

UnionBank Trust and Investment Services Group

UBP Philippine Dollar Bond Portfolio as of February 28, 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	0.06%
2010	8.05%
2009	16.24%
2008	0.45%
2007	5.89%
2006	12.90%

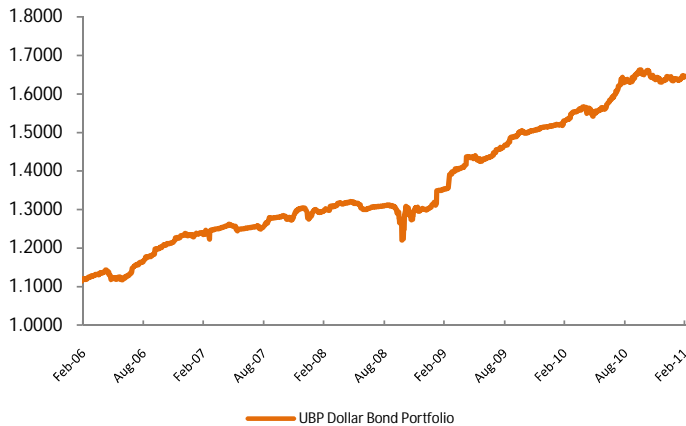
Cumulative Annualized Returns*

3yr period	8.29%
5yr period	8.01%

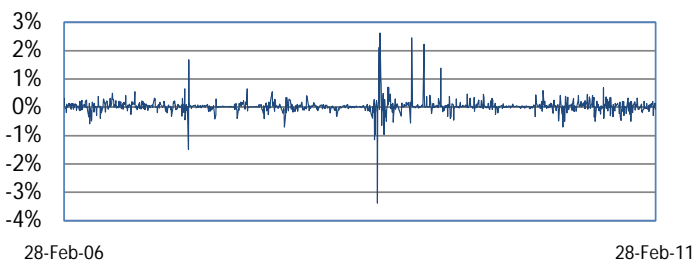
*Returns are reported Net of Fees.

Net Asset Value, end-of-period:	USD 9.187 Million
Bid NAV Per Unit (NAVpu)	USD 1.642625
Offer NAV Per Unit (NAVpu)	USD 1.649786

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	3.94%
Volatility, Past 360 Days:	2.81%
Duration:	4.37
Sharpe Ratio:	2.94

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.

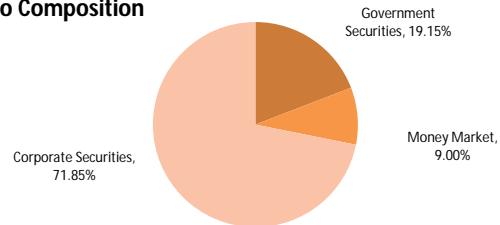
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Fund Manager's Report

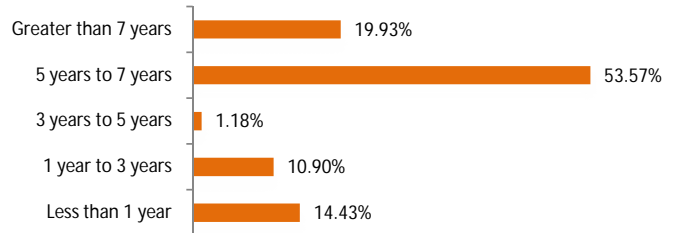
The price of an oil barrel reached a record high of USD102 this month as the continuing saga in the Middle East and North Africa (MENA) fueled concerns on inflation and sustainability of global recovery. Investors are worried that the escalating political tension in Libya will lead to further destabilization in the region. Libya is the third nation, following Tunisia and Egypt, in the region that staged a revolution against existing governments. Libya has already shut down oil production in many parts of the country. Analysts are concerned that the rebellion will endanger Libya's oil fields which produce 1.6 million barrels per day representing about 2 percent of global demand. More importantly, concerns as mounting on which country will revolt next. The crisis in the Middle East has prompted investors to shift their funds to the relative safety of US treasuries. This flight to safety led to lower US treasury yields across the curve. US Consumer Price Index rose by 0.4% last month which was higher than expectations. However, analysts say that inflation remains benign in the US. The Federal Reserve is expected to maintain low interest rate environment.

Yields of Republic of the Philippines dollar bonds were up 10 bps on the average for the month on inflation concerns. The Philippines plans to sell USD1Bn of new bonds to global investors. The details of the issuance are yet to be finalized.

Portfolio Composition



Maturity Profile



Top 5 Holdings

San Miguel Global Power 7% 1/28/2016	15.16%
Alliance Global 6.5% 8/18/2017	14.68%
Intl Container Terminal Services 7.375% 3/17/2020	13.76%
Landbank of the Phil 7.25% 10/19/2016	13.69%
JG Summit 8% 1/18/2013	10.85%

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