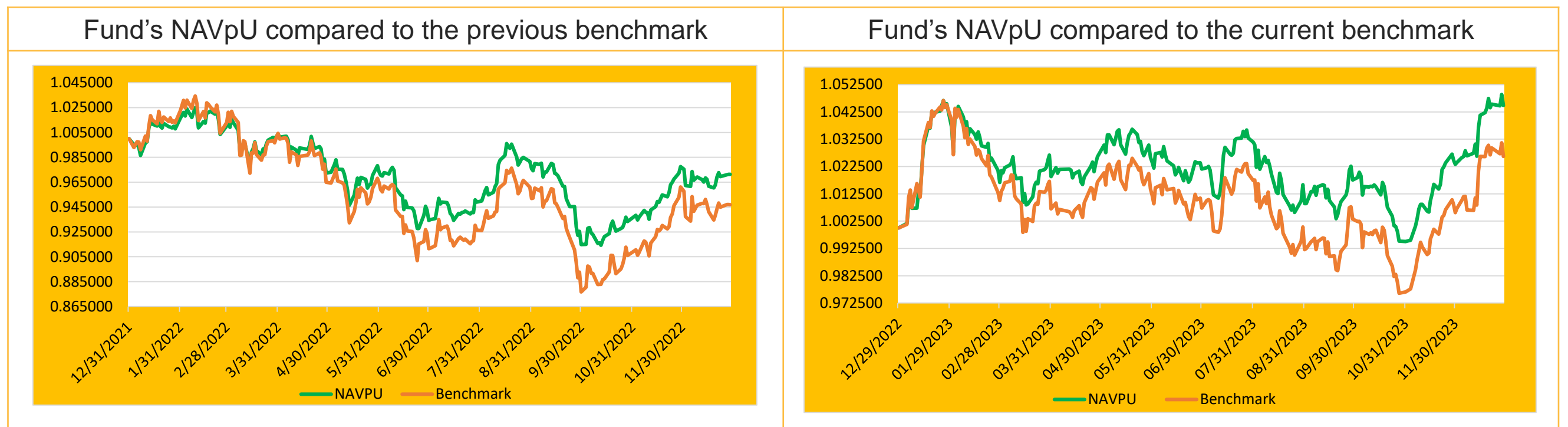
## ABOUT THE LANDBANK GROWTH FUND'S BENCHMARK

### Change in the Benchmark

The amendment to the Fund's benchmark was approved by the LANDBANK Board of Directors on 31 August 2023 through Resolution No. 23-558.

From	To
<p>Simple average of the percentage change in the following indices:</p> <ul style="list-style-type: none"> <li>a. Bloomberg Government Bond Index AI</li> <li>b. Closing Philippine Stock Exchange Index (PSEi)</li> </ul> <p>or, in its absence, any relevant and industry-accepted benchmark</p>	<p>Weighted average percentage change in the following indices:</p> <ul style="list-style-type: none"> <li>a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)*</li> <li>b. Closing Philippine Stock Exchange Index (PSEi)*</li> <li>c. 1-month BVAL -5%</li> </ul> <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>

### One Year Fund Performance Comparison



### Reason for the Change of the Fund's Benchmark

The amendment to use a blended benchmark for LANDBANK's Growth Fund (addition of the 1-month BVAL) is part of the Trust Banking Group's regular product review and improvement. The blended benchmark considers the liquidity portion of the funds and makes the fund's return more comparable to the return of its benchmarks.

Additionally, as required by the BSP, the Declaration of Trust/Plan rules of each fund will now include detailed information about its benchmark. This information comprises of a description of the benchmark, its key characteristics, its relevance to the fund's objectives and investment strategies, and references/sources of information.

By amending and using a blended benchmark for LANDBANK Growth Fund, clients will have a more realistic comparison of yield/return, as the benchmarks will now factor in the liquidity portion of the fund.

For more information on the Fund's benchmark, contact your designated Trust Account Officer at (02) 8405-7351.