



LANDBANK

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LANDBANK BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 31 December 2019

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.71477
Launch Date	: 13 March 2006	Total Fund NAV	: PhP 52,664,902.81
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	: 0.0030%	External Auditor Fees	: n/a	Other fees	: 0.0017%
	LANDBANK		Standard Chartered				RTGS/Maintenance Fee

As a percentage of average daily NAV for the quarter valued at 51,477,928.50

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

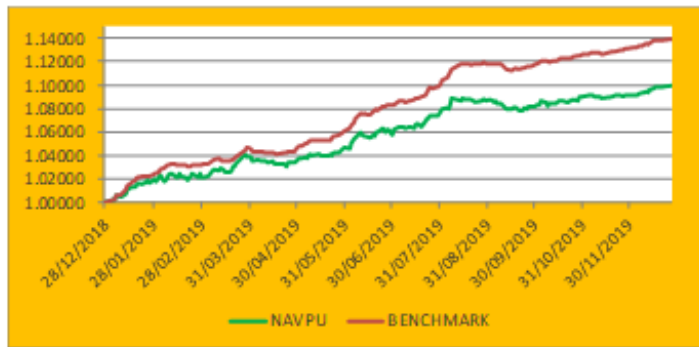
- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT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

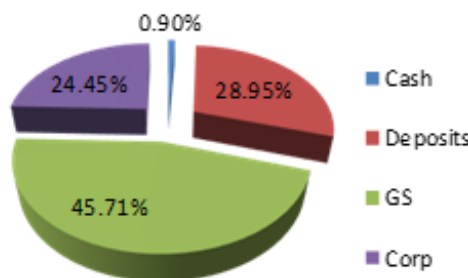


CUMULATIVE PERFORMANCE(%)¹

Period	1 Mo	3Mos	6Mos	1Yr	3 Yrs
Bond Fund	0.79%	1.64%	3.55%	9.94%	10.14%
Benchmark²	0.69%	1.14%	5.19%	13.90%	17.24%

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

PORTFOLIO COMPOSITION



RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P473,534.80 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

Global and domestic monetary policies continued to be accommodative with both the Federal Reserve and the Bangko Sentral ng Pilipinas further easing policy settings in the fourth quarter of 2019. Interest rates have been receding for most of the year but for the Philippines, the inflection point was reached in October 2019 when inflation bottomed out at 0.8% before climbing to 1.3% and 2.5% in the last two months of the year. Consequently, the downward bias in domestic interest rates had reversed with yields rising an average of 17 basis points in the last quarter of 2019. This is in stark contrast with the global landscape of a very low interest rate regime. The change in direction of domestic rates calls for a corresponding tweak in the investment posture. Nevertheless, it will pay to be vigilant as trends could turn on a dime given the myriads of uncertainties lurking in the global environment.

VIEW STRATEGY

With the imposition a new round of excise taxes for 2020 and a temporary spike in world crude oil prices, inflation for 2020 will undoubtedly be higher than the previous year. Although the projected rise in inflation is seen to be just moderate, interest rates will still adjust upwardly. Hence, shortening portfolio durations would seem to be the proper move to adopt in the near-term. We shall continue to monitor inflation which could start to slow down starting in the second half of the year. Thereafter, investment strategies would be calibrated contingent on developing trends.

Contact Details

For more information, visit, call or email
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NAVPU (Year-On-Year)

Highest	1.714822
Lowest	1.55981

STATISTICS

Weighted Ave Tenor	3.64
Monthly Volatility	0.83%
Sharpe Ratio	1.00
Information Ratio	1.28

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
Time Deposit	6/15/2020	9.46%
Time Deposit	10/6/2020	5.68%
Corporate Bonds/Notes	1/24/2024	9.97%
Corporate Bonds/Notes	2/23/2025	5.76%
Government Securities	2/14/2026	10.51%
Total		41.38%