



LANDBANK

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LANDBANK GLOBAL DOLLAR FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 31 May 2016

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.343784
Launch Date	: 13 March 2006	Total Fund NAV	: US\$ 453,144.12
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 0.000317					

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

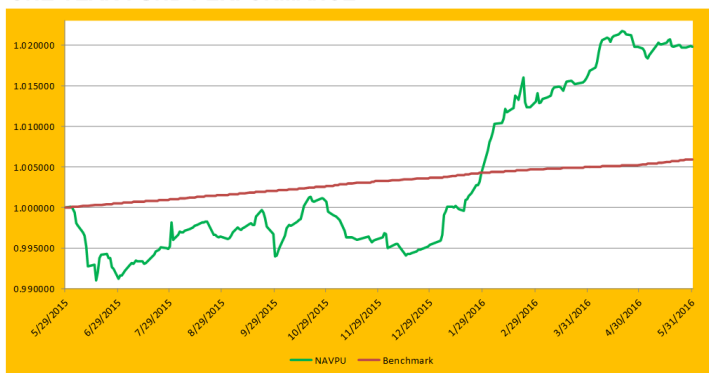
Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761
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Fund Performance and Statistics as of 31 May 2016

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

GLOBAL DOLLAR FUND

NAVPU GRAPH ONE YEAR FUND PERFORMANCE

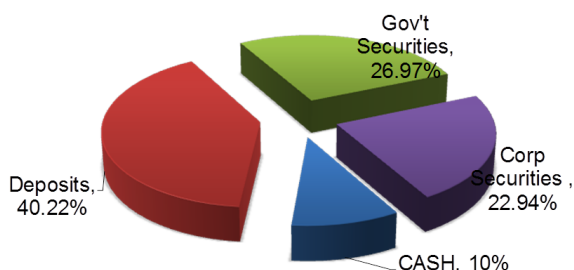


CUMULATIVE PERFORMANCE (%)¹

Period	1mo	3mos	6mos	1yr	3yrs
Global Dollar Fund	0.00%	0.66%	2.38%	1.98%	7.57%
1-Year ROP	0.03%	0.12%	0.35%	0.47%	1.64%

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

PORTFOLIO COMPOSITION



NAVPU (Year-On-Year)

Highest	1.346328
Lowest	1.305909

STATISTICS

Weighted Ave. Tenor (Years) ¹	3.13
Monthly Volatility ² , Past 1 Year	0.43%
Sharpe Ratio ³ YoY	0.3510
Information Ratio ⁴	0.26

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.

MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
ROP	02-Feb-30	15.682%
Corporate Bond	31-Jan-17	11.498%
Corporate Bond	16-Feb-17	11.444%
ROP	21-Oct-24	5.050%
TOTAL		43.67%

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to \$104,688.30, 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 month of May provided confirmation of the above-average growth trajectory of the Philippines. At an annual rate of 6.9%, the country's 1Q2016 GDP growth was the fastest among the major ASEAN countries and even outpaced the reported 6.7% growth of China for the period. The prodigious economic expansion may be attributed to several factors, among which are: a low Q1 base effect, front-loaded government infrastructure spending, brisk consumer spending, election related-spending and the milder than expected agricultural damage from el niño. Note that the enviable growth rate came even with a contraction in exports. That means that internal demand is very strong and is capable of supporting the economy with the country's favourable demographics. Other notable data which would support this view are the increased factory output and imports. Factories wouldn't be importing and producing more if demand were weak. Consequently, domestic money supply (M3) increased by 12.7% to P8.6 trillion while bank lending accelerated at a faster pace of 15.6% as of April. This could spur inflation to run a bit faster in the coming months.

The strength of the real economy, however, does not insulate financial markets from volatility. Even though the Philippines is endowed with sound fundamentals, external factors could whipsaw the country's foreign exchange, bond and stock markets. The most obvious threat to these is the looming Federal Reserve rate hike, which could happen within a couple of weeks' time. Although economic data that came out of the U.S. were mixed, they were still skewed towards the positive side. The stabilization of world commodity prices is also a factor that could turn the tide as the Federal Reserve's inflation target would soon be just an arm's length away. And with the U.S. jobs picture already at or near full employment, there is compelling reason to hike interest rates. That said, it would be good advice to cut portfolio durations as well as to lighten up on fixed-income and listed equity investments. Once fairly sure of the timing of the rate hike, gradually accumulate bond holdings and lengthen portfolio duration.

VIEW STRATEGY

The Philippine's resiliency from global crisis was backed up by strong consumer and government spending coupled with steady OFW remittances and robust BPO industry. This attracts more foreign investors to put cash in the domestic financial markets. However, we shall still be on guard for any significant global developments as these may trigger foreign investors to shift funds to safer haven. Given both scenarios, we shall balance Fund position in short term deposits and in bonds to minimize impact of volatility, while maintaining decent yield. Corporate bonds shall also be considered among the alternative investments, to further diversify the portfolio and optimize the yield.

Contact Details

For more information, visit, call or email

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Trust Banking Group

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LANDBANK UNIT INVESTMENT TRUST FUNDS

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.