



LANDBANK

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LANDBANK BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 30 June 2025

FUND FACTS

Classification	: Fixed-Income Fund (Long-Term)	Net Asset Value per Unit	: 2.035725
Launch Date	: 13 March 2006	Total Fund NAV	: PhP 46,703,250.87
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	: 0.253090%	Custodianship Fees	: 0.005702%	External Auditor Fees	: n/a	Other fees	: 0.000652%
LANDBANK		Standard Chartered				RTGS Fee	

\*As a percentage of average daily NAV for the quarter valued at PhP 47,444,921.55

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 Risk.** 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.

**Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g., bonds and equities).

- 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 or submission of a Letter of Instruction and such other reasonable requirements which the TRUSTEE may require; subject to penalty if redeemed before the minimum holding period.

For Partial Redemption, remaining balance should not be less than minimum investment.

DISCLOSURES

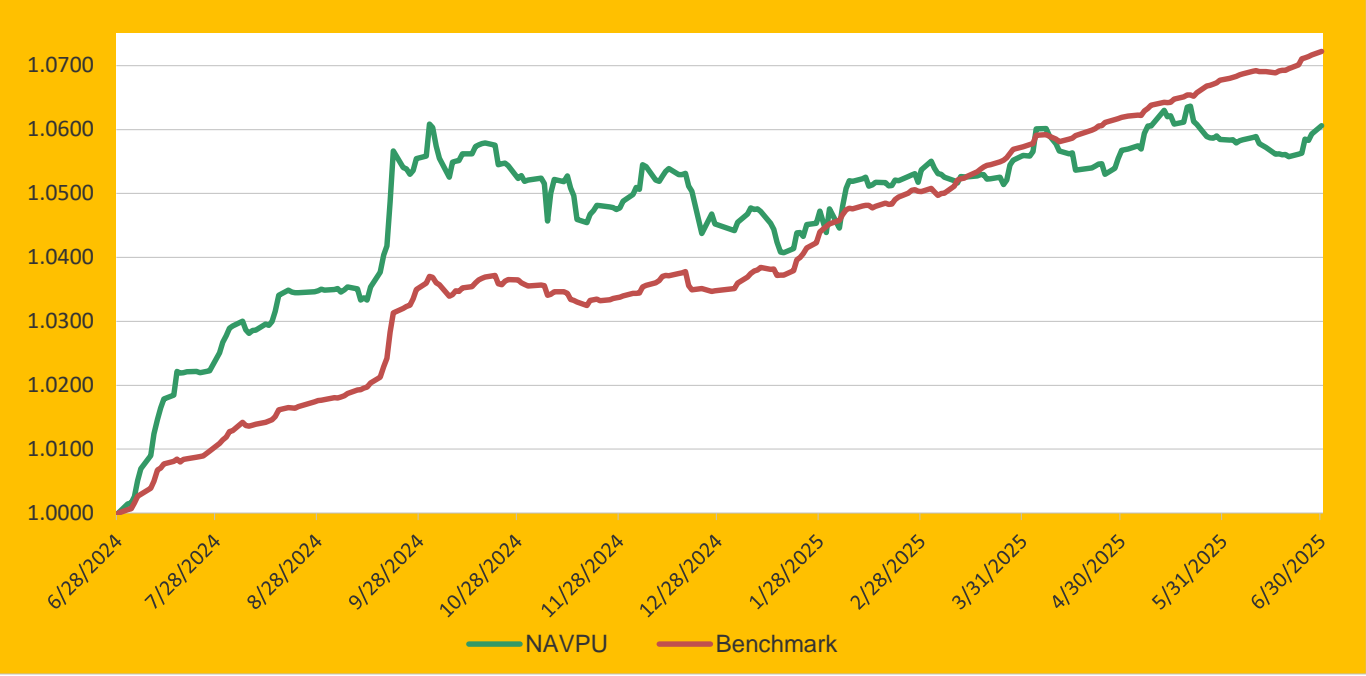
- THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES 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
- INVESTORS MUST READ THE COMPLETE DETAILS OF THE FUND IN THE PLAN RULES, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, HE/SHE MUST SEEK INDEPENDENT/PROFESSIONAL OPINION, BEFORE MAKING AN INVESTMENT.

For more information, you can contact us:  
LANDBANK TRUST BANKING GROUP

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Existing Accounts: TSAMD-ACCOUNTS@landbank.com

NAVPU GRAPH

ONE YEAR FUND PERFORMANCE

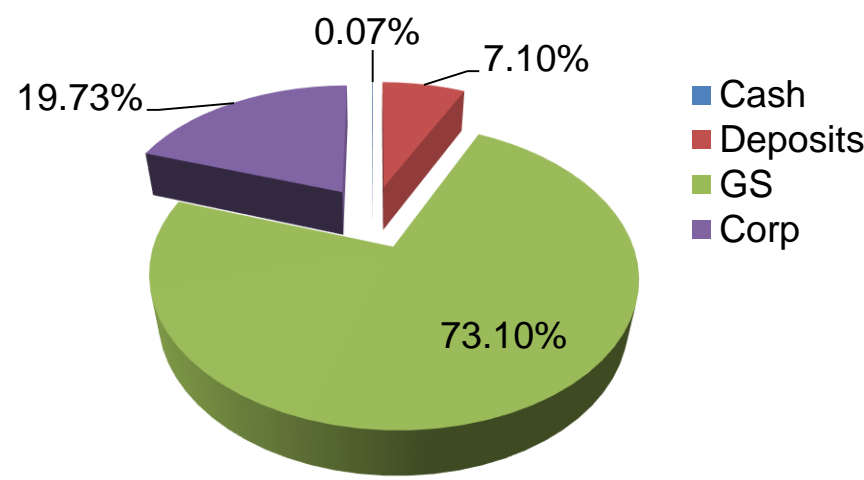


CUMULATIVE PERFORMANCE(%)<sup>1</sup>

Period	1 Mo	3Mos	6Mos	1Yr	3 Yrs
Bond Fund <sup>2</sup>	0.21%	0.44%	1.47%	6.06%	13.63%
Benchmark <sup>3</sup>	0.42%	1.40%	3.61%	7.22%	16.76%

<sup>1</sup>Past performance is not indicative of future performance  
<sup>2</sup>Net of imputed Expected Credit Loss (ECL)  
<sup>3</sup>Weighted average percentage change in the following indices:  
a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) (Gross of Tax) – 95% and  
b. 1-month BVAL (Gross of Tax) – 5%

PORTFOLIO COMPOSITION



RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to 3,331,598.41 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 major factors that are influencing the behavior of the local bond market. The first is the tariff agenda of Trump and the second is, the BSP's monetary policy. The first factor will certainly make exports of all countries to the U.S. less competitive and affect export revenues. It is a boon that the Philippines is not really an export-oriented nation as we rely much more on domestic demand. So the effect of such tariffs on the country will be less serious than those of export-dependent nations.

As to the second factor, the BSP monetary policy has diverged from that of the U.S. The Trump tariffs are expected to stoke U.S. inflation and could possibly rule out rate cuts if the July tally comes out north of the 2.7% clip in June. With Philippine inflation well in check, the local central bank cut interest rates in its monetary board meeting in June. The divergent inflation picture in the U.S. and the Philippines has caused the local yield curve to steepen with the short-end dipping and the belly to long-end exhibiting upward bias. This scenario could be good for bond funds as interest rates hover at relatively high levels.

VIEW STRATEGY

Although the Trump tariffs are inflationary, the peak of the rising interest rate environment had already been reached in the tail-end of 2022. Even with the upward bias on rates from the belly to the long-end, yields are not expected to rise to the levels seen in late 2022, when the 10-year local rate rose above 7.5%. Once the effects of the tariffs are fully digested by the global economy, it wouldn't take long for an economic slowdown/recession to be triggered. Once this happens, rates will reverse direction downwards. Take advantage of the high yields as of the moment and keep loading up on duration while a recession hasn't hit yet.

Contact Details

For more information, visit, call or email  
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Existing Accounts: TSAMD-ACCOUNTS@landbank.com

NAVPU (Year-On-Year)

Highest	2.041525
Lowest	1.919361

STATISTICS

Weighted Ave Tenor	8.24
Monthly Volatility <sup>1</sup>	0.96%
Sharpe Ratio <sup>2</sup>	0.13
Information Ratio <sup>3</sup>	-0.15

<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.

MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
Government Securities	16-Dec-35	23.90%
Corporate Bonds/Notes	30-Sep-35	11.92%
Government Securities	05-Nov-34	7.61%
Government Securities	24-Jan-39	6.57%
Corporate Bonds	06-Dec-28	6.62%
TOTAL		56.61%



# UNIT INVESTMENT TRUST FUND

## ABOUT THE LANDBANK BOND FUND'S BENCHMARK

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Weighted average percentage change in the following indices:

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) – 95%
- b. 1-month BVAL – 5%

However, this should not be construed as a guarantee of yield.

### Description of the Benchmark

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)

The Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) is a rules-based market-value weighted index engineered to measure the fixed-rate local currency securities publicly issued by the Philippines, including retail securities. To be included in the index a security must have a minimum par amount of PhP3 Billion.

Bloomberg's BVAL Evaluated Pricing Service provides transparent and highly defensible prices for fixed-income securities across the liquidity spectrum. The key to BVAL's methodology is its real-time access to market observations from a wealth of contributed sources. This accumulated mass of market data is the main driver of an innovative and quantitative approach that first corroborates market levels on actively traded bonds and then derives a comparable relative value price for those securities that are less liquid.

This methodology aligns with Bloomberg's trusted capabilities as the financial industry's leading analytics platform and source of fixed-income information. In addition to sophisticated algorithms that generate evaluated prices, the BVAL methodology assigns a BVAL Score based on the amount and consistency of market data used in our models.

- b. 1-month BVAL

The shortest benchmark tenor. Based on the one-month prevailing market rate that comprises the front-end of the Philippine yield curve.

### Key Characteristics

- a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15)

Comprised by a basket of peso-denominated government securities with remaining tenors of 1 up to 5 years.

- b. The 1-month BVAL reflects the current yield on the 30-day fixed income security.

### Relation of the benchmark to the fund's objectives/investment strategies

The Fund aims to generate a steady stream of income mainly through investments in a diversified portfolio of peso-denominated fixed-income securities while the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15), similarly, is a basket of securities with remaining maturities of 1 up to 5 years, approximating the rate of return of the fund.

To manage liquidity risk, the fund lodges 5% of net assets in 30-day placements. As such, the weighted average of the Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) (95%) and the 1-month BVAL (5%) is the most appropriate benchmark for the fund's performance.

### References/sources of its detailed information

- Bloomberg Terminal
- PDS Website

For more information on the Fund's benchmark, contact the UITF team at (02) 8405-7100 or (02) 8522-0000 loc.2429.

# UNIT INVESTMENT TRUST FUND

Change in the Benchmark

The amendment to the Fund’s benchmark was approved by the LANDBANK Board of Directors on 23 October 2024 through Resolution No. 24-664.

From	To
<u>Weighted average percentage change in the following indices:</u>  a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) – 95% b. 1-month BVAL price - 5%  or in the absence of any one of the indices, any relevant and industry-accepted benchmark.	<u>Weighted average percentage change in the following indices:</u>  a. Bloomberg Philippine Sovereign Bond Index 1 to 5 Years (BPHIL15) - 95% b. 1-month BVAL price - 5%

Fund’s NAVpU compared to the previous benchmark	Fund’s NAVpU compared to the current benchmark
N/A	N/A