



LANDBANK

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LANDBANK PERA BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 31 December 2021

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 0.998891
Launch Date	: 24 May 2021	Total Fund NAV	: PhP 472,015.57
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	: 0.46916%	Custodianship Fees	: n/a	External Auditor Fees	: n/a	Other fees	: 0.072663%
	LANDBANK		Standard Chartered				RTGS Fee

*As a percentage of average daily NAV for the quarter valued at PhP 419,608.71

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.

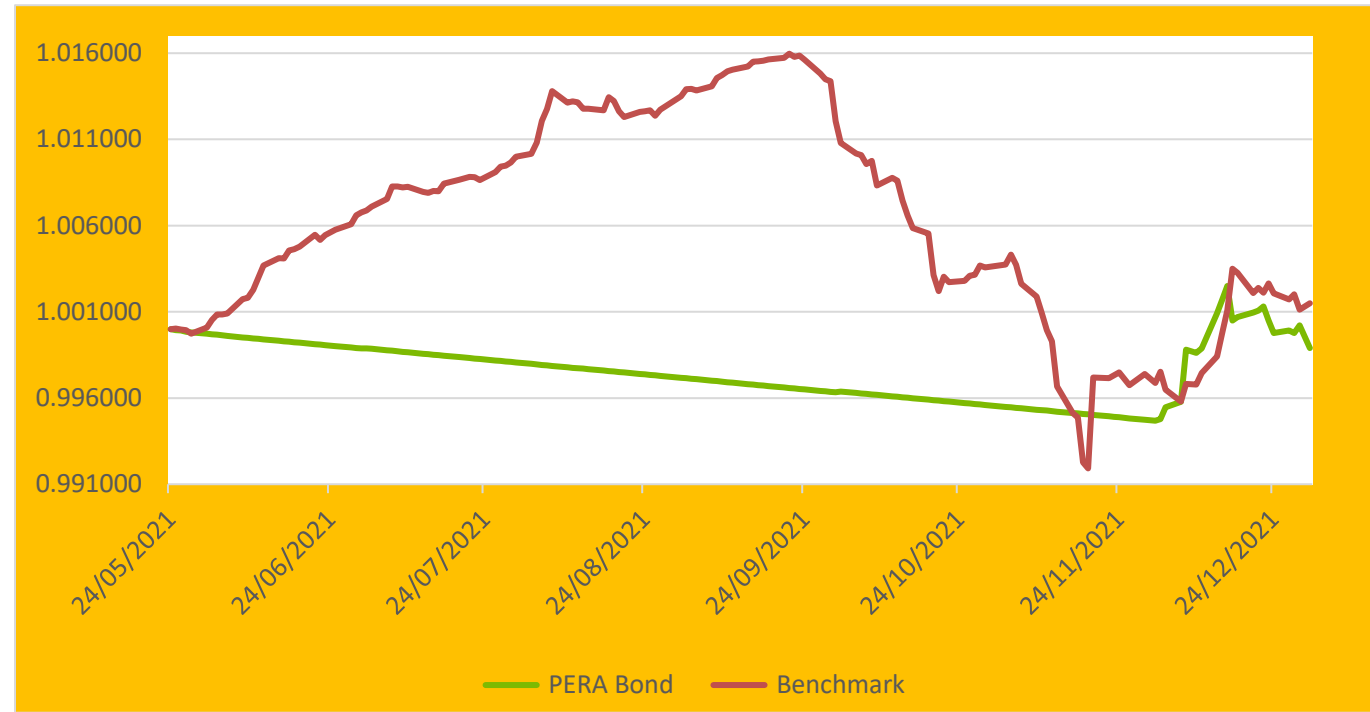
DISCLOSURES

- **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	1.002501
Lowest	0.994685

STATISTICS

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

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
PERA Bond	0.4200%	0.2569%	0.0017%	n/a	n/a
Benchmark ²	-0.31%	0.39%	2.32%	2.61%	25.72%

¹Past performance is not indicative of future performance

²Bloomberg 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

The outlook for rising interest rates was galvanized in Q4 when the Federal Reserve issued hawkish statements, that would augur the end of monetary accommodation and pave the way for rate hikes in 2022. Yields have thus exhibited strong upward bias. But this was quickly thwarted when the Omicron Covid variant suddenly emerged and spread like wildfire. Reportedly 70x more transmissible than the Delta variant, Omicron caused an exponential rise in total cases worldwide in just a short period. This would result in renewed lockdowns and consequently, a heavy drag on economic activity. Financial markets would be spooked as investors adopt a risk-off stance. Hence, interest rates eventually fell as investors took refuge in the safety of government securities. But the main issue of contention is still the Federal Reserve's monetary tightening agenda. And from the look of things, Omicron is not about to change the plan. Economic results in the US have still largely been upbeat with unemployment sinking to just 3.9% by the end of the year. And since booster shots, which are seen to control Omicron, are widely available, the dot plot would likely be executed by the US central bank. As such, we expect the asset purchases to end in March, followed by a series of three rate hikes next year. This will invariably tighten monetary conditions, going forward.

VIEW STRATEGY

Interest rates are bound to rise sooner rather than later. But the rise in rates is seen to be measured and gradual with the benchmark 10-year US yield seen to settle between 2.5 to 3.0% by the end of 2022. We shall thus continue to shorten portfolio duration by selling holdings whose trading gains have whittled down before they turn negative. This will be the tack going into 2022.

Contact Details

For more information, visit, call or email

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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.