



**LANDBANK**

www.landbank.com

**LANDBANK GLOBAL \$ FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 30 June 2024

**FUND FACTS**

Classification	: Fixed-Income Fund (Long-Term)	Net Asset Value per Unit	: 1.461426
Launch Date	: 13 March 2006	Total Fund NAV	: USD 516,266.98
Minimum Investment	: USD 1,000.00	Dealing Day	: Up to 12:00pm of any banking day
Additional Investment	: USD 200.00	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 US\$10.00.

**FEES\***

Trust Fees	: 0.126486%	Custodianship Fees	: 0.007411%	External Auditor Fees	: n/a	Other fees	: 0.001038%
	LANDBANK		Standard Chartered				GSRT fee

\*As a percentage of average daily NAV for the quarter valued at USD 516,269.20

**INVESTMENT OBJECTIVE AND STRATEGY**

As a Dollar-denominated Bond Fund, the LANDBANK Global \$ Fund aims to provide relatively higher income through investments in Dollar-denominated fixed-income securities issued by the National Government and by local companies. Ideal for moderate investors who are willing to take on minimal risks for better returns.

**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 Global \$ Fund is classified as a 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 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.

**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 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**

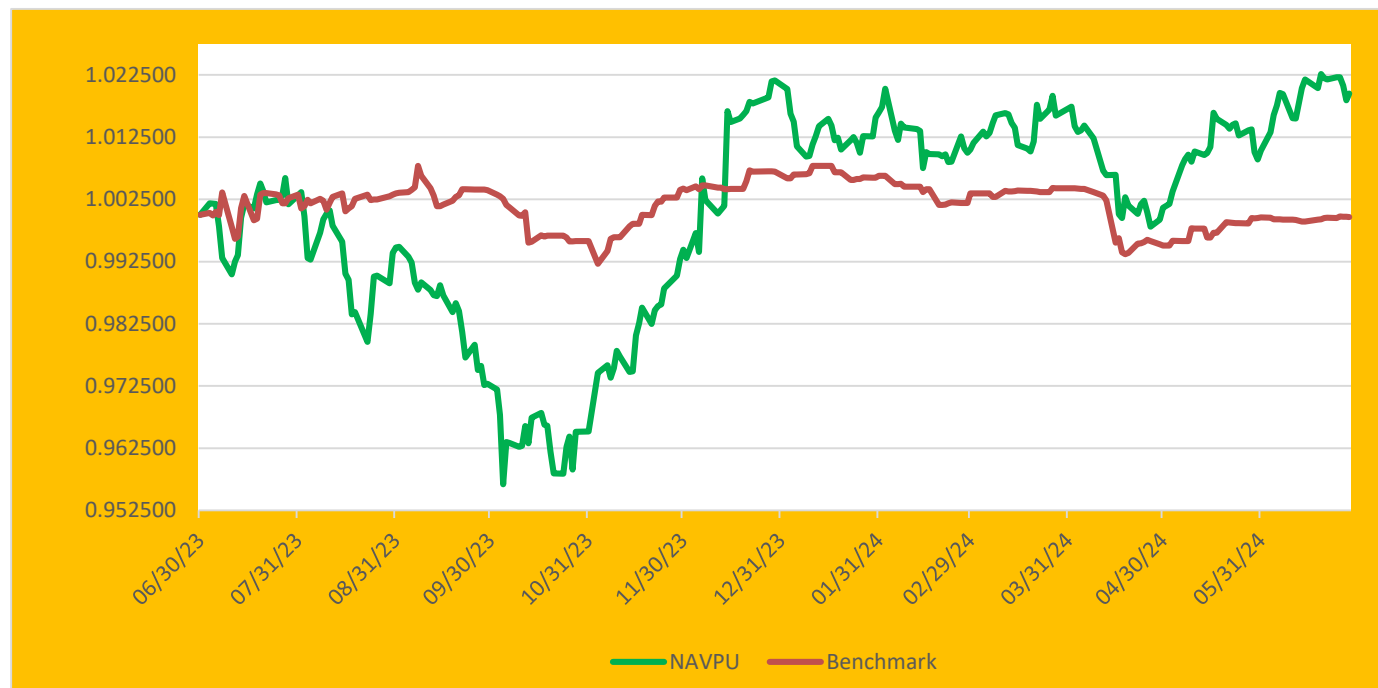
- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT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

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Existing Accounts: TRAMD@landbank.com

**NAVPU GRAPH**

**ONE YEAR FUND PERFORMANCE**



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

Highest	1.465902
Lowest	1.371435

**STATISTICS**

Weighted Ave Tenor	5.84
Monthly Volatility	1.58%
Sharpe Ratio	-0.18
Information Ratio	0.14

<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.

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

Period	1Mo	3Mos	6 Mos	1Yr	3Yrs
Global \$ Fund <sup>2</sup>	0.91%	0.35%	-0.21%	1.95%	0.83%
Benchmark <sup>3</sup>	0.01%	-0.46%	-0.73%	-0.03%	-7.62%

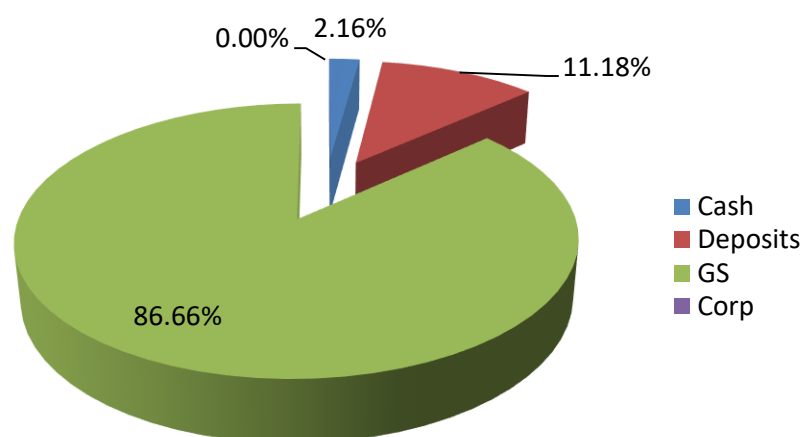
<sup>1</sup>Past performance is not indicative of future performance

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

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

a. One-year ROP (i.e., the outstanding ROP series with remaining term greater than but nearest to 1 year) (Gross of tax) – 95%  
b. 1-month U.S. Treasury (Gross of tax) – 5%

**PORTFOLIO COMPOSITION**



**MAJOR ASSET HOLDINGS**

Issue	Maturity	% of Portfolio
ROP	10/23/34	25.99%
ROP	02/02/30	18.34%
ROP	07/17/33	13.66%
ROP	10/13/27	7.91%
ROP	07/17/28	7.78%
Total		73.69%

**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to 10,947.68 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 second quarter of 2024 provided more of the uncertainties that characterized the global macroeconomic settings for the past year. The mixed bag of data churned out by the U.S. economy was quite unsettling as it was virtually impossible to decipher a definitive direction or trend in the financial markets. Interest rates moved just sideways with heightened volatility every now and then. This scenario would likely continue to play out in the next quarter unless U.S. inflation dips below the psychological 3% barrier. Although yields are still hovering at relatively high levels, the peak of the rising interest rate cycle was already reached back in the third quarter of 2023 when the 10-year U.S. yield rose to as high as 4.98%. The million-dollar question now is when the reversal trend will take place and send interest rates decidedly on a general downward trajectory. From the look and feel of things, this isn't far away.

**VIEW STRATEGY**

The inflection point would likely eventualize once U.S. inflation registers below 3%. Until then, interest rates would just likely move sideways with some volatility. For now, it would be sensible to adopt a barbell strategy of being heavy on the long and short-ends of the curve. Vigilantly monitor developments and re-allocate positions into the long-term ROPs when U.S. inflation dips below 3%.

**Contact Details**

For more information, visit, call or email

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Visit our website:

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

# UNIT INVESTMENT TRUST FUND

## ABOUT THE LANDBANK GLOBAL \$ FUND'S BENCHMARK

Weighted Average Percentage change in the following:

- a. One-year ROP (i.e., the outstanding ROP series with remaining term greater than but nearest to 1 year) – 95%
- b. 1-month U.S. Treasury – 5%

### Description of the Benchmarks

- a. One-year ROP  
One-year ROP Treasury Bonds are dollar-denominated fixed-income securities issued by the Republic of the Philippines with a maturity period of one year. They are considered to be relatively low-risk investments, backed by the creditworthiness and repayment ability of the Philippine government.
- b. 1-month U.S. Treasury  
The shortest U.S. dollar benchmark tenor. Refers to the short-term debt instrument issued by the U.S. Department of the Treasury and has a maturity period of one month.

### Key Characteristics

- a. One-year ROP  
The One-year ROP Price is determined by assessing the change in the market value of the ROP bonds over the course of one year. This change is influenced by various factors such as market interest rates, credit ratings, and economic conditions. If the market value of the ROP bonds increases, it indicates a positive return, while a decrease suggests a negative return.

As a benchmark, the One-year ROP can serve as a reference point for evaluating the performance of investment funds or portfolios. Investors can compare the returns generated by the fund against the performance of these bonds to assess the performance of the fund.

- b. 1-month U.S. Treasury  
Are highly liquid instruments and are considered low-risk investments due to the creditworthiness of the U.S. government. They are backed by the full faith and credit of the U.S. government, making them virtually risk-free in terms of default.

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

The Fund aims to generate a relatively higher income through investments in Dollar-denominated fixed-income securities issued by the National Government and by local companies. To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements.

As such, the weighted average of the one-year ROP (95%) and the 1-month U.S. Treasury Benchmark (5%) is the most appropriate composite benchmark for the fund's performance.

### Change in the Benchmark

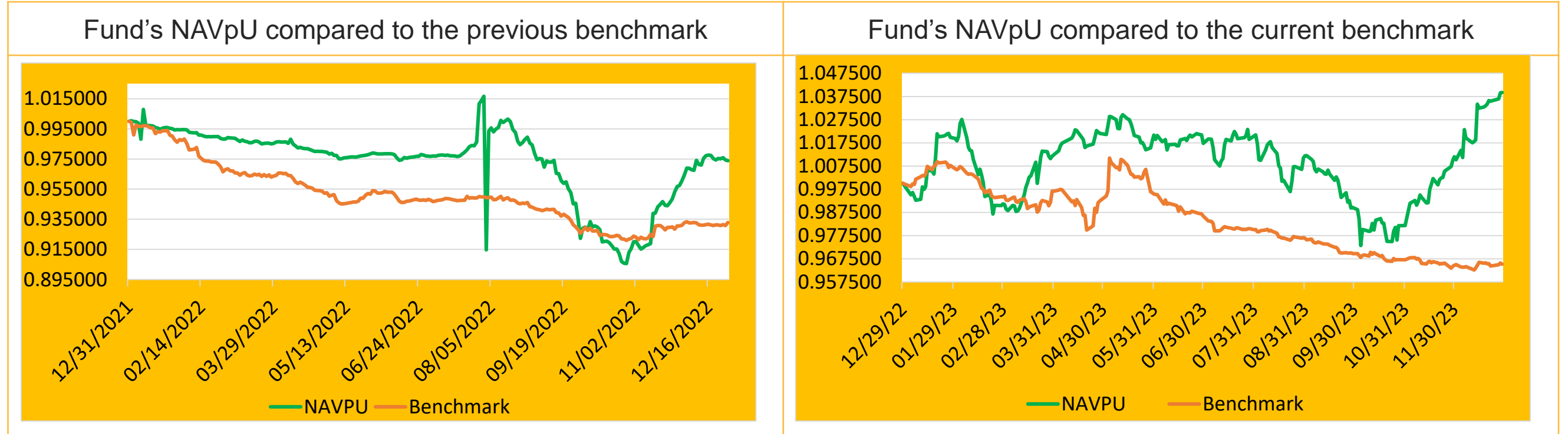
The amendment to the Fund's benchmark was approved by the LANDBANK Board of Directors on 31 August 2023 through Resolution No. 23-558.

From	To
Average of the daily one-year ROP rates	Weighted average percentage change in the following indices: <ul style="list-style-type: none"><li>a. One-year ROP (i.e., the outstanding ROP series with remaining term greater than but nearest to 1 year) – 95%</li><li>b. 1-month U.S. Treasury – 5%</li></ul> or in the absence of any of the indices, any relevant and industry-accepted benchmark.

# UNIT INVESTMENT TRUST FUND

## ABOUT THE LANDBANK GLOBAL \$ 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 Global \$ Fund (addition of the 1-month US Treasury for dollar-denominated funds) 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 Global \$ 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.