



**LANDBANK**

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**LANDBANK PERA BOND FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

*As of 30 September 2021*

**FUND FACTS**

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 0.996331
Launch Date	: 24 May 2021	Total Fund NAV	: PhP 395,913.40
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 + 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 P500.00

**FEES\***

Trust Fees	: 0.30494%	Custodianship Fees	: n/a	External Auditor Fees	: n/a	Other fees	: n/a
	LANDBANK		Standard Chartered				RTGS/Maintenance Fee

\*As a percentage of average daily NAV for the quarter valued at PhP 292,734.17

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to generate a steady stream of income through investments in a diversified portfolio of peso-denominated fixed-income securities.

**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 PERA 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**

Receipt of instruction from the Administrator; subject to penalty if redeemed before the minimum holding period. For Partial Redemption, remaining balance should not be less than minimum investment.

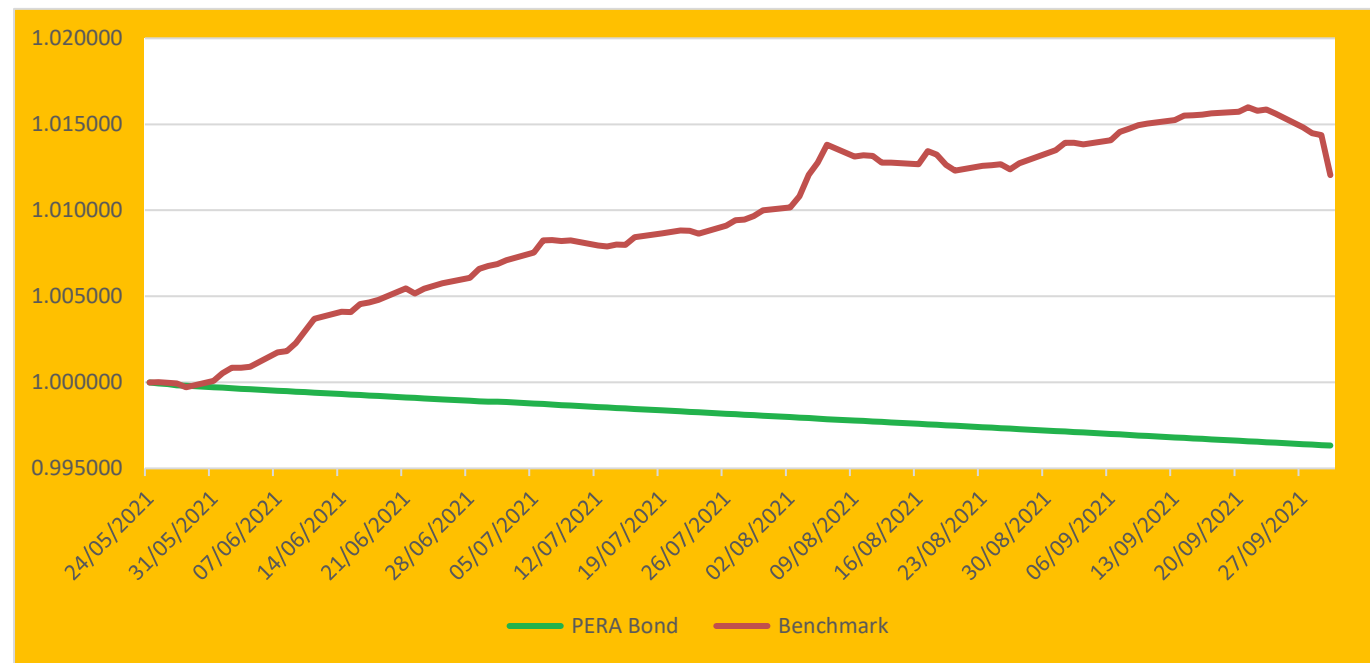
**DISCLOSURES**

- **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  
FUND PERFORMANCE**



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

Highest	1.000000
Lowest	0.996331

**STATISTICS**

Weighted Ave Tenor	n/a
Monthly Volatility	n/a
Sharpe Ratio	n/a
Information Ratio	n/a

<sup>1</sup>Volatility 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.

<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	1 Mo	3Mos	6Mos	1Yr	3 Yrs
PERA Bond	-0.09%	-0.26%	n/a	n/a	n/a
Benchmark <sup>2</sup>	-0.31%	0.39%	2.32%	2.61%	25.72%

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

<sup>2</sup>Bloomberg Government Bond Index All1 (All in)

**PORTFOLIO COMPOSITION**

n/a

**MAJOR ASSET HOLDINGS**

Issue	Maturity	% of Portfolio
Government Securities	n/a	n/a
Corporate Bonds/Notes	n/a	n/a
Time Deposit	n/a	n/a
Total		

**RELATED PARTY TRANSACTIONS**

The Fund has deposits with LANDBANK amounting to 0.00 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**

There are two opposing forces that are influencing the movement of bonds. On the one hand, US economic recovery and the resulting inflationary pressures that come along with it should exert upward pressure on rates. This, as a taper in Federal Reserve's bond buying program becomes inevitable. However, the Covid Delta variant has impeded progress in the containment of infections. Although there are enough job openings in the US for the labor force to reach full-employment, the fear of infection constrains job-seekers to go all out to find work. Labor force participation stood at a paltry 61.7%, pulling down the unemployment rate to 4.8%. As a result, supply-side bottlenecks have formed causing price pressures even though economic output has not fully normalized yet. It could thus take a little while longer before things revert back to pre-pandemic conditions. That said, economic momentum would likely be patchy. This has led some Fed officials to argue that inflationary pressures would just be transitory, causing interest rates to slide somewhat. But in the final analysis, it is US monetary policy that will determine the direction of rates. And because Fed Chairman Powell has already indicated that the asset purchases will be reduced starting in November, there is no other way for rates to go but up. Still, the rise in rates is seen to be measured and gradual.

**VIEW STRATEGY**

There is no question about it that the long-term direction of rates is up. It is also quite plain and clear that economic recovery would be U-shaped. That said, there would be lackluster economic data that would sprout every now and then. Although economies will be weaned from highly accommodative monetary policies, the process of recovery would be slow and gradual. US bond buying will probably be reduced by \$20 billion a month before actual rate hikes by the Federal Reserve are implemented in the second half of 2022. Given the foregoing, the corresponding strategy is to also gradually shorten portfolio durations, selling securities whose Yield-To-Maturities (YTM) are slightly still higher than prevailing market rates. The current investment posture is avoid/minimize losses.

**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 willfull default, bad faith or gross negligence.