



UNIONBANK OF THE PHILIPPINES - TRUST AND INVESTMENT SERVICES GROUP
UNIONBANK PHILIPPINE PESO FIXED INCOME PORTFOLIO
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
 As of March 31, 2018

FUND FACTS			
Classification:	Medium-term Bond Fund	Net Asset Value per Unit (NAVPU):	Php 251.889279
Launch Date:	January 12, 2004	Total Fund NAV:	Php 981,191,753.99
Minimum Investment:	Php 100,000	Dealing Day:	Up to 2:30 pm, any banking day
Additional Investment:	Not Applicable	Redemption Settlement:	One (1) banking day after initial notice
Minimum Holding Period:	90 calendar days	Early Redemption Charge:	0.25% flat on redeemed amount or Php 500, whichever is higher

FEES*			
Trust Fees:	1.00% per annum	Custodianship Fees:	0.001%
		Audit Fees:	0.002%
UnionBank of the Philippines	HSBC, Ltd. Philippines	Punongbayan & Arullo	

*As a percentage of the total market value of the fund for the month valued at Php 993.02 Mn

INVESTMENT OBJECTIVE AND STRATEGY

The UnionBank Philippine Peso Fixed Income Portfolio is a peso-denominated bond fund designed to provide investors higher returns than traditional fixed-income savings products.

CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the 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 UnionBank Philippine Peso Fixed Income Portfolio is suitable only for investors who:
 - Are individuals of legal age and corporations with a medium to long-term investment horizon
 - Have a moderately conservative risk profile
- The principal is at risk. Loss in the original investment may arise due to market fluctuations and price volatility of the securities held by the fund.

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are comfortable with the accompanying risks.

Some of the key risks associated with this Fund are listed below:

- **Interest Rate Risk:** This is the possibility to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **Market/Price Risk:** This is the possibility to experience losses due to adverse changes in market prices of securities. It is the exposure to the uncertain market value of a portfolio due to price fluctuations.
- **Liquidity Risk:** This is the possibility to experience losses due to the fund's inability to sell and convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price.
- **Credit/Default Risk:** This is 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.

The Fund invests in quality assets which are evaluated under the Trust Department's accreditation process and BSP regulations. Internal risk limits, together with regulatory exposure limits, are monitored, reviewed and strictly adhered to on a daily basis.

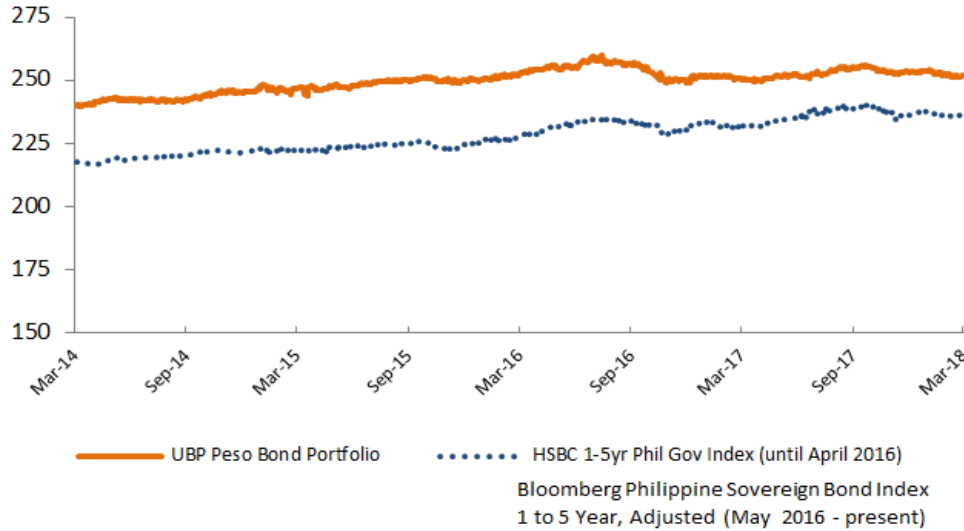
❖ THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)
❖ RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY
❖ WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY 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 any queries, you may call UnionBank-Trust and Investment Services Group at 667-6388 or visit our website at www.unionbankph.com.

FUND PERFORMANCE AND STATISTICS AS OF MARCH 31, 2018

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

Net Asset Value per Unit



NAVPU over the past 12 months

Highest	255.911794
Lowest	249.625633

Statistics

Weighted Ave. Duration	2.5600
Volatility, Past 1 Year*	2.57%
Sharpe Ratio**	-0.62
Information Ratio***	-0.14

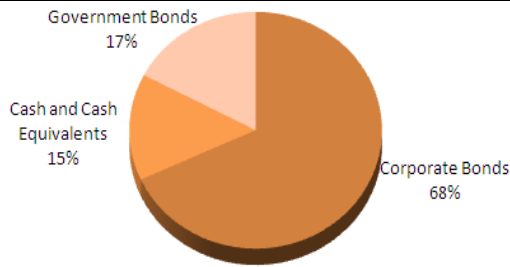
*Volatility measures the degree to which the Fund fluctuates vis-a-vis its average return over a period of time.

**Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 2.1396 %)

***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.

Fund Performance Vs. Benchmark (%)								Top Ten Holdings (%)		
Period	Cumulative Return					Annualized Return		Fund	Maturity	Yield
	1mos	3mos	6mos	1yr	3yrs	3yrs	5yrs			
Fund	-0.10	-0.49	-1.17	0.64	1.99	0.66	0.46	GLOPM 6.000 06/01/2019		10.95
Benchmark*	0.43	0.27	0.18	2.09	6.15	2.01	2.16	FLIPM 6.2731 06/08/2019		8.48
Calendar Year Return										
Period	YTD	2012	2013	2014	2015	2016	2017	Fund	Maturity	Yield
Fund	-0.49	6.89	7.09	1.61	2.09	-0.50	1.65	FMICPM 5.750 08/10/2019		8.27
Benchmark*	0.27	4.41	3.20	3.14	1.34	2.91	2.36	CITY SAVINGS BANK		8.07
								MERPM 4.3750 12/12/2020		5.62
								FLIPM 5.4000 12/04/2021		4.63
								VLLPM 5.7512 08/08/2024		4.56
								RTB 10-04 3.250 08/15/2023		4.45
								JGSPM 5.2442 02/27/2021		4.34
								SMBPM 6.600 04/02/2022		4.20
PORTFOLIO COMPOSITION									Total	63.57

*HSBC 1-5 Yr Phil Bond Index (until April 2016)
Bloomberg Philippine Sovereign Bond Index 1 to 5 Year, Adjusted (May 2016 – present)



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has bond investments with Aboitiz Equity Ventures and time deposits with City Savings Bank amounting to Php 59.63 Mn, and Php 79.56 Mn, respectively. These investment outlets were approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

The Philippine central bank maintained its policy tools and kept its benchmark rate at 3.0% as expected. Despite the recent acceleration in inflation the past two months, BSP's outlook remains benign with 2018 range still at 4.5% (2006 base year) and 3.9% (2012 base year). However, the central bank reiterated that it remains watchful of the second round impact of the tax reforms.

BTR had two scheduled issuances for the month which was the new 5 year paper and the new 10 year paper. FXTN 05-75 fetched a coupon of 5.5% and was partially awarded at P12.039B with P25.884 tendered offers. Meanwhile, FXTN 10-63 fetched a coupon of 6.25% but was partially awarded with P8B out of P20B scheduled. This was the last partially accepted 10 year bond auction since the rejected 10 yr auction last January.

For the month of March, the local benchmark bond yields eased 5-10bps mostly on the belly to the short end of the curve. After rising as much as 50-70bps last month, market saw a short relief after the confirmation of a no-hike from the BSP. Long tenors remained unchanged as inflationary risk remains on the upside. We continue to remain defensive on the long end part of the curve and continue to look at opportunities to hold the 5 year and below tenors.