

UnionBank Trust and Investment Services Group

UBP Philippine Dollar Bond Portfolio as of November 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	5.73%	4.85%
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	10.09%	15.59%
5yr period	7.31%	7.53%

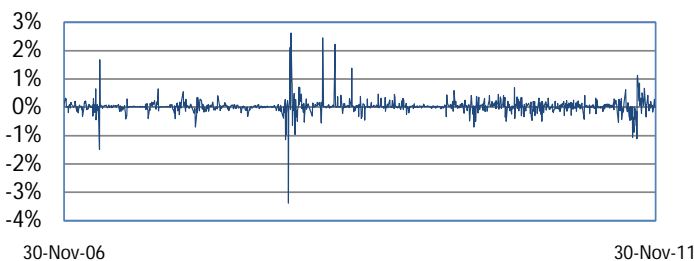
*Returns are reported net of fees.

Net Asset Value, end-of-period: USD 11.553 Million
Bid NAV Per Unit (NAVpu) USD 1.719686
Offer NAV Per Unit (NAVpu) USD 1.741678

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ: 0.61%
Volatility, Past 360 Days: 3.86%
Duration: 4.95
Sharpe Ratio (Risk Free Rate = 0.26%): 1.35

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

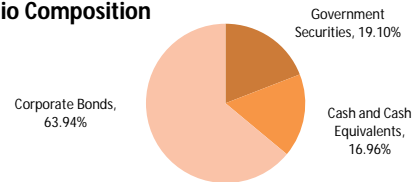
Yields of dollar sovereign bonds declined across the curve for the month of November. The IMF was said to have the ability to provide Italy financing in the near term should Italy need assistance. This helped ease risk aversion in the market.

Credit ratings were cut this month. Moody's cut Hungary's credit rating to junk bond at Ba1 from investment grade Baa3 while S&P cut Belgium's rating by a notch to AA from AA+.

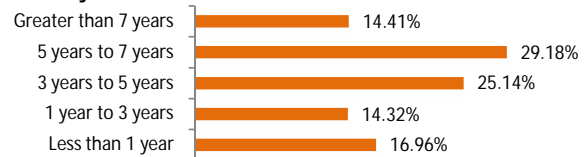
Philippine GDP results were quite disappointing coming in at 3.2% Year-on-Year (YoY), significantly lower than the expected 4.1%. Consumption was up 7.1% YoY. OFW remittances grew 8.5% in the third quarter, supporting consumption. Government expenditures increased 9.4% YoY while investments grew 24.5% YoY. Exports continue to be the main drag falling to 13.1% on slowing world economy. Remittances remain resilient rising 8.4% YoY and hitting the government's full target of 7% growth. Cumulative budget deficit came in at Php74 billion, far from the Php260 billion target.

While fundamentals remain sound for the Philippines, headlines from the Euro region will continue to cause fluctuations in dollar bond market. We expect a volatile market as we head towards the year end.

Portfolio Composition



Maturity Profile



Top 5 Holdings

San Miguel Global Power 7% 1/28/2016	15.21%
SM Investment 6% 9/22/2014	14.19%
National Power Corp 12/15/2016	13.81%
Alliance Global 6.5% 8/18/2017	12.27%
Intl Container Terminal Services 7.375% 3/17/2020	9.11%

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