



**LANDBANK**

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**LANDBANK GLOBAL DOLLAR FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of 31 August 2016

**FUND FACTS**

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.355782
Launch Date	: 13 March 2006	Total Fund NAV	: US\$ 438,694.13
Minimum Investment	: US\$ 1,000.00	Dealing Day	: Up to 12:00pm of any banking day
Additional Investment	: US\$ 200.00	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 US\$10.00.

**FEES**

Trust Fees	: <b>1.00%</b>	Custodianship Fees	: <b>0.0175%</b>	External Auditor Fees	: <b>n/a</b>
LANDBANK					
Miscellaneous Expense per Unit at 0.000372					

**INVESTMENT OBJECTIVE AND STRATEGY**

As a Dollar-denominated Bond Fund, the LANDBANK Global \$ Fund aims to provide relatively higher income through investments in Dollar-denominated fixed-income securities issued by the National Government and by local companies. Ideal for moderate investors who are willing to take on minimal risks for better returns.

**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 Global Dollar 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 risk of 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.

**Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities.

**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.** This is 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

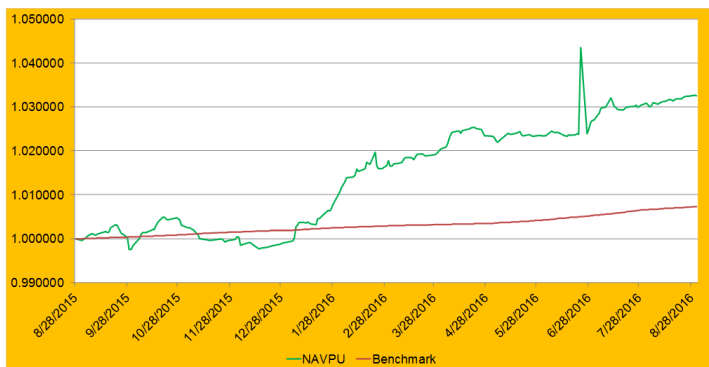
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# Fund Performance and Statistics as of 31 August 2016

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

## GLOBAL DOLLAR FUND

### NAVPU GRAPH ONE YEAR FUND PERFORMANCE

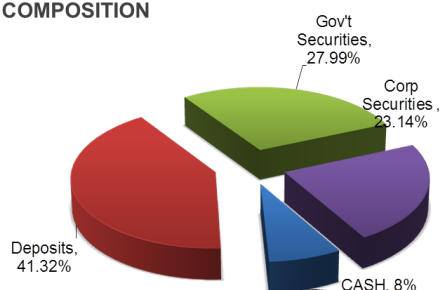


### CUMULATIVE PERFORMANCE (%)<sup>1</sup>

Period	1mo	3mos	6mos	1yr	3yrs
Global Dollar Fund	0.16%	0.90%	1.57%	3.26%	13.16%
1-Year ROP	0.13%	0.22%	0.26%	0.62%	1.76%

<sup>1</sup>Past performance is not indicative of future performance  
<sup>2</sup>Average of the daily one-year ROP rates

### PORTFOLIO COMPOSITION



### RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to \$ 92,782.82, 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

Despite negative Export and Agriculture growths, the Philippines still registered one of the fastest economic expansions for Q2 in Asia. At a 7.0% clip, it brought H1 growth to 6.9%, even outpacing China. If the El Niño phenomenon didn't wreak havoc on the farm sector and the global economy was healthy enough to have supported Philippine exports, the economy would have grown north of 8%. Indeed, the global financial community has taken notice of this prodigious performance under the most grueling global economic environment. Net Portfolio inflows exceeded the \$1 billion level in the month of July as corporate earnings beat most estimates, with an impressive 15.9% aggregate Q2 growth. With the current administration increasing fiscal stimulus and acting on it, there is no reason to believe growth will falter in the next half. Infrastructure spending has been programmed to reach 5.4% of GDP. This will have massive pump priming effects.

Meanwhile, the rest of the global economy is still struggling. China's decline has continued to be more evident with factory output, retail sales and investments all falling in July. Sino Trade Balance further confirmed the very frail state of the global economy after exports fell 4.4% and imports declined by 12.5% in July. This does not bode well for the Philippines as China is the country's top export destination.

And while the U.S. economy is showing signs of recovery firming up, the Federal Reserve's monetary policy propensity is to raise interest rates. With U.S. consumer spending advancing for the fourth straight month in July and factory production growing at the fastest pace in a year, this could happen as early as next month. If not, it could either be in November or December. It is very hard to fight a battle with limited bullets. Hence, the U.S. will raise interest rates in expectation of nasty consequences from Brexit. The Bank of England, for its part, had already lowered its benchmark rates to historic lows in anticipation of rough times ahead. And, it is plain and clear that the very wobbly Eurozone is extremely vulnerable to contagion from a severe Brexit fallout. If things turn from bad to worse, the Fed would like to have the ammunition of being able to cut rates without going into negative territory.

### VIEW STRATEGY

August focused on US data that dictated local markets as Federal Reserve Chair Janet Yellen said the case to raise interest rates is getting stronger as the U.S. economy approaches the central banks goals. U.S. Treasury yields drifted sideways as investors pulled back from a two-month high as the probability of a December move was slightly over 50%. The global economy will remain fragile and volatility on investments will continue but we anticipate yields on ROPS to be well supported as investors look for yields and look for opportunity to reenter the market. We will remain cautious and keep the portfolio light on long-term sovereign bonds, but will get back into the bond market, including corporate issuances, once the Fed eventually raises its rates.

### Contact Details

For more information, visit, call or email

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### NAVPU (Year-On-Year)

Highest	1.355827
Lowest	1.309848

### STATISTICS

Weighted Ave. Tenor (Years) <sup>1</sup>	3.18
Monthly Volatility <sup>2</sup> , Past 1 Year	0.40%
Sharpe Ratio <sup>3</sup> YoY	0.6338
Information Ratio <sup>4</sup>	0.5248

<sup>1</sup>Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield.

<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
ROP	02-Feb-30	16.366%
Corporate Bond	31-Jan-17	11.594%
Corporate Bond	16-Feb-17	11.550%
ROP	21-Oct-24	5.386%
TOTAL		44.90%

Visit our website:

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



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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.