

UnionBank Trust and Investment Services Group

UBP Dollar Bond Portfolio
as of July 31, 2014

Investment Objective

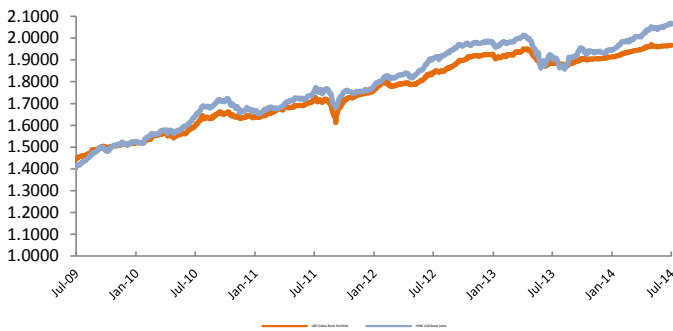
The UnionBank Dollar Bond Portfolio is a US Dollar-denominated fund that seeks the total return of a diversified portfolio of foreign currency fixed-income instruments.

Fund Performance

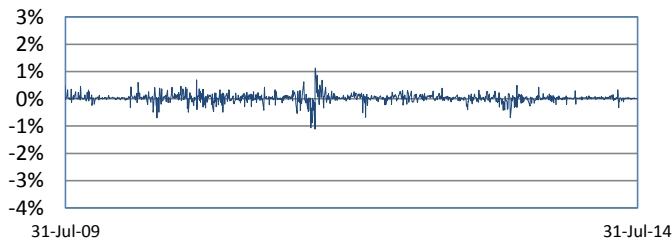
Calendar Absolute Returns*	Dollar Bond	HSBC USD Bond Index
YTD	3.17%	6.62%
2013	-0.815%	-2.393%
2012	10.19%	12.73%
2011	6.23%	5.54%
2010	8.05%	10.31%
2009	16.24%	25.42%
2008	0.45%	-6.50%
Cumulative Annualized Returns*	Dollar Bond	HSBC USD Bond Index
3yr period	4.64%	17.85%
5yr period	6.34%	7.91%

Net Asset Value (NAV)	NAV Per Unit (NAVpu)
USD 11.006 Million	USD 1.966792
Par Value: USD 1.00	

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	0.2169%
Volatility, Past 360 Days:	1.37%
Duration:	1.7298
Sharpe Ratio (Risk Free Rate = 0.0812%):	3.15

Volatility is a measure of fluctuation of the NAVpu. Higher volatility means higher potential for gains or losses. 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.

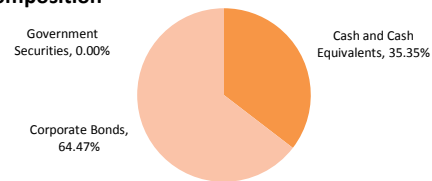
Fund Manager's Report

US Treasuries, for the month of July, continued to range trade from its levels in June 2014 with yields inching higher in the short to the belly of the curve. Yields in the 5 to 10 year range traded 5 to 10bps ending the month at 1.754% and 2.559%, respectively.

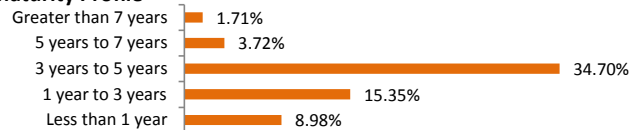
On the economic data front, The FOMC decided to taper another \$10 Billion in its July meeting. The Fed funds rate still remains unchanged at 0.25%. The FOMC continued to acknowledge that economic growth is rebounding in the 2Q14 (US GDP at 4% vs. expectation of 3%) and labor market continues to improve. Although, the FOMC continues to agree that labor market continues to have some slack, it agrees that risks have some what slightly diminished. Overall, inflation is on track to meeting the FOMC target of 2%.

On the ROP side, Philippine US denominated debt continued to fund support as investors search for high yield bonds in the markets. Risks that may weigh on the market in the coming weeks are the following: Threat of an Argentina Bond Default, impact caused by Russian sanctions by the US and EU, and escalating violence in the Middle East (Gaza and Iraq).

Portfolio Composition



Maturity Profile



Investment Holdings

VLLPM 6.750 10/04/2018	9.19%
AGIPM 6.500 08/18/2017	8.15%
TRAVPH 6.900 11/03/17	7.68%
BDO 3.875 04/22/2016	6.97%
SMCPM 7.000 01/28/2016	5.00%

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
Ave. Gross Market Value for the Qtr.	USD 10,442,311.82
Trust Fees ³ :	0.75% per annum; 0.21% for the quarter
Audit Fees ³ :	0.0020% for the quarter
Custodianship Fees ³ :	0.004% for the quarter
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

This document is for information purposes only and does not constitute an offer or a solicitation to buy or sell any investment referred to in this document. All Unit Investment Trust Funds (UITFs) are regulated by the Bangko Sentral ng Pilipinas. The UITF is not a deposit and is not insured by PDIC. Due to the nature of the investments, yield and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the UITF, when redeemed, may be worth more or be worth less than his/her initial investment/contributions. Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence.