



UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP
UNIONBANK PESO BALANCED PORTFOLIO
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
As of April 29, 2016

FUND FACTS			
Classification:	Medium to Long-term Bond Fund	Net Asset Value per Unit (NAVPU):	Php 124.400290
Launch Date:	February 15, 2011	Total Fund NAV:	Php 228,425,536.97
Minimum Investment:	Php 100,000	Dealing Day:	Up to 12 noon, any banking day
Additional Investment:	Not Applicable	Redemption Settlement:	Four (4) banking days after initial notice
Minimum Holding Period:	90 calendar days	Early Redemption Charge:	0.25% flat on redeemed amount or Php 500, whichever is higher

FEES*			
Trust Fees: 0.127%	Custodianship Fees: 0.001%	Audit Fees: 0.001%	Other Fees: 0.003%
<i>UnionBank of the Philippines</i>	<i>HSBC, Ltd. Philippines</i>	<i>Punongbayan & Arullo</i>	

*As a percentage of the net fund value for the month valued at Php 228.43 Mn

INVESTMENT OBJECTIVE AND STRATEGY

The UnionBank Peso Balanced Portfolio is a peso-denominated balanced 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:
 - Are individuals of legal age and corporations with a medium to long-term investment horizon
 - Have a moderately aggressive risk profile
- The principal is at risk. Loss in the original investment may arise due to market fluctuations and price volatility of the securities held by the fund.

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:

- **Interest Rate Risk:** This is the possibility to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **Market/Price Risk:** This is the possibility to experience losses due to adverse changes in market prices of securities. It is the exposure to the uncertain market value of a portfolio due to price fluctuations.
- **Liquidity Risk:** This is the possibility to experience losses due to the fund's inability to sell and convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price.
- **Credit/Default Risk:** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued.

The Fund invests in quality assets which are evaluated under the Trust Department's accreditation process and BSP regulations. Internal risk limits, together with regulatory exposure limits, are monitored, reviewed and strictly adhered to on a daily basis.

❖ 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 APRIL 29, 2016

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

NAVPU over the past 12 months

Highest	147.5777020
Lowest	112.6412657

Statistics

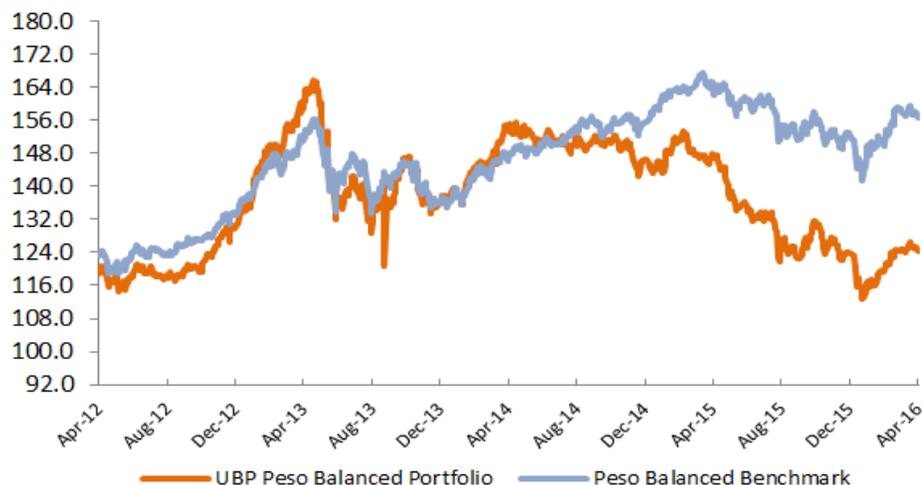
Weighted Ave. Duration	1.9566
Volatility, Past 1 Year*	16.51%
Shape Ratio**	-1.05
Information Ratio***	0.164

*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 = 1.9208%)

***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.

Net Asset Value per Unit

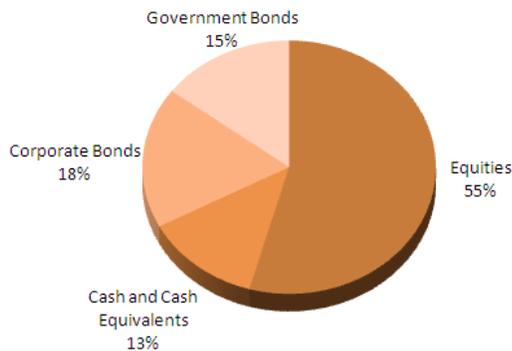


Fund Performance Vs. Benchmark (%) and **Top Ten Holdings (%)**

Fund Performance Vs. Benchmark (%)							Top Ten Holdings (%)		
Period	Cumulative Return					Annualized Return		Fund Name	Yield (%)
	1mos	3mos	6mos	1yr	3yrs	3yrs	5yrs		
Fund	-0.36	6.61	-4.32	-15.38	-22.67	-8.21	3.48	FLIPM 5.3567 08/20/2022	12.20
Benchmark*	-1.37	6.90	0.39	-6.96	1.38	0.46	10.43	FXTN 20-17 8.000 07/19/2031	9.75
Calendar Year Return									
Period	YTD	2011	2012	2013	2014	2015			
Fund	0.35	--	21.29	4.67	7.43	-15.45	CITY SAVINGS BANK Deposits 5.47		
Benchmark*	2.28	--	19.10	2.26	12.95	-1.26	First Gen Corp. 5.18		

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

Portfolio Composition



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has bond investments with Aboitiz Equity Ventures, equity investments with Aboitiz Power and time deposits with City Savings Bank amounting to Php 10.42 Mn, Php 4.04 Mn and Php 12.49 Mn respectively. These investment outlets were approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

Equity. After a strong March performance, we saw April reflect a month on month drop of 1.4% as a combination of unremarkable earnings and election jitters. These two have long been seen as the catalysts of the Philippine market in 2016 with the potential to drive the market higher or lower depending on whether earnings surprise on the upside and if the election is perceived as clean with a new leader that can execute to continue the positive growth from the current administration. The market may look to wait and see who the new president will be and what their plans are before making further moves. However, we expect volatility to persist and are hence maintaining our general strategy of staying nimble by being overweight on cash and concentrating on more liquid names.

Fixed Income. Consumer Prices in the Philippines rose 1.1% YoY in April which was slightly below market consensus of 1.2%. Inflation continues to remain below Bangko Sentral ng Pilipinas' target of 2-4% which may give room for BSP to keep rates on hold in the coming Monetary Board meeting. BTR had weak demand for April's Treasury Bill auction as market players bid for higher yields. The 91 days fetched an average of 1.55% and 364 days fetched 1.779%. the 182 day Tbill was partially awarded and fetched an average rate of 1.758%. BTR also issued FXTn 07-58 (7yr) in the month of April. This auction however managed to be successful as demand grew to almost 2x the planned auction size. FXTN 07-58 fetched an average of 3.461%. Local bond yields generally tracked US treasury yield movements as market players continue to take their cue from the FED, ECB and BOJ. GS market yields saw the yield curve steepen as big players increased appetite for the short dated securities and others taking profit from the long end of the curve.