

UnionBank Trust and Investment Services Group

UBP Philippine Dollar Bond Portfolio as of January 31, 2011

Investment Objective

The UnionBank Philippine Dollar Bond Portfolio is a US Dollar-denominated fund that seeks the total return of a diversified portfolio of foreign currency fixed-income instruments.

Fund Performance

Calendar Absolute Returns*

YTD	0.08%
2010	8.05%
2009	16.24%
2008	0.45%
2007	5.89%
2006	12.90%

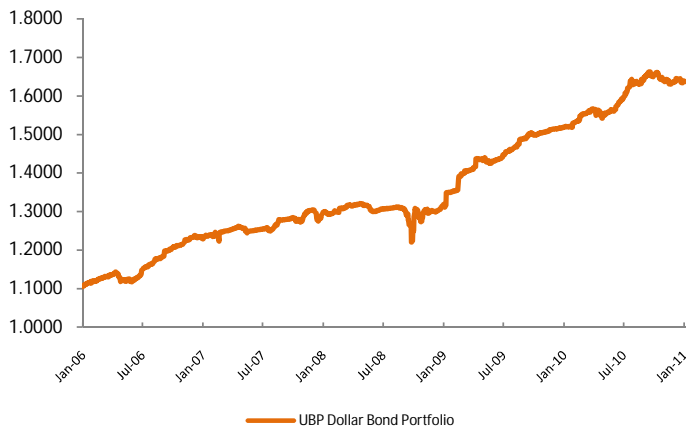
Cumulative Annualized Returns*

3yr period	8.08%
5yr period	8.16%

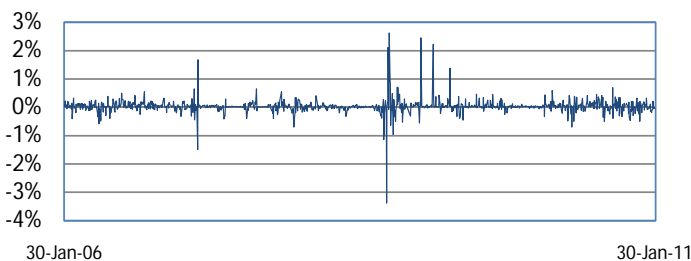
*Returns are reported Net of Fees.

Net Asset Value, end-of-period:	USD 9.358 Million
Bid NAV Per Unit (NAVpu)	USD 1.634548
Offer NAV Per Unit (NAVpu)	USD 1.641488

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	3.50%
Volatility, Past 360 Days:	2.87%
Duration:	3.67
Sharpe Ratio:	2.70

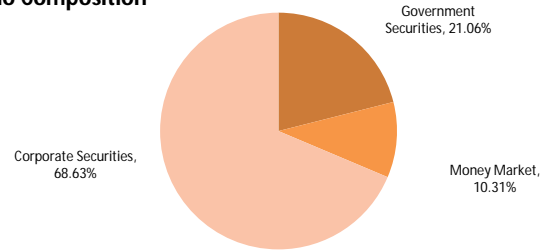
Volatility is a measure of fluctuation of the NAVpu. Higher volatility means higher potential for gains or loss. Duration measures the sensitivity of the portfolio to interest rate movements. The higher the duration, the more the NAVpu will change with interest rate fluctuation. The Sharpe Ratio is a measure of risk-adjusted return. The higher the Sharpe, the higher the return per unit of risk. Risk-free rate used to compute the Sharpe ratio is the 1yr US TBill rate.

Fund Manager's Report

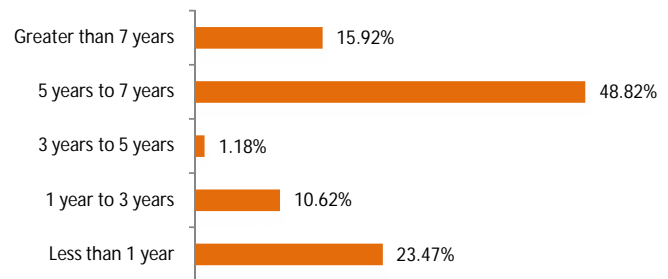
The yield curve steepened for the month of January. Yields on the short-end of the curve decreased by 12bps while the long-end increased by 33bps. The market saw some selling action as investors worry about inflation concerns in the region. The outflows are considered a healthy correction considering the good run in 2010. Corporate spreads in Asia may still tighten in line with growth expectations in the region this year.

The market saw several new bond issuances in January. Energy Development Corporation issued USD300M worth of bonds at 6.5% while SMC Global Power's \$300M issuance fetched 7%. In the international setting, Japan was downgraded to AA- from AA. The country was last downgraded in 2002. We expect to see several downgrading in the Euro region as the year pans out.

Portfolio Composition



Maturity Profile



Top 5 Holdings

Intl Container Terminal Services	7.375%	3/17/2020	13.51%
Alliance Global	6.5%	8/18/2017	13.07%
San Miguel Global Power	7%	1/28/2016	11.29%
JG Summit	8%	1/18/2013	10.57%
Landbank of the Phil	7.25%	10/19/2016	7.87%

Fund Facts

Classification:	Medium-term Dollar Bond Fund
Launch Date:	January 12, 2004
Client Suitability:	Moderately conservative to Moderately aggressive risk tolerance

Base currency:	United States Dollar
Initial Investment:	Usd 2,000
Minimum Additional Investment:	Not Applicable
Minimum Holding Period:	90 calendar days
Settlement Period:	One (1) Banking day after initial notice
Early Redemption Charge:	0.25% or Usd 10 whichever is higher
Trust Fees:	0.75% per annum
Custodianship Fees:	0.02% per annum
Applicable Tax:	7.5% on interest income
Custodian:	HSBC, Ltd Philippines
External Auditor:	Punong-bayan & Araullo
Dealing Time:	Daily up to 12 noon
Available Thru:	Unionbank of the Philippines branches
Bloomberg Ticker:	IFPHDLB

* All fees are accrued daily against the fund's Net Asset Value.

Complete list of holdings available upon request

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