

UnionBank Trust and Investment Services Group

UBP Philippine Peso Balanced Portfolio
as of April 29, 2011

Investment Objective

The UnionBank Philippine 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.

Fund Performance

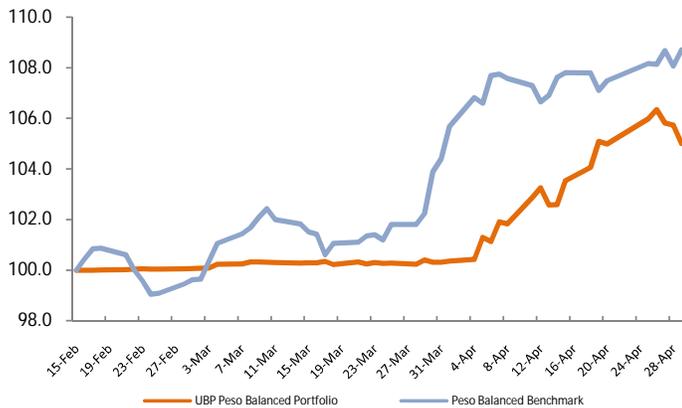
Calendar Absolute Returns*	Peso Balanced	Benchmark**
Since Inception	4.85%	8.70%

* Returns are reported net of fees.

**50% in equities with β of 1 and 50% in the 5-year benchmark bond

Net Asset Value, end-of-period:	Php 141.877 Million
Bid NAV Per Unit (NAVpu)	Php 104.777251
Offer NAV Per Unit (NAVpu)	Php 105.060519

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3 σ :	0.99%
Volatility, Annualised:	5.85%

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 TBill rate.

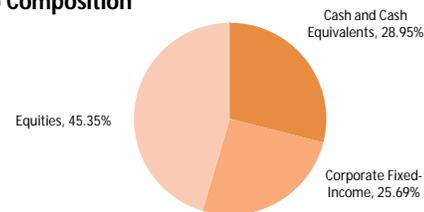
Fund Manager's Report

The Philippine Stock Exchange index closed the month strong at 4319.51, increasing 6.51% from the previous month. Foreign funds continue to flow into the market as investors seek higher yielding emerging market securities. The market also saw increased activity with the announcement of PLDT of its acquisition of Digitel. The market eventually slowed down when San Miguel Corporation announced its huge USD800Mn offering.

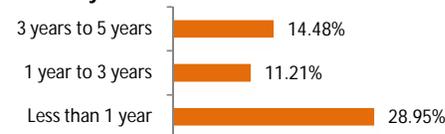
On the bond market, the Bureau of the Treasury awarded the full PHP9.0Bn offer of its 10-year bond at an average rate of 6.445 percent. Demand was surprisingly strong with total bids reaching PHP32.35Bn. The Government then plans to issue 4-year and 7-year bonds in May. It will continue to pursue "opportunistic" debt exchanges for its peso- and foreign-currency debt and will maintain a bias for issuance of long-dated notes. The scarcity of local currency government bond offerings, especially after the recent foreign commercial bond issuances in the first quarter, has made the market more open to low yields despite inflation being expected to trend higher.

The Bangko Sentral ng Pilipinas expects April inflation to range from 3.7 percent to 4.7 percent. The target provides an indication that inflation remains to be relatively under control and unexpected spikes in interest rates in very unlikely. With the Philippine Peso appreciating, the effects of high commodity prices should be tempered further.

Portfolio Composition



Maturity Profile



Top 5 Holdings

FPH Preferred Shares	11.21%
AGI	10.72%
Megaworld	9.40%
URC	9.35%
DMCI	7.97%

Fund Facts

Classification:	Medium to Long-term Bond Fund
Launch Date:	February 15, 2011
Client Suitability:	Moderately aggressive to aggressive risk tolerance
Base currency:	Philippine Peso
Initial Investment:	Php 100,000
Minimum Additional Investment:	Not Applicable
Minimum Holding Period:	90 calendar days
Settlement Period:	Four (4) Banking days after initial notice
Early Redemption Charge:	0.25% or Php 500 whichever is higher
Trust Fees:	2% per annum on equity holdings 1% per annum on fixed income holdings 0.25% per annum of pooled funds
Custodianship Fees:	0.02% per annum
Applicable Tax:	20% on interest income Sales tax on equity sales
Custodian:	HSBC, Ltd Philippines
External Auditor:	Punong-bayan & Araullo
Dealing Time:	Daily up to 12noon
Available Thru:	Unionbank of the Philippines branches
Bloomberg Ticker:	UNPESBA

* All fees are accrued daily against the fund's Net Asset Value.

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.