



LANDBANK

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LANDBANK GLOBAL DOLLAR FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 30 September 2020

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.452316
Launch Date	: 13 March 2006	Total Fund NAV	: US\$ 457,495.04
Minimum Investment	: US\$ 1,000.00	Dealing Day	: Up to 12:00pm of any banking day
Additional Investment	: US\$ 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 : 0.38%	Custodianship Fees : 0.0088%	External Auditor Fees : n/a	Other Fees : 0.0084%
LANDBANK	Standard Chartered		GSRT fee/wtaxes

As a percentage of average daily NAV for the quarter valued at US\$ 464,765.91

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 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 Global Dollar 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 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 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.

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 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; 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

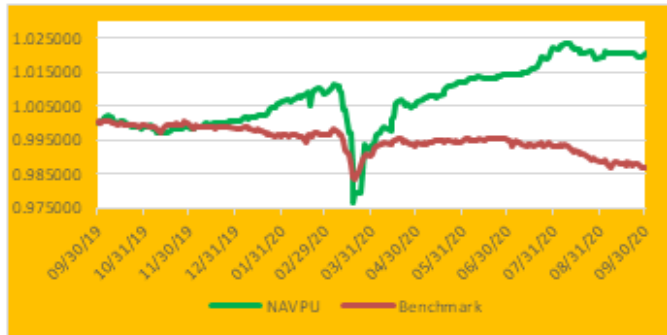
Tel. Nos. 8405-7351; 8405-7119; 8405-7100; 8405-7761
Email: LBP_TRUST@mail.landbank.com

Fund Performance and Statistics as of 30 September 2020

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

GLOBAL DOLLAR FUND

NAVPU GRAPH ONE YEAR FUND PERFORMANCE



NAVPU (Year-On-Year)

Highest	1.456344
Lowest	1.344769

STATISTICS

Weighted Ave Tenor	2.06
Monthly Volatility	0.72%
Sharpe Ratio	0.16
Information Ratio	0.51

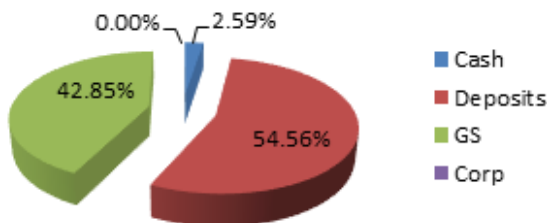
¹Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield.
²Sharpe Ratio evaluates the return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk.
³Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

CUMULATIVE PERFORMANCE(%)¹

Period	1Mo	3Mos	6 Mos	1Yr	3Yrs
GLOBAL \$ FUND	0.15%	0.62%	2.84%	2.06%	7.40%
Benchmark	-0.21%	-0.80%	-0.40%	-1.31%	-4.97%

¹Net performance is not indicative of future performance.
²Average of the daily one-year ROP rates.

PORTFOLIO COMPOSITION



MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
ROP	02/02/30	18.17%
ROP	01/15/21	17.77%
Deposits	12/01/20	10.98%
Deposits	10/12/20	7.98%
Deposits	10/26/20	6.82%
Total		61.72%

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to \$43,037.50, 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

What drove nearly all financial markets in the third quarter was the frightening resurgence of Covid infections, worldwide. Although there were sporadic upticks in U.S. interest rates, these were very fleeting. Optimism for an effective Covid vaccine, coupled with some good U.S. economic data spurred some sell-offs in U.S. bonds. But by and large, the unabated rise in infections spooked the market, spurring flight to safety and pulling U.S. yields down ever so lower. This would influence the movement of ROPs. Going forward, there are still major challenges that lie ahead. European Covid cases have alarmingly increased, raising the specter of new lockdowns. As for the U.S., apart from having the most infections, there are also jitters stemming from election uncertainty. Given the foregoing, U.S. rates and those of ROPs are expected to stay low. Still, we are expectant of the looming emergence on a US FDA-approved vaccine. This would be a silver bullet that could turn the tide. Once this eventualizes, the economic cycle could reverse, pushing interest rates higher.

VIEW STRATEGY

The general bias for ROP rates is still to the downside, given the ever-increasing Covid cases, as well as uncertainty surrounding the U.S. presidential elections. Be that as it may, ROP rates are at all-time lows and negative yields are out of the question. That said, the downward trajectory of rates is very limited. It would be the most opportune time to sell portfolio securities with low yield-to-maturities (YTM). The reversal in market direction is sure to happen. It is only a matter of time. When rates, do start to go up, it would be good to have already sold low YTM and funds, parked in short-term instruments.

Contact Details

For more information, visit, call or email
 LANDBANK TRUST BANKING GROUP
 21/F LANDBANK Plaza
 1598 M.H. Del Pilar St. Malate, Manila 1004
 Tel. Nos. 8405-7351; 8405-7119; 8405-7100; 8405-7761
 Email : LBP_Trust@mail.landbank.com

Visit our website:

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

LANDBANK UNIT INVESTMENT TRUST FUNDS



Trust Banking Group

Your Stewards for Growth and Good Governance

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.