



LANDBANK

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

As of 29 January 2016

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.325268
Launch Date	: 13 March 2006	Total Fund NAV	: US\$ 459,890.66
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	: 1.00%	Custodianship Fees	: 0.0175%	External Auditor Fees	: n/a
LANDBANK					
Miscellaneous Expense per Unit at 0.000057					

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

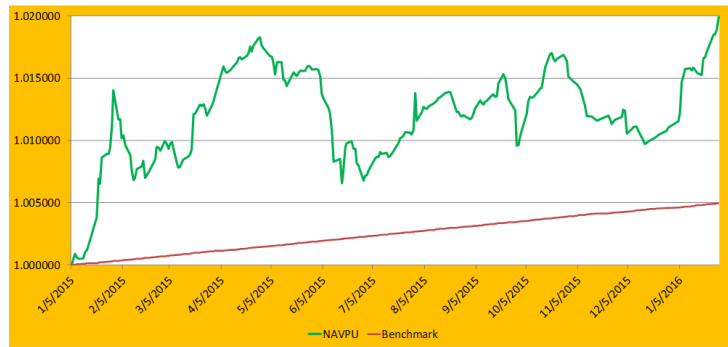
Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761
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Fund Performance and Statistics as of 29 January 2016

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

GLOBAL DOLLAR FUND

NAVPU GRAPH ONE YEAR FUND PERFORMANCE



NAVPU (Year-On-Year)

Highest	1.325268
Lowest	1.305909

STATISTICS

Weighted Ave. Tenor (Years) ¹	4.72
Monthly Volatility ² , Past 1 Year	0.52%
Sharpe Ratio ³ YoY	0.1100
Information Ratio ⁴	0.03

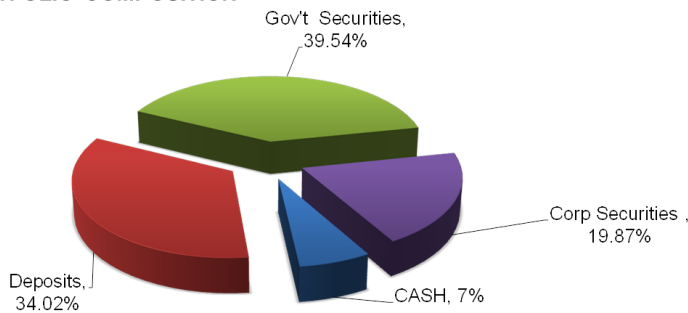
¹Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield.
²Sharpe Ratio evaluates the return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk.
³Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

CUMULATIVE PERFORMANCE(%)¹

Period	1mo	3mos	6mos	1yr	3yrs
Global Dollar Fund	1.03%	0.62%	0.98%	0.74%	4.11%
1-Year ROP	0.04%	0.17%	0.29%	0.50%	1.59%

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

PORTFOLIO COMPOSITION



MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
ROP	02-Feb-30	25.6%
Corporate Bond	31-Jan-17	10.0%
Corporate Bond	16-Feb-17	9.9%
ROP	21-Oct-24	8.7%
TOTAL		54.1%

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to \$ 215,434.06, 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

A very inauspicious start greeted 2016 when the Shanghai bourse plunged by 6.9% in the opening day of the year. An atmosphere of doom and gloom immediately pervaded financial markets with bears trumping bulls in a frantic equities sell-off from all corners of the globe. Massive Chinese government intervention failed to stem the tide causing investors to conclude that the world's second largest economy is littered with fundamental economic flaws. Decades of unimpeded double-digit growth rate must have created asset bubbles all over the place. This after China posted its slowest growth rate in 4Q2015, since the global recession in 2009. Indeed, on top of the estimated \$1 trillion capital that flowed out of China in 2015, the month of January saw follow through exodus of hot money. To prevent further depreciation of the Yuan, the People's Bank of China (PBOC) had to shell out another \$100 billion in January on top of the \$350 billion dispensed from its foreign reserves in the last six months.

And with Europe still in the doldrums, commodity prices continued sinking on very reticent global demand. Incidentally, European banks which are perceived to be exposed heavily with commodity and energy producers got hammered. A period of global deflation is at hand and Central banks do not seem to know how to handle this scenario, which last occurred in the 1930s. The European Central Bank is already out of bullets, so to speak, and can just pretend to still be in control. With this morose global economic backdrop, the Federal Reserve expectedly refrained from raising its key policy rates in the January FOMC meeting.

As for the Philippines, economic growth will most certainly encounter a lot of headwinds. One of the country's economic pillars is sure to take a hit because of low oil prices. With gulf-states grappling with enormous budget deficits, growth in OFW remittances will be very restrained. Fortunately, massive infrastructure spending by the government will be complemented by election spending. This will provide a pump priming effect and should somehow compensate for low remittances. The country will still be one of the fastest growing in the region.

VIEW STRATEGY

We will maintain Fund's current position as the global economy remains weak. However, we will remain on guard for any global economy growth and signals for another Fed rate hike. If the latter scenarios will take place, we will gradually reduce Fund investment in sovereign bonds and invest in medium-term corporate bonds & short-term deposits, to minimize the effect of bond prices volatility to the Fund. Once bond prices are perceived to have reached their lower levels, we will steadily invest in sovereign bonds.

Contact Details

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Visit our website:
<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.

LANDBANK UNIT INVESTMENT TRUST FUNDS