

UNIONBANK OF THE PHILIPPINES

UNIONBANK PESO BALANCED PORTFOLIO

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

June 30, 2015

FUND FACTS

| | | | |
|--------------------------------|-------------------------------|--|--|
| Classification: | Medium to Long-term Bond Fund | Net Asset Value per Unit (NAVPU): | Php 133.90437800 |
| Launch Date: | February 15, 2011 | Total Fund NAV: | Php 400,564,428.20 |
| Minimum Investment: | Php 100,000 | Dealing Day: | Daily up to 12 noon |
| Additional Investment: | Not Applicable | Redemption Settlement: | Four (4) Banking day after initial notice |
| Minimum Holding Period: | 90 calendar days | Early Redemption Charge: | 0.25% flat on the redeemed amount or Php 500 whichever is higher |

FEES* Special Reimbursable Expenses, if any

| | | | | | |
|---------------------------|---|-----------------------------------|-------------------------|--------------------------------------|------------------------------------|
| Trust Fees ¹ : | 2% per annum on equity holdings; 1% per annum on fixed income holdings; 0.25% per annum of pooled funds; 0.45% for the quarter | Custodianship Fees ¹ : | 0.0045% for the quarter | External Auditor Fees ¹ : | 0.0018% for the quarter |
| | | | HSBC, Ltd. Philippines | | Punongbayan & Araullo (SGV in DoT) |

*As a percentage of daily NAV.

INVESTMENT OBJECTIVE. *The UnionBank Peso Balanced Portfolio is a peso-denominated fund that provides investors access to a diversified set of investment instruments in both equities and fixed income markets. The balanced approach to asset allocation is designed to provide income and potential growth from fixed-income and equity investments but with less volatility than a portfolio invested entirely in equities.*

CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

- The *UnionBank Peso Balanced Portfolio* is suitable only for investors who:
 - Participation in the Fund shall be open to all individuals of legal age and corporations with a medium to long-term investment horizon with a *moderately aggressive risk* profile. Every participant shall be subjected to a Client Suitability Assessment for the purpose of profiling the risk and return orientation of the participant.

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are comfortable with the accompanying risks.

Some of the key risks associated with this Fund are listed below:

- **Market/Price Risk:** Possibility to experience losses due to adverse changes in market prices of securities
- **Liquidity Risk:** Possibility to experience losses due to the fund's inability to convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price

The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular basis.

¹All fees are accrued daily against the fund's total market value

- ❖ THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)
- ❖ RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY
- ❖ WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT
- ❖ THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE

For any queries, you may call UnionBank-Trust and Investment Services Group at 667-6388 or visit our website at

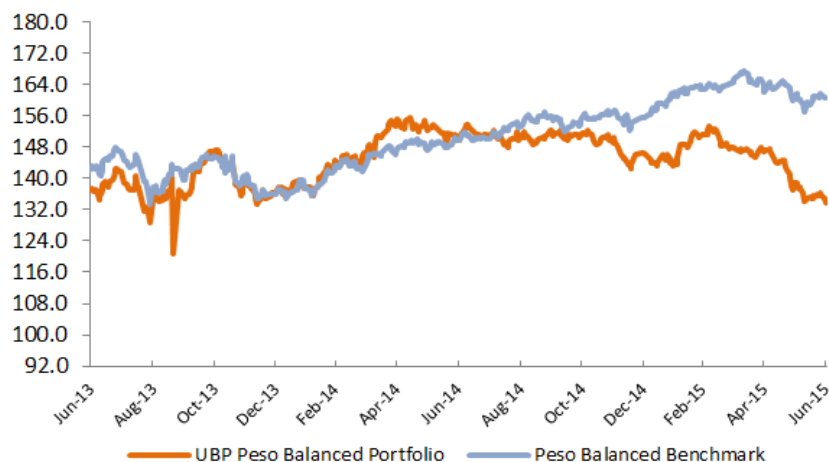
www.unionbankph.com

FUND PERFORMANCE AND STATISTICS AS OF June 30, 2015

(Purely for reference purposes and is not a guarantee of future results)

NAVPu Graph

Net Asset Value per Unit

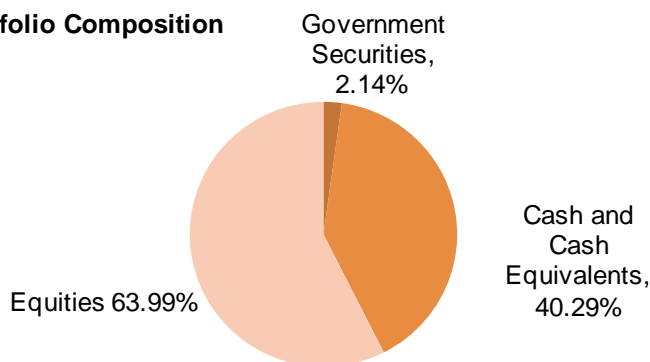


Fund Performance Vs. Benchmark (%)

| Period | Cumulative Return | | | | | Annualized Return | |
|------------|-------------------|--------|--------|--------|---------|-------------------|--------|
| | 1mos | 3mos | 6mos | YTD | YOY | 3yrs | 3yrs |
| Fund | -3.59% | -9.39% | -8.67% | -8.67% | -11.12% | 12.62% | 4.04% |
| Benchmark* | -0.20% | -4.63% | 4.53% | 4.53% | 10.31% | 43.19% | 12.71% |

*50% PSEi, 50% HSBC 1-5 Yr Phil Bond Index

Portfolio Composition



NAVPu over the past 12 months

| | |
|---------|-------------|
| Highest | 153.8276770 |
| Lowest | 133.9043780 |

Statistics

| | |
|---------------------------|--------|
| Weighted Ave. Duration | 0.2247 |
| Volatility, Past 1 Year * | 17.90% |
| Shape Ratio** | -0.70 |
| Information Ratio*** | -0.27 |

*Volatility measures the degree to which the Fund fluctuates vis-a-vis its average return over a period of time.

**Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 1.3600%)

*** Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

Top Ten Holdings (%)

| | |
|---|---------------|
| Megawide Construction | 8.85% |
| Lopez Holdings Corp. | 8.75% |
| Travellers International Hotel Group Inc. | 6.16% |
| Petron Corp. | 4.42% |
| Emperador Distillery Inc | 3.17% |
| URC | 3.07% |
| San Miguel Purefoods | 2.92% |
| Pepsi-Cola Products Philippines | 2.81% |
| Megaworld Corp | 2.40% |
| Robinsons | 1.98% |
| Total | 44.54% |

RELATED PARTY TRANSACTIONS

The Fund has investments in City Savings Bank time deposits.

OUTLOOK AND STRATEGY

The UnionBank Peso Balanced Portfolio is a peso-denominated fund that provides investors access to a diversified set of investment instruments in both equities and fixed income markets.

Investments on the above-mentioned instruments/funds shall be subject to existing BSP regulations on the exposure limit to single person/entity/issuer. For more information, you can view our latest monthly fund performance reports at www.unionbankph.com.