LANDBANK
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LANDBANK GOVERNMENT SECURITIES-FIXED INCOME FUND (LANDBANK GS-FI FUND)
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 29 April 2016

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.553975
Launch Date	: 13 March 2006	Total Fund NAV	: PhP 70,065,218.38
Minimum Investment	: PhP 10,000.00	Dealing Day	: Up to 12:00pm of any banking day
Additional Investment	: PhP 5,000.00	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 : LANDBANK	**1.00%**	Custodianship Fees :	**0.015%**	External Auditor Fees :	**n/a**

Miscellaneous Expense per Unit at 0.000034

INVESTMENT OBJECTIVE AND STRATEGY

As a Peso-denominated Bond Fund, the LANDBANK GS-FI 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 GS-FI Fund is classified as a 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:
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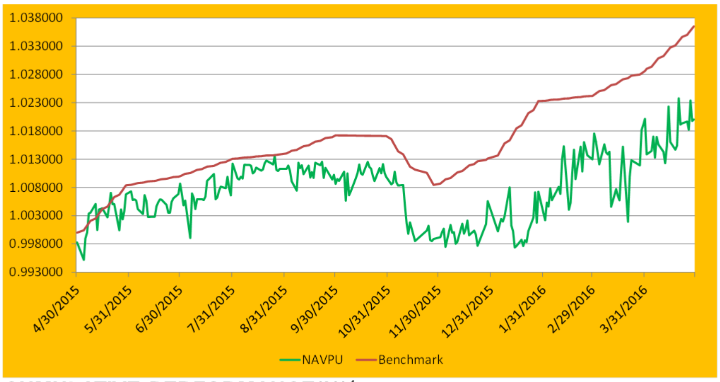
Email: LBP-TRUST@mail.landbank.com

Fund Performance and Statistics as of 29 April 2016

Purely for reference purposes and is not a guarantee of future results

GS-FI FUND

NAVPU GRAPH
ONE YEAR FUND PERFORMANCE



CUMULATIVE PERFORMANCE(%)[1]

Period	1mo	3mo	6mo	1yr	3yrs
GS-FI Fund	-0.01%	1.26%	1.01%	2.18%	-2.83%
Benchmark[2]	0.79%	1.33%	1.95%	3.70%	6.65%

[1]Past performance is not indicative of future performance
[2]HSBC Philippines Local Currency Bond Index for securities with maturities not exceeding five (5) years until 30 March 2016 & Bloomberg Government Bond Index AI1 (All in) from 31 March 2016 onwards.

NAVPU *(Year-On-Year)*

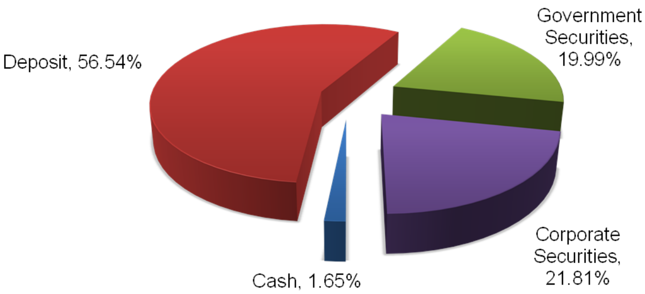
Highest	1.559692
Lowest	1.516128

STATISTICS

Weighted Ave. Duration	4.02
Monthly Volatility, Past 1 Year[1]	0.53%
Sharpe Ratio YoY[2]	0.088
Information Ratio[3]	(0.293)

[1]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.
[2]Sharpe Ratio evaluates the return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk.
[3]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.

PORTFOLIO COMPOSITION



MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
BSP-DA	05/30/16	12.28%
FXTN	07/19/31	5.03%
LTNCD	06/11/19	12.42%
LTNCD	06/15/20	7.14%
Corporate Bond	11/09/19	7.28%
Corporate Bond	01/24/24	7.48%
TOTAL		**51.63%**

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P1,156,910.16 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

Global economic developments in April played out according to script. The Eurozone continued to languish, China showed more signs of slowing down and the U.S. churned out relatively good data.

Relying purely on monetary policy to revive the bloc's economy, the European Central Bank's (ECB) efforts could prove futile as it turns a blind eye on fiscal stimulation. Indeed, negative interest rates might actually do more harm than good. Although expanding Quantitative Easing to cover corporate bonds and collateralized debt instruments might help a bit, the ECB should have done all of these five years ago. Now, these measures may be too little, too late.

China, for its part, had been successful in stabilizing its financial markets. But its decades-long, unimpeded, double-digit growth rate must have created credit- and asset-bubbles along the way. Nascent signs of this have already begun to manifest with a spate of defaults from large companies. And because corporate China's leverage is one of the highest in the world, corporate profits cannot be robust if firms have to pay out mountainous debts in the absence of external demand. The 6.7% Q1 Sino-GDP growth is, thus, highly dubious.

Things were different, however, in the U.S. as jobless claims fell to their lowest level since 1973. For all intents and purposes, the U.S. is already at or very near full-employment. Still, the Federal Reserve refrained from raising its key policy rates due to the rather wobbly global economy and a very mediocre Q1 U.S. GDP growth. It strongly signified, however, that a rate rise is warranted in succeeding meetings.

On local shores, there is a strong case to expect robust 1Q2016 economic growth. Even though exports dropped 4.5% in February, factory output grew by 8.4%, indicating strong domestic demand. This was supported by healthy OFW remittances, which grew by 6.1% in the first 2 months and a thriving BPO sector. And with government and the elections providing a big boost to retail spending, it is mathematically impossible to have modest growth. Finally, the milder than expected agricultural damage caused by el niño will certainly help push Q1 economic expansion within the vicinity of 6.5 to 6.7%.

VIEW STRATEGY

To reduce the volatility of the Fund, highly volatile securities were unloaded to reposition in more liquid and less volatile securities. In the meantime, we shall continue to closely monitor the market movements and shall increase portfolio duration once rates go up and reach acceptable levels, to lock in at higher yields.

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Visit our website:
https://www.landbank.com/unit-investment-trust-fund

LANDBANK UNIT INVESTMENT TRUST FUNDS

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