



**UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP**  
**UNIONBANK LARGE CAPITALIZATION PHILIPPINE EQUITY PORTFOLIO**  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
 As of December 29, 2015

**FUND FACTS**

Classification:	Long Term Philippine Equity Fund	Net Asset Value per Unit (NAVPU):	Php 581.31063956
Launch Date:	March 1,2005	Total Fund NAV:	Php 1,164,442,162.16
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: 2.00% per annum	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 &amp; Arullo</i>	

\*As a percentage of the total market value of the fund for the month valued at Php 1.17 Bn

**INVESTMENT OBJECTIVE AND STRATEGY**

The UnionBank Large Capitalization Philippine Equity Portfolio is a peso-denominated equity fund that uses a strategy that approximates the returns of the Philippine Stock Exchange Index (PSEi), while adding value through active stock selection. Its core investment components are large capitalization stocks listed in the PSE. Relative weights between PSEi stocks as well as opportunistic allocation into non-index issues (e.g. IPO's) may vary from time to time, depending on the investment manager's outlook on stock valuations. Research plays a central role in the development of stock valuation views of investment managers.

**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 Large Capitalization Philippine Equity Portfolio is suitable only for investors who:
  - Are individuals of legal age and corporations with a long-term investment horizon
  - Have an 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:

- **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.

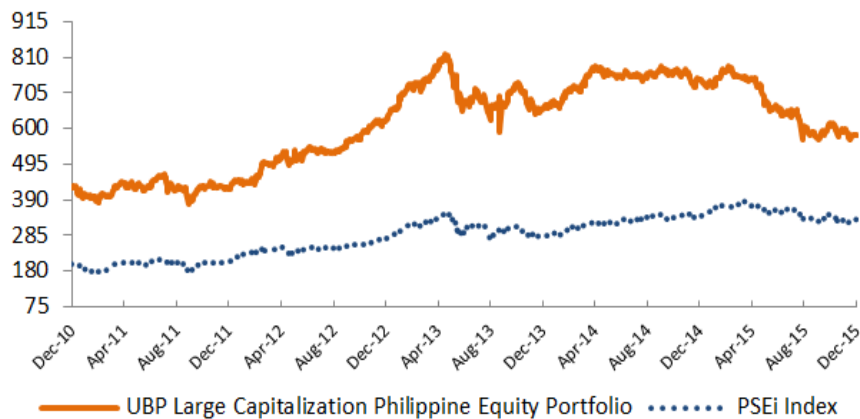
- ❖ **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- ❖ **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY**
- ❖ **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT 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 DECEMBER 29, 2015**

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

**Net Asset Value per Unit**



**NAVPU over the past 12 months**

<b>Highest</b>	783.1761728
<b>Lowest</b>	566.1538317

**Statistics**

<b>Weighted Ave. Duration</b>	N/A
<b>Volatility, Past 1 Year *</b>	20.46%
<b>Shape Ratio**</b>	-1.16
<b>Information Ratio***</b>	0.17

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

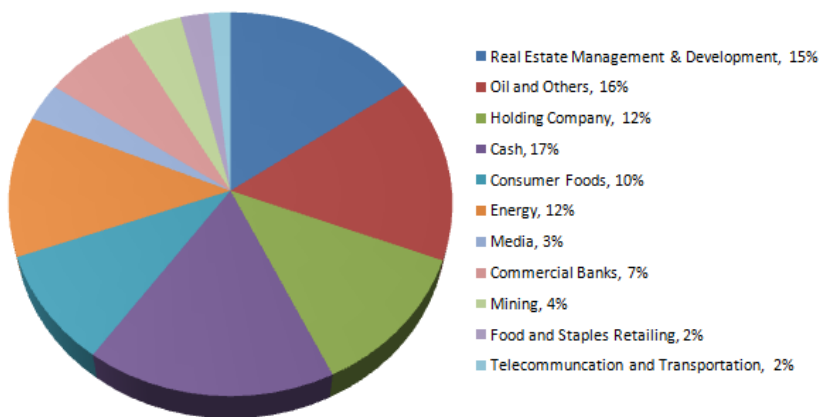
\*\*Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 1.940%)

\*\*\*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.

Fund Performance Vs. Benchmark (%)							Top Ten Holdings (%)				
Period		Cumulative Return					Annualized Return		Holdings		
		1mos	3mos	6mos	1yr	3yrs	5yrs				
Fund		-1.62	1.71	-10.88	-21.72	-7.12	-2.43	6.40	Universal Robina Corp.	7.43	
Benchmark*		0.36	0.84	-8.10	-3.85	19.60	6.15	10.61	Petron Corp.	7.21	
Period		Calendar Year Return									
YTD	2011	2012	2013	2014	2015						
Fund	-21.72	-1.25	47.89	5.61	12.34			Megaworld		6.37	
Benchmark*	-3.85	4.07	32.96	1.33	22.76			Citibank (deposits)		5.87	
									Energy Development Corp.		5.09
									BSP SDA		4.98
									DBP (deposits)		4.43
									JG Summit Holdings Inc.		4.41
									Ayala Land Inc.		4.38
									Metro Pacific Investments Corp.		4.36
									<b>Total</b>	<b>54.53</b>	

\*PSEi

**Portfolio Composition**



**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The fund has equity investments with Aboitiz Power (AP) amounting to Php 29.61 Mn. This investment outlet was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

**OUTLOOK AND STRATEGY**

2015 ended on a low note for the Philippine Stock Exchange as the index posted its first annual decline since the start of the bull run in 2009. The PSEi dropped as low as 6,610 mid-month before approaching the 7,000 level when the Fed finally hiked interest rates for the first time since 2006. However, the market could not hold onto this level and ended – 3.85% YoY. The local market outperformed regional peers but net foreign outflows continued with China continuously losing steam. Our strategy remains focused on staying nimble and slowly accumulating liquid names with growth or value potential on market dips.