

UnionBank Trust and Investment Services Group

UBP Philippine Dollar Bond Portfolio as of April 29, 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.

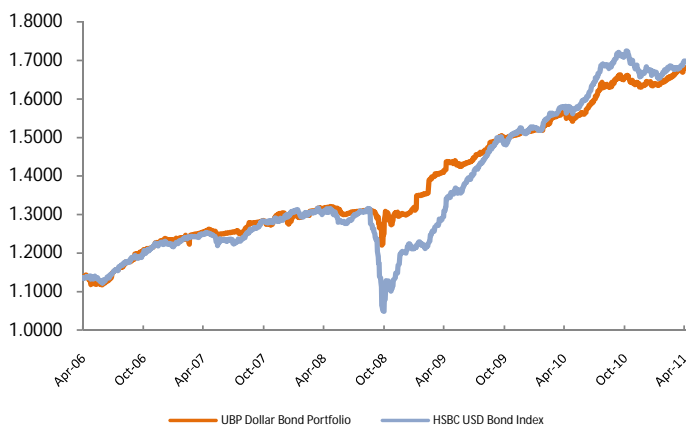
Fund Performance

Calendar	Absolute Returns*	Dollar Bond	HSBC USD Bond Index
YTD		2.67%	1.83%
2010		8.05%	10.31%
2009		16.24%	25.42%
2008		0.45%	-6.50%
2007		5.89%	5.51%
2006		12.90%	7.19%
Cumulative Annualized Returns*		Dollar Bond	HSBC USD Bond Index
3yr period		8.50%	9.14%
5yr period		8.14%	8.37%

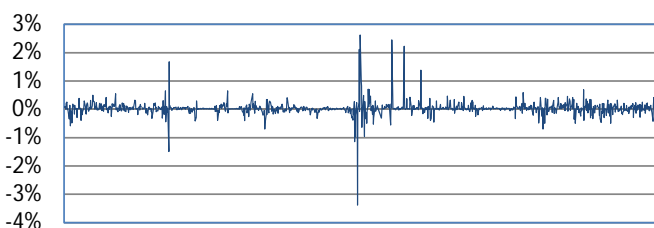
*Returns are reported net of fees.

Net Asset Value, end-of-period:	USD 11.229 Million
Bid NAV Per Unit (NAVpu)	USD 1.676395
Offer NAV Per Unit (NAVpu)	USD 1.685027

Net Asset Value per Unit



Daily Percentage Change of NAVpu



29-Apr-06

29-Apr-11

Risk Characteristics:

One day VAR at 3σ:	0.48%
Volatility, Past 360 Days:	3.01%
Duration:	4.29
Sharpe Ratio (Risk Free Rate = 0.38%):	2.36

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.

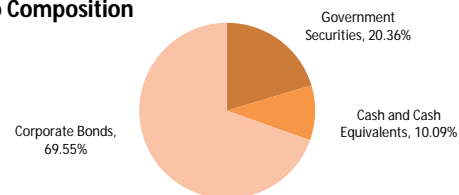
Fund Manager's Report

Yields on the medium term to long term Republic of the Philippines (ROP) dollar denominated bonds decreased in the month of April. The market, shrugging off implications of recent sovereign downgrades for US, Portugal, Greece, and Ireland, focused on strong Philippine fundamentals. The country's strong external payments position, improving outlook of fiscal positions, and controlled inflation picture contributed to a renewed risk appetite for emerging markets.

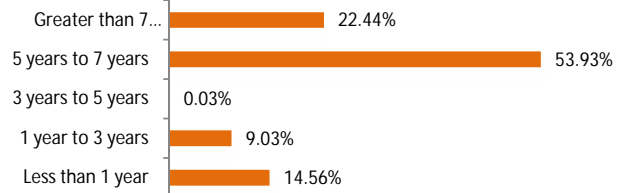
The market for ROPs remains healthy and has no supply overhang. Government's foreign commercial financing has already raised USD2.75Bn out of the revised USD3.25Bn program. There is no significant weakness resulting from any of new issuance foreseen, with only US\$500m worth of commercial offering left to complete the program.

The Philippines' budget deficit in March was below the Php59.7Bn target, putting the first quarter shortfall well below the Php112Bn ceiling. The result was due to prudent government spending and better than expected tax collections. Government spending may accelerate in the coming months as it is currently below its program target. The encouraging results from the budget deficit in the first quarter may lead a possible credit rating upgrade for the country sooner than later.

Portfolio Composition



Maturity Profile



Top 5 Holdings

Intl Container Terminal Services	7.375%	3/17/2020	14.01%
Alliance Global	6.5%	8/18/2017	12.22%
San Miguel Global Power	7%	1/28/2016	11.08%
JG Summit	8%	1/18/2013	8.99%
National Power Corp		12/15/2016	8.59%

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.

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