

UnionBank Trust and Investment Services Group

UBP Philippine Dollar Bond Portfolio as of September 30, 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.

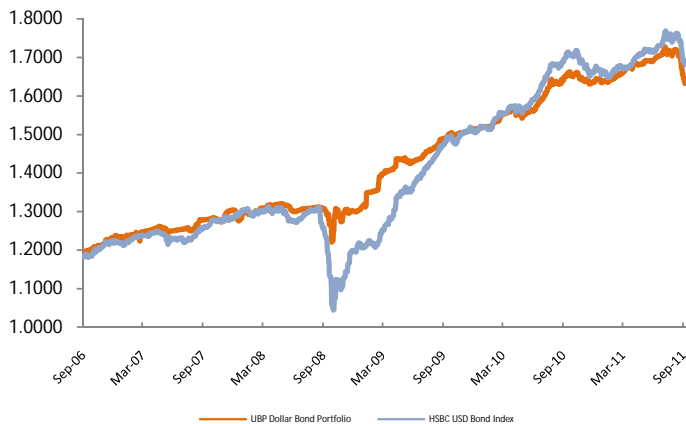
Fund Performance

Calendar	Absolute Returns*	Dollar Bond	HSBC USD Bond Index
YTD		0.42%	1.54%
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		7.96%	10.52%
5yr period		6.79%	7.35%

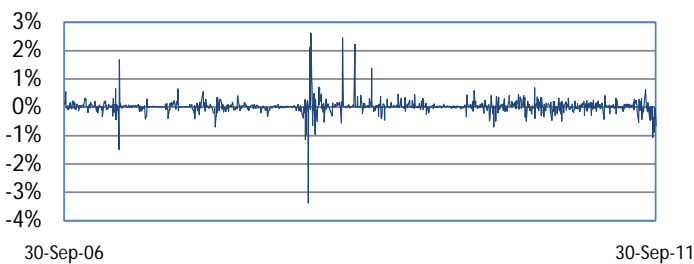
*Returns are reported net of fees.

Net Asset Value, end-of-period:	USD 11.069 Million
Bid NAV Per Unit (NAVpu)	USD 1.622437
Offer NAV Per Unit (NAVpu)	USD 1.665255

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	0.48%
Volatility, Past 360 Days:	3.06%
Duration:	4.27
Sharpe Ratio (Risk Free Rate = 0.25%):	n/a

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

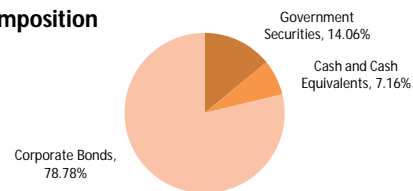
Yields of Philippine sovereign bonds rose across the curve as investors sold-down perceived risky assets. The 5-year and the 10-year ROP yields decreased 66 bps and 40 bps respectively. High yield corporate notes were also beaten down heavily on general risk aversion.

Negative sentiments prevailed on worries that a Greece default would cause contagion in Europe and that the US is headed for another recession. Further fueling the fear is the concern that China is also heading for a hard landing. The Chinese economy is said to face risks of a major slowdown on a too-loose monetary policy, rising wages, and slowing exports.

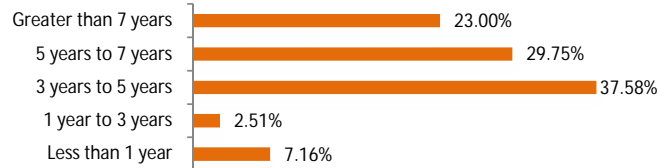
Problems in the external market overshadowed positive news in the domestic front this month. Philippine inflation eased to 4.7% in August from 5.1% in July. OFW remittances rose 6.1% in July despite a slowing world economy. Central Bank's reserves rose to US\$ 75.6 billion. Consumer confidence rose on benign inflation and business sentiment improved on lower commodity prices and demand recovery.

The Philippines, while remaining fundamentally sound, will not be insulated from volatility. The markets are watching developments in external markets closely and over-all weakness may persist. All eyes are on Europe now for any development in the Greece situation come this October.

Portfolio Composition



Maturity Profile



Top 5 Holdings

SM Investment 6% 9/22/2014	15.38%
National Power Corp 12/15/2016	14.06%
Intl Container Terminal Services 7.375% 3/17/2020	13.98%
Alliance Global 6.5% 8/18/2017	12.62%
San Miguel Global Power 7% 1/28/2016	10.24%

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 total market value.
Complete list of holdings available upon request

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