



LANDBANK

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LANDBANK BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 31 December 2024

FUND FACTS

| | | | |
|------------------------|---------------------------------|--------------------------|---|
| Classification | : Fixed-Income Fund (Long-Term) | Net Asset Value per Unit | : 2.006214 |
| Launch Date | : 13 March 2006 | Total Fund NAV | : PhP 51,557,962.05 |
| 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 : 0.255868% | Custodianship Fees : n/a | External Auditor Fees : n/a | Other fees : 0.004428% |
| LANDBANK | Standard Chartered | | RTGS Fee |

*As a percentage of average daily NAV for the quarter valued at PhP 52,362,519.76

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* shall 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 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.

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).

- 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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Fund Performance and Statistics as of 31 December 2024

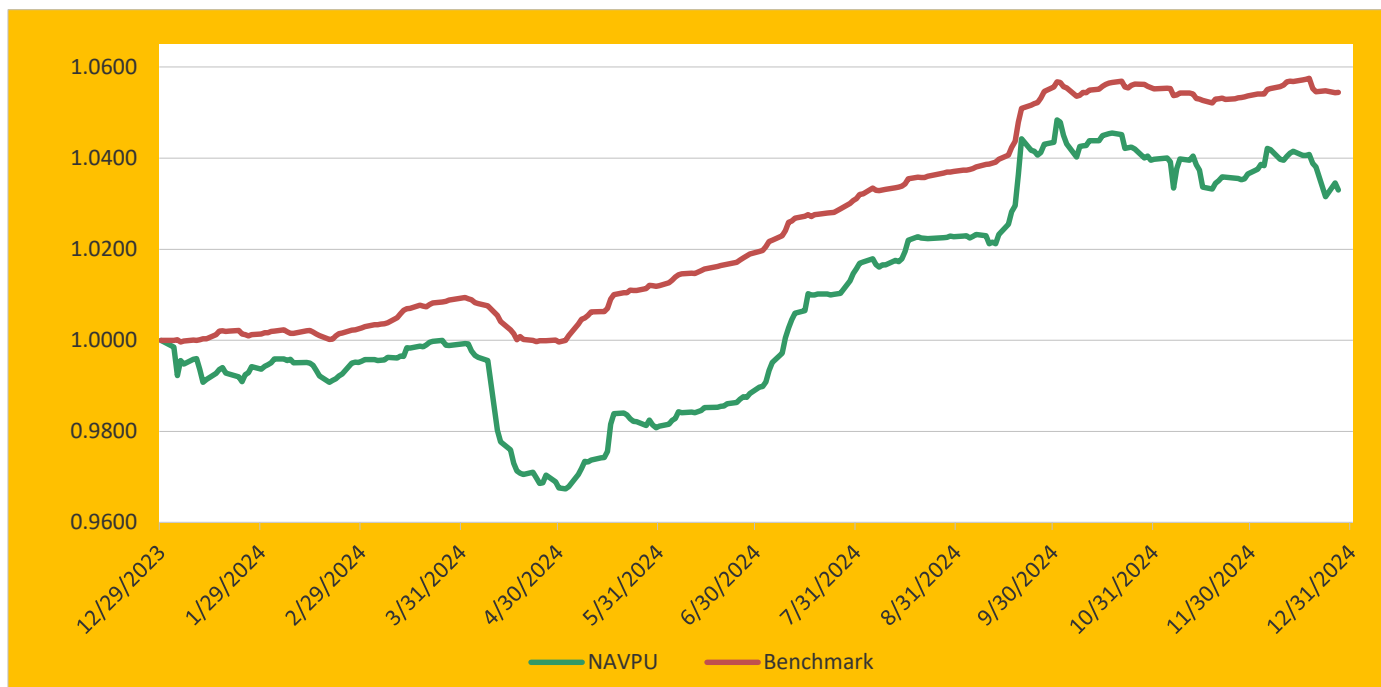
Purely for reference purposes and is not a guarantee of future results

BOND FUND

Previously the LANDBANK GS-FI Fund

NAVPU GRAPH

ONE YEAR FUND PERFORMANCE



NAVPU (Year-On-Year)

| | |
|---------|----------|
| Highest | 2.036137 |
| Lowest | 1.878698 |

STATISTICS

| | |
|---------------------------------|-------|
| Weighted Ave Tenor | 6.97 |
| Monthly Volatility ¹ | 1.48% |
| Sharpe Ratio ² | -0.07 |
| Information Ratio ³ | -0.19 |

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.

CUMULATIVE PERFORMANCE(%)¹

| Period | 1 Mo | 3Mos | 6Mos | 1Yr | 3 Yrs |
|------------------------|--------|--------|-------|-------|--------|
| Bond Fund ² | -0.34% | -1.00% | 4.53% | 3.30% | 11.81% |
| Benchmark ³ | 0.07% | -0.12% | 3.48% | 5.44% | 10.90% |

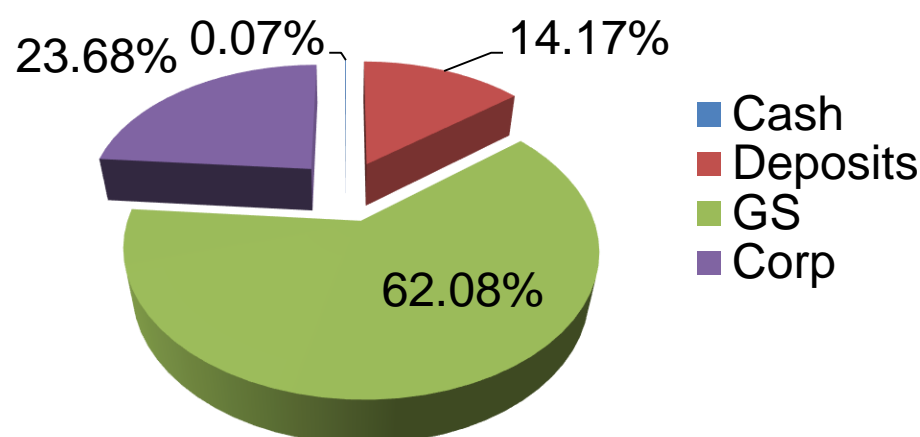
¹Past performance is not indicative of future performance

²Net of imputed Expected Credit Loss (ECL)

³Weighted average percentage change in the following indices:

a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) (Gross of Tax) – 95% and
b. 1-month BVAL (Gross of Tax) – 5%

PORTFOLIO COMPOSITION



MAJOR ASSET HOLDINGS

| Issue | Maturity | % of Portfolio |
|-----------------------|-----------|----------------|
| Government Securities | 16-Dec-35 | 22.09% |
| Corporate Bonds/Notes | 30-Sep-35 | 10.97% |
| Government Securities | 25-Jan-34 | 6.87% |
| Government Securities | 05-Nov-34 | 6.99% |
| Time Deposit | 02-Jan-25 | 13.00% |
| TOTAL | | 59.92% |

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to 7,287,818.41 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 local bond market went through a lot of volatility in the final quarter of 2024 despite the monetary loosening stance of both the Philippine and U.S. central banks. Although U.S. inflation has gone down quite significantly from the peak reading of 9.1% registered back in June 2022, down to 2.7% as of November 2024, the U.S. Federal Reserve may have erred again in its monetary policy decisions, having cut rates aggressively by 50 basis points in September and two more 25 bps cuts in November and December. With looser monetary policy, interest rates should be going down; however, the opposite has been happening on fears that inflation could be re-ignited. The U.S. economy has churned out economic data that are predominantly strong and upbeat in 4Q2024. This suggests that inflationary pressures are still quite sturdy and could linger for a much longer time than initially thought. The U.S. central bank seemingly turned a blind eye on inflationary economic data and kept cutting interest rates. Fears of resurgent inflation was underscored when 3Q2024 U.S. GDP growth rate was upwardly revised to 3.1% from 2.7%. With this, the Federal Reserve has dialed down its dot plot in 2025 to just two rate cuts. This goes without saying that if Trump's tariff plans and hawkish fiscal proclivity are to come to fruition, inflation would likely re-accelerate.

VIEW STRATEGY

The fight against inflation is not yet over. The stickiness of the number clearly indicates this. From 2.6% in October, U.S. inflation has inched up to 2.7% in November and 2.9% in December. And with a less restrictive monetary policy having been put in place under an environment of strong economic data, upward pressure on inflation is likely to build up again. Since Trump's policies are yet to be known, it would be a good idea to head for the sidelines until the first week of February 2025. Wait and see before committing to any long-term positions.

Contact Details

For more information, visit, call or email

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Visit our website:

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



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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.

LANDBANK UNIT INVESTMENT TRUST FUNDS

UNIT INVESTMENT TRUST FUND

ABOUT THE LANDBANK BOND FUND'S BENCHMARK

Weighted average percentage change in the following indices:

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) – 95%
- b. 1-month BVAL – 5%

or in the absence of any one of the indices, any relevant and industry-accepted benchmark.

However, this should not be construed as a guarantee of yield.

Description of the Benchmark

- 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. 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. 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 aims to generate a steady stream of income mainly through investments in a diversified portfolio of peso-denominated fixed-income securities while the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15), similarly, is a basket of securities with remaining maturities of 1 up to 5 years, approximating the rate of return of the fund.

To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements. As such, the weighted average of the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) (95%) and the 1-month BVAL (5%) is the most appropriate benchmark for the fund's performance.

References/sources of its detailed information

- Bloomberg Terminal
- PDS Website