



**LANDBANK**

www.landbank.com

**LANDBANK EQUITY FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

*As of 30 September 2024*

**FUND FACTS**

Classification	: Equity Fund	Net Asset Value per Unit	: 0.887429
Launch Date	: 01 August 2016	Total Fund NAV	: PhP 121,586,917.57
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 : 0.382013%	Custodianship Fees : n/a	External Auditor Fees : n/a	Other fees : 0.203498%
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 117,468,385.07

**INVESTMENT OBJECTIVE AND STRATEGY**

To generate long-term capital growth, to the extent possible, through investments mainly in peso-denominated listed. 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* 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 Equity Fund is classified as an Equity 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 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.

**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 an 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 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**

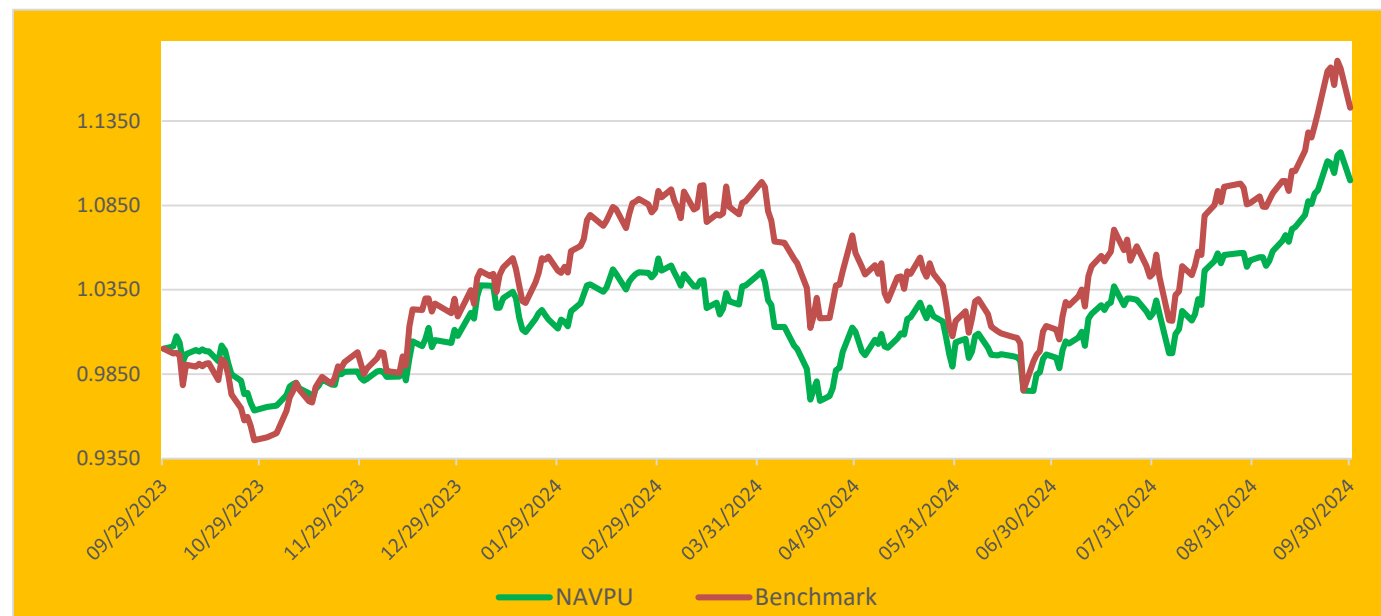
- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT 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**

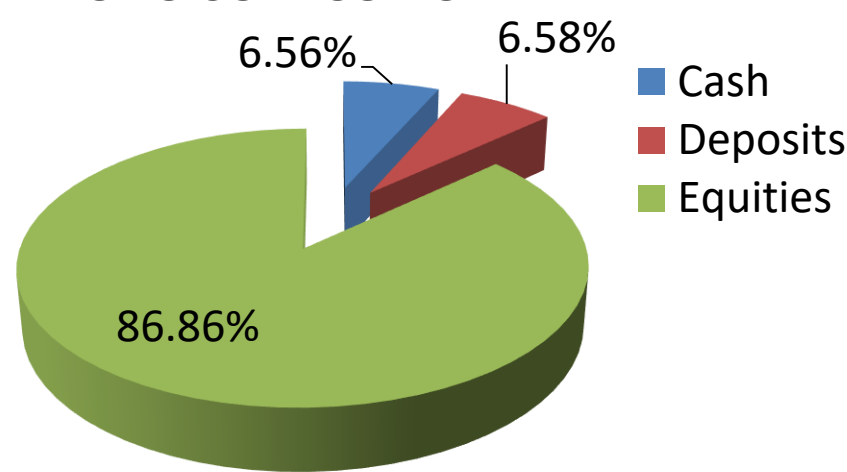


**CUMULATIVE PERFORMANCE(%)<sup>1</sup>**

Period	1 Mo	3 Mos	6 Mos	1Yr	3Yrs
Equity Fund	4.50%	10.35%	6.02%	9.98%	4.07%
Benchmark <sup>2</sup>	5.17%	12.75%	5.08%	14.28%	4.36%

<sup>1</sup>Past performance is not indicative of future performance  
<sup>2</sup>Weighted Average Percentage change in the following:  
 a. Philippine Stock Exchange Index (PSEI) (Gross of Tax) - 95% and  
 b. 1-month BVAL prices (Gross of Tax) - 5%

**PORTFOLIO COMPOSITION**



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

Highest	0.900874
Lowest	0.777457

**STATISTICS**

Weighted Ave Tenor	0.02
Monthly Volatility <sup>1</sup>	2.59%
Sharpe Ratio <sup>2</sup>	0.17
Information Ratio <sup>3</sup>	-0.23

<sup>1</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>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. (Not enough data. Fund launch date 01 August 2016)  
<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. (Not enough data. Fund launch date 01 August 2016)

**MAJOR ASSET HOLDINGS**

Issue	% of Port
ICT	7.94%
SMPH	6.20%
DEPOSIT	6.56%
SM	6.16%
MER	5.64%
<b>Total</b>	<b>32.51%</b>

**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to 7,974,338.90 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 third quarter of 2024 turned out to be a wild ride for equities with much volatility seen in the early going. Nevertheless, as the path of U.S. monetary policy became increasingly clear, things began to change. Market participants have discounted a rate cut by the Federal Reserve in its September 18 meeting as U.S. inflation continued to moderate. Cognizant of the probable actions of the U.S. central bank, the BSP jumped the gun with a rate cut of its own on August 15. And to supercharge the already positive atmosphere, the local central bank executed an unprecedented 250 basis point reduction in bank reserves. The monetary actions of the BSP significantly increased liquidity, freeing up over a trillion pesos into the financial system. This boosted sentiment and ignited a bull-run. The spirited rally gained much traction after the Federal Reserve executed a jumbo 50 basis points rate cut of its own. And with the dot plot programmed to see more monetary loosening going forward, market players adopted a risk-on trading stance, further catapulting the market to new heights. At current levels, the market's PE multiple is still relatively cheap at just 13.97x vis-à-vis U.S. stock valuations (i.e. DJIA: 21.69x; S&P500: 24.67x). With much foreign funds streaming into the market, the rally still has legs to run.

**VIEW STRATEGY**

Things are looking great for equities at the moment with the reversal of central banks' monetary policy posture from tightening to loosening. Both the Federal Reserve and the BSP are lowering interest rates. The caveat is that U.S. stocks are now venturing near bubble territory. And if the bubble bursts, a major correction might be due. Be that as it may, we view the upward momentum can be sustained until year end and we need to have the nerves to tolerate higher valuations to squeeze out maximum profits.

**Contact Details**

*For more information, visit, call or email*

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Email : New Accounts: TBDD@landbank.com

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*Visit our website:*

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



# UNIT INVESTMENT TRUST FUND

## ABOUT THE LANDBANK EQUITY FUND'S BENCHMARK

The Weighted Average Percentage change in the following indices:

- a. Philippine Stock Exchange Index (PSEi) – 95% and
- b. 1-month BVAL – 5%

### Description of the Benchmark

The Philippine Stock Exchange Index (PSEi) is 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.

The 1-month BVAL is the front-end of the Philippine yield curve which reflects the current yield for a 30-day fixed-income security.

### Key Characteristics

The Philippine Stock Exchange Composite 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.

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

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

The fund is designed for sophisticated investors with a high-risk appetite. It invested mostly in shares listed on the Philippine Stock Exchange with the objective of at least having a return at par with the PSEi.

To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements. As such, the weighted average return of the PSEi (95%) and the 1-month BVAL (5%) is the most appropriate composite benchmark for the fund's performance.

### References/sources of its detailed information

- Bloomberg Terminal
- PSE Website

### Change in the Benchmark

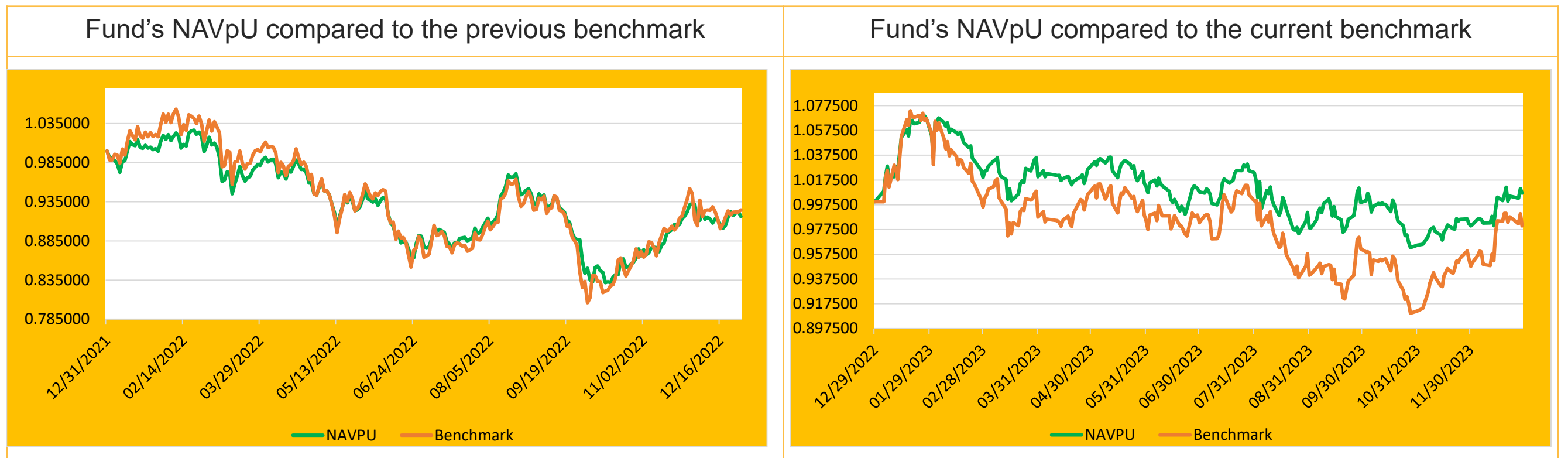
The amendment to the Fund's benchmark was approved by the LANDBANK Board of Directors on 31 August 2023 through Resolution No. 23-558.

From	To
The percentage change in the closing Philippine Stock Exchange Index (PSEi) or, in its absence, any available relevant or similar benchmark.	The Weighted Average Percentage change in the following indices:  a. Philippine Stock Exchange Index (PSEi) – 95%; and b. 1-month BVAL – 5%  or in the absence of any one of the indices, any relevant and industry-accepted benchmark.

# UNIT INVESTMENT TRUST FUND

## ABOUT THE LANDBANK EQUITY FUND'S BENCHMARK

### One Year Fund Performance Comparison



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

The amendment to use a blended benchmark for LANDBANK's Equity 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 Equity 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.