



**LANDBANK**

www.landbank.com

**LANDBANK BOND FUND**

(Previously the LANDBANK Government Securities – Fixed Income Fund)

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 28 December 2018

**FUND FACTS**

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.559810
Launch Date	: 13 March 2006	Total Fund NAV	: PhP 56,611,059.21
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 + 0
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	: <b>1.00%</b>	Custodianship Fees	: <b>0.0195%</b>	External Auditor Fees	: <b>n/a</b>
LANDBANK					
Miscellaneous Expense per Unit at 0.000134					

**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 government securities suitable for investors looking for moderate yields and willing to take minimal risks on their investments.

**CLIENT SUITABILITY**

A *client profiling process* should 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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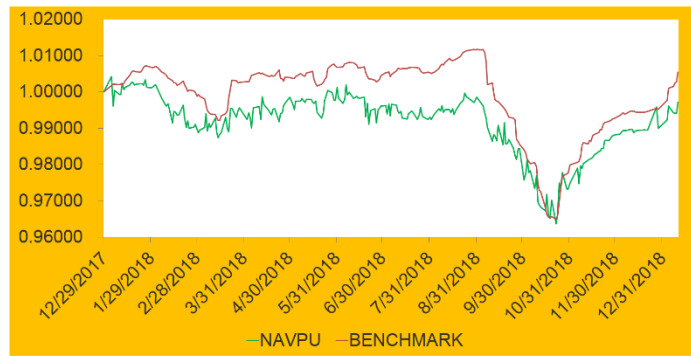
# Fund Performance and Statistics as of 28 December 2018

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

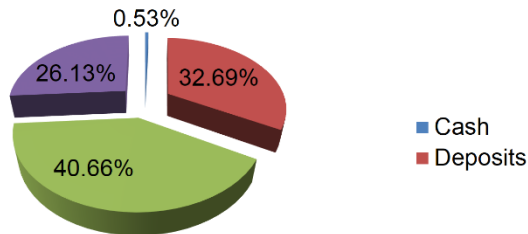


## CUMULATIVE PERFORMANCE (%)<sup>1</sup>

Period	1 Mo	3Mos	6Mos	1Yr	3 Yrs
<b>Bond Fund</b>	0.19%	0.88%	-0.52%	-1.00%	1.82%
<b>Benchmark<sup>2</sup></b>	0.25%	0.54%	0.79%	-0.38%	2.09%

<sup>1</sup>Past performance is not indicative of future performance  
<sup>2</sup>Bloomberg Government Bond Index A11 (All in)

## PORTFOLIO COMPOSITION



## NAVPU (Year-On-Year)

Highest	1.582154
Lowest	1.518449

## STATISTICS

Weighted Ave Tenor	3.19
Monthly Volatility	-0.08%
Sharpe Ratio	-0.09
Information Ratio	-0.10

<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
Deposits	6/11/2019	8.83%
Deposits	6/15/2020	8.83%
Corporate Bonds/Notes	11/9/2019	8.80%
Corporate Bonds/Notes	1/24/2024	8.34%
<b>Total</b>		<b>34.81%</b>

## RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P297,537.59 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

The Monetary Board held policy rates steady at 4.25-5.25% in December as the risks to the consumer price outlook lean towards the downside. Forecasts for the inflation rate were downgraded to 3.2% and 3.0% for 2019 and 2020 respectively. In effect, local government bond yields have significantly trended lower. Aside from the inflation momentum easing, the downtrend came in tandem with global bond yields as U.S. Treasuries sustained a rally. Global growth concerns and trade uncertainty has sent the benchmark 10-year note to 2.69% by year-end. These developments have guided the Federal Reserve to tone down on a previously hawkish monetary policy posture, prompting the market to price in lesser rate hikes than previously projected.

## VIEW STRATEGY

The local yield curve continued to remain flat with downward bias due to lower inflation expectations. Dovish statements from Federal Reserve officials also helped ease rates. As the secondary market continued to speculate interest rate movement, the fund shall maintain its current portfolio exposure. Key market movements will be closely monitored with an intention to gradually increase portfolio duration at acceptable levels as to lock in at higher yields.

## Contact Details

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



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.