



LANDBANK

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LANDBANK BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 31 March 2020

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.705709
Launch Date	: 13 March 2006	Total Fund NAV	: PhP 52,192,531.53
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 + 1
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	: 0.25%	Custodianship Fees	: 0.0018%	External Auditor Fees	: n/a	Other fees	: 0.0009%
	LANDBANK		Standard Chartered				RTGS/Maintenance Fee

*As a percentage of average daily NAV for the quarter valued at 52,306,791.20

INVESTMENT OBJECTIVE AND STRATEGY

As a Peso-denominated Bond Fund, the LANDBANK Bond Fund aims to generate a steady stream of income mainly through investments in a diversified portfolio of peso-denominated fixed-income securities such as, but not limited to, government securities and corporate bonds suitable for investors looking for moderate yields and willing to take minimal risks on their investments.

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 Bond Fund is classified as a Long-Term Bond Fund suitable only for investors who:

- Have a Moderate Risk Profile
- Can accept the risk that the principal investment can be lost in whole or in part when the NAVPU at the time of redemption is lower than the NAVPU at the time of participation.
- With an investment horizon of 3 to 5 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 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.

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.

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.

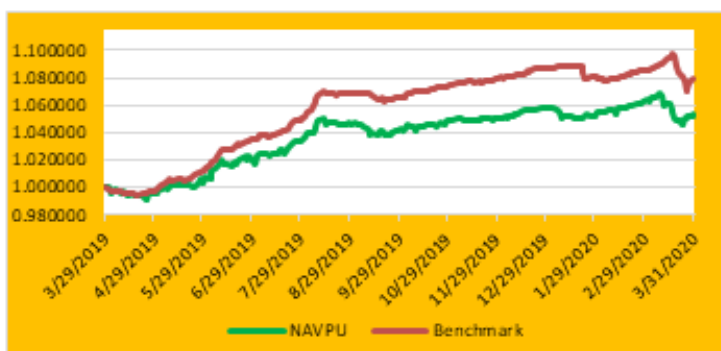
DISCLOSURES

- 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

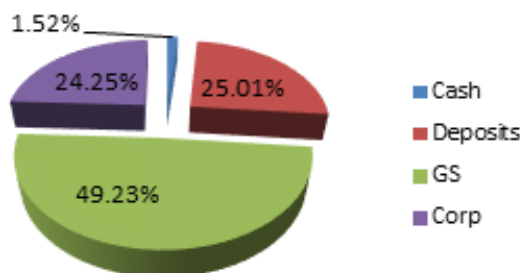


CUMULATIVE PERFORMANCE(%)¹

Period	1 Mo	3Mos	6Mos	1Yr	3 Yrs
Bond Fund	-0.98%	-0.53%	1.01%	5.28%	9.56%
Benchmark²	-0.49%	0.02%	1.25%	7.96%	15.28%

¹ Past performance is not indicative of future performance.
² Bloomberg Government Bond Index All (All in)

PORTFOLIO COMPOSITION



NAVPU (Year-On-Year)

Highest	1.730839
Lowest	1.606871

STATISTICS

Weighted Ave Tenor	3.11
Monthly Volatility	0.80%
Sharpe Ratio	1.03
Information Ratio	0.72

¹Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield. Adjusted Volatility per month, for the past 1 year.
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.

MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
Corporate Bonds/Notes	1/24/2024	9.88%
Time Deposit	6/15/2020	9.62%
Government Securities	2/11/2023	9.61%
Government Securities	3/12/2024	6.08%
Corporate Bonds/Notes	4/11/2020	5.77%
Total		40.95%

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P4,888,053.72 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

At the initial stages, the first quarter of 2020 was showing promise. The issue of the trade war seems to be getting ironed out after China agreed to some concessions. Hence, the fear of a global recession, as a result of a bitter trade war, was in the process of getting addressed. The outlook, however, was still for interest rates to recede primarily because the state of the Eurozone economy was quite precarious. Japan wasn't doing particularly well either, and like the Eurozone, had to resort to negative interest rates to stimulate economic activity. Among the major economies, it was only the U.S. and China that were doing relatively well. Then all of a sudden China would get embroiled in a viral outbreak that everybody else, thought was just localized. The event would turn out to be one of the worst crisis in the past century. It would spread quite rapidly to South Korea and Iran. Most of the world wasn't mindful of the extent of transmissions. As it would turn out, it would spread to all corners of the world. COVID-19, a full-blown pandemic was at hand, and it would virtually halt global economic activity altogether. A major global recession, much worse than 2008, would decimate the world economy as the pandemic would force lockdowns on entire populations. Trillions of dollars in monetary and fiscal stimuli would be needed just to survive the impact.

VIEW STRATEGY

Since the nature of the problem is biological/medical, monetary and fiscal stimuli would just serve to soften the economic impact of the lockdowns. Nothing short of a vaccine or effective treatment would solve the problem. Nevertheless, massive amounts of monetary and fiscal stimulus measures would still be necessary to survive the fallout. That said, the current global economic backdrop is one of ultra-low interest rates and it would remain this way for an extended period of time or until a vaccine is developed. Relative to the rest of the world, domestic interest rates are still high. The hunt for yields will attract foreign portfolios into the local bond market and drive rates lower. That said, it would be good to get moderately invested with durations of up to five years. But portfolio construction should be completed within the first quarter.

Contact Details

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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.