

## UnionBank Trust and Investment Services Group

UBP Dollar Bond Portfolio  
as of September 30, 2014

### Investment Objective

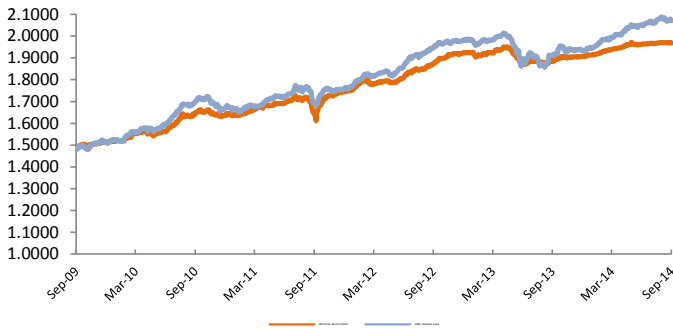
The UnionBank Dollar Bond Portfolio is a US Dollar-denominated fund that seeks the total return of a diversified portfolio of foreign currency fixed-income instruments.

### Fund Performance

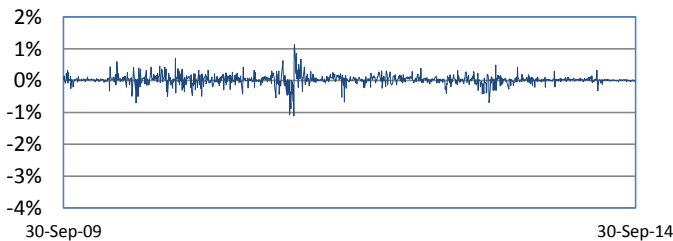
Calendar Absolute Returns*	Dollar Bond	HSBC USD Bond Index
YTD	3.27%	6.99%
2013	-0.815%	-2.393%
2012	10.19%	12.73%
2011	6.23%	5.54%
2010	8.05%	10.31%
2009	16.24%	25.42%
2008	0.45%	-6.50%
Cumulative Annualized Returns*	Dollar Bond	HSBC USD Bond Index
3yr period	6.23%	7.10%
5yr period	5.75%	6.98%

	Net Asset Value (NAV)	NAV Per Unit (NAVpu)
	USD 10.284 Million	USD 1.968782
Par Value:	USD 1.00	

### Net Asset Value per Unit



### Daily Percentage Change of NAVpu



### Risk Characteristics:

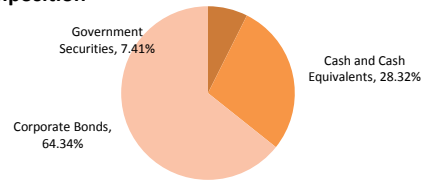
One day VAR at 3σ:	0.2057%
Volatility, Past 360 Days:	1.30%
Duration:	2.5056
Sharpe Ratio (Risk Free Rate = 0.0690%):	3.35

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 rallied by an average of 20bps across the curve as the market continues to speculate that the US FED will not be in a hurry to raise interest rates in 2015. Most of the market were caught short of the treasuries yield moves lower in end-September and early October as rates continue to move to 2.28% in the 10yr and 3.012% in the 30yr. There has been a risk off sentiment recently as the World Bank revised its growth estimates for Asia lower to 6.9, global growth was revised lower as well in June to 2.8%. Additionally, FED officials reiterated that there may be delays in raising rates if global growth continues to disappoint. ROPs continue to track the movements in US Treasuries with the long end falling by 5 to 10bps.

### Portfolio Composition



### Maturity Profile

Greater than 7 years	9.24%
5 years to 7 years	3.98%
3 years to 5 years	28.59%
1 year to 3 years	24.96%
Less than 1 year	4.97%

### Top 5 Holdings

VLLPM 6.750 10/04/2018	9.95%
AGIPM 6.500 08/18/2017	8.49%
TRAVPH 6.900 11/03/17	8.28%
BDO 3.875 04/22/2016	7.48%
SMCPM 7.000 01/28/2016	5.38%

### 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 <sup>3</sup> :	0.75% per annum; 0.21% for the quarter
Audit Fees <sup>3</sup> :	0.0020% for the quarter
Custodianship Fees <sup>3</sup> :	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.

## **UnionBank Trust and Investment Services Group**

UBP Dollar Bond Portfolio

### **FOOTNOTES:**

#### **<sup>1</sup>FUND VALUATION**

All assets of the Fund shall be marked to market daily in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments. The pricing valuation methodology shall use the following price sources as bases for computing NAVPu.

*Philippine Equity Securities: Philippine Stock Exchange Closing Levels, 3:30 pm daily*  
*Other instruments: Closing prices as prescribed by BSP regulations and market conventions*

Valuation Day shall mean any day in which banks are open for business in Manila.

The value of the NAVPu at the start of Fund's operation shall be: Php 100.00

The Admission and Redemption NAVPu of the fund shall be computed 4:30pm of each business day and/or after markets close and shall be available to investors by 9:00 am of the next banking day.

All mark-to-market valuation procedures are in accordance with BSP Memorandum No. M-2007-005 dated February 28, 2007.

#### **<sup>2</sup>PROSPECTIVE INVESTMENTS**

The Fund may be invested and reinvested in:

- i. Securities issued by or guaranteed by the Philippine government, or the Bangko Sentral ng Pilipinas;
- ii. Exchange-listed securities;
- iii. Marketable instruments that are traded in an organized exchange;
- iv. Loans traded in an organized market;
- v. Savings/Checking accounts and/or time deposits in any bank or financial institution, including UnionBank of the Philippines;
- vi. Derivative instruments for the purpose of hedging market risk exposures.
- vii. Such other tradable investment outlets/ categories as the BSP may allow.

A complete list of holdings is available upon request.

#### **<sup>3</sup>FEES & EXPENSES**

The Trustee shall collect from the Fund trust fees in the amount of THREE-QUARTERS PERCENT (0.75%) per annum based on the Gross Market Value of the Fund which shall be accrued daily and shall be collectible from the Fund at the end of every calendar month.

The Trustee may charge the Fund for special expenses if the same is necessary to preserve or enhance the value of the Fund. Such special expenses shall be payable to pertinent third party or parties covered by separate contract/s, and disclosed to the Participants.

**An investor should read the complete details of the fund in the Plan Rules, and should carefully consider the fund's investment objectives, risks, charges and expenses. He then should make his own risk assessment and, when necessary, seek independent/professional opinion before making an investment.**