



LANDBANK

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LANDBANK BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 31 March 2021

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.785502
Launch Date	: 13 March 2006	Total Fund NAV	: PhP 64,401,296.62
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	: 0.00330%	External Auditor Fees	: n/a	Other fees	: 0.0023%
LANDBANK		Standard Chartered				RTGS/Maintenance Fee	

*As a percentage of average daily NAV for the quarter valued at PhP 63,189,410.97

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 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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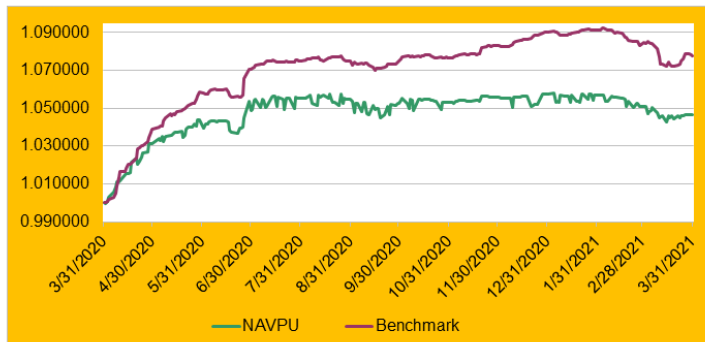
Fund Performance and Statistics as of 31 March 2021

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

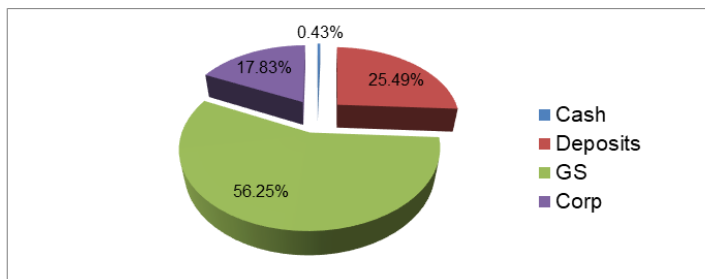


CUMULATIVE PERFORMANCE(%)¹

Period	1 Mo	3Mos	6Mos	1Yr	3 Yrs
Bond Fund	-0.41%	-1.02%	-0.56%	4.68%	13.83%
Benchmark²	-0.48%	-1.21%	0.28%	7.79%	20.74%

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

PORTFOLIO COMPOSITION



NAVPU (Year-On-Year)

Highest	1.804297
Lowest	1.705099

STATISTICS

Weighted Ave Tenor	1.03
Monthly Volatility	0.99%
Sharpe Ratio	0.29
Information Ratio	-0.73

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
Government Securities	09-Jun-21	12.40%
Government Securities	23-Jun-21	15.50%
Government Securities	07-Jul-21	7.74%
Government Securities	21-Jul-21	6.19%
Corporate Bonds/Notes	24-Jan-24	8.25%
Time Deposit	18-May-21	7.77%
Total		57.86%

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to 9,679,408.28 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 first quarter of 2021 was quite relevant as it saw the inflection point in terms of the direction of interest rates. The economic cycle indeed, has already reversed, ushered in by the very aggressive and efficient roll-out of the U.S. vaccination program. By the end of the quarter, U.S. infection and death rates have gone down considerably with the number of U.S. citizens vaccinated, nearing 200 million. Optimism about the re-opening of the economy was reinforced by the aggressive \$1.9 trillion Biden fiscal stimulus, which handed spending power to unemployed Americans. On top of this, a massive \$2.25 trillion infrastructure spending plan is also in the pipeline to pump-prime the economy. The foregoing scenario spurred risk-on trade with investors leaving the safety of U.S. treasuries and piling into stocks. As a result, U.S. yields were on a steady uphill climb, with the U.S. 10-year yield settling at 1.74% by the end of the quarter. And since all other interest rates in the world track the movement of U.S. rates, local yields have also exhibited a strong upward bias. From 3.002% at the start of the year, the local 10-year benchmark yield jumped to 4.4085% at the end of the first quarter.

VIEW STRATEGY

Having anticipated the current developments, we have already started executing our strategy of shortening portfolio durations. The question now is how long the upward trend of interest rates will last. The quick answer would be when the U.S. economy gets back to normal and the Federal Reserve transitions from dovish to hawkish monetary stance. This will probably take place next year or in 2023. The uptrend would be relatively long. Hence, a lot of patience need to be exercised. A caveat that cannot be overlooked is a possible stock market bubble/correction in the U.S. as this could shock financial markets and pull rates down for a period of time.

Contact Details

For more information, visit, call or email

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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.