



**UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP**  
**UNIONBANK LARGE CAPITALIZATION PHILIPPINE EQUITY PORTFOLIO**  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
 As of June 30, 2017

<b>FUND FACTS</b>			
Classification:	Long Term Philippine Equity Fund	Net Asset Value per Unit (NAVPU):	Php 628.892229
Launch Date:	March 1, 2005	Total Fund NAV:	Php 1,140,515,093.63
Minimum Investment:	Php 100,000	Dealing Day:	Up to 2:30 pm, 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
<b>FEES*</b>			
Trust Fees: 2.00% per annum	Custodianship Fees: 0.002%	Audit Fees: 0.002%	Other Fees: 0.003%
<i>UnionBank of the Philippines</i>	<i>HSBC, Ltd. Philippines</i>	<i>Punongbayan &amp; Araullo</i>	

\*As a percentage of the total market value of the fund for the month valued at Php 1.14 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.

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.

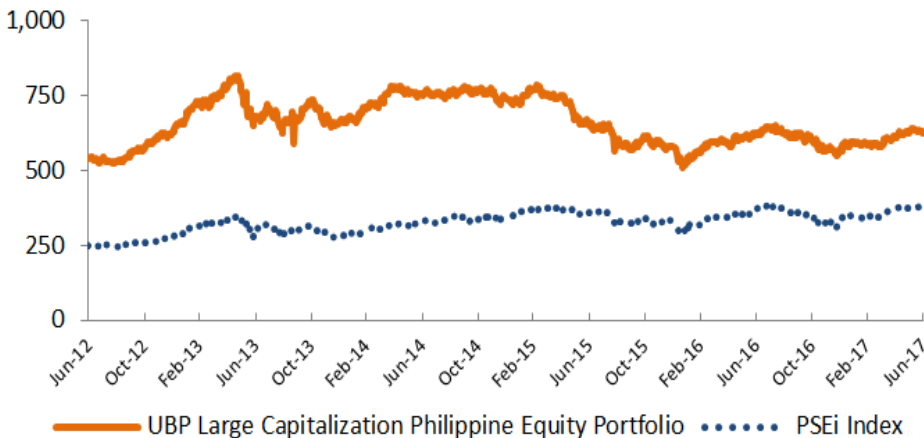
<ul style="list-style-type: none"> <li>❖ <b>THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)</b></li> <li>❖ <b>RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY</b></li> <li>❖ <b>WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT</b></li> <li>❖ <b>THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE</b></li> </ul>
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For any queries, you may call UnionBank-Trust and Investment Services Group at 667-6388 or visit our website at [www.unionbankph.com](http://www.unionbankph.com).

**FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2017**

(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>	648.001185
<b>Lowest</b>	548.980709

**Statistics**

<b>Weighted Ave. Duration</b>	N/A
<b>Volatility, Past 1 Year *</b>	12.88%
<b>Shape Ratio**</b>	-0.10
<b>Information Ratio***</b>	0.05

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

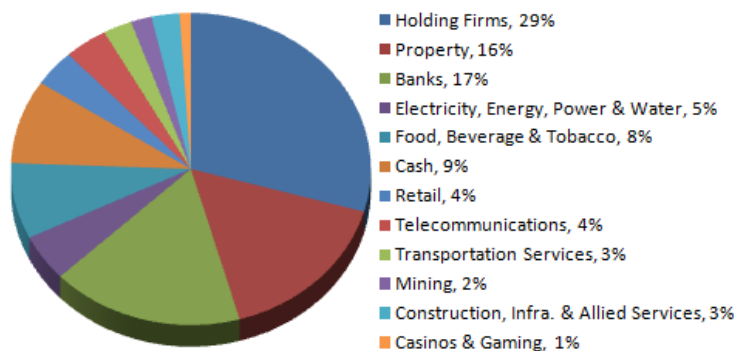
\*\*Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 1.7337%)

\*\*\*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		Company	Yield (%)
	1mos	3mos	6mos	1yr	3yrs	3yrs	5yrs		
Fund	0.25	8.02	10.66	0.43	-16.56	-5.86	3.19	SM Investments Corp	10.18
Benchmark*	0.08	7.27	14.66	0.60	14.59	4.65	8.37	Ayala Land Inc	7.51
Calendar Year Return								Banco De Oro	5.90
Period	YTD	2011	2012	2013	2014	2015	2016	Metrobank	5.40
Fund	10.66	-1.25	47.89	5.61	12.34	-21.72	-2.24	Aboitiz Equity Ventures	4.78
Benchmark*	14.66	4.07	32.96	1.33	22.76	-3.85	-1.60	JG Summit Holdings	4.71
								Citibank/Citigroup Global	4.51
								Bank of the Philippine Islands	4.30
								Ayala Corp	3.98
								<b>Total</b>	<b>57.87</b>

\*PSEi

**PORTFOLIO COMPOSITION**



**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The fund has equity investments with Aboitiz Equity Ventures and Aboitiz Power and time deposits with City Savings amounting to Php 53.50 Mn, Php 19.44 Mn and Php 12.67 Mn. 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**

The rise over previous three months for the index has slowed down with the market coming off flat for the month of June. Foreigners continued to buy with a YTD figure now at US\$406 Mn inflow, a large portion of which was fueled by the placement of Meralco and the balance potentially being driven by the FTSE rebalancing. The various funds seem to be waiting for a direction with 2Q earnings coming out in a few weeks and flows continuing to drive the market.

We continue to monitor this development and have been rebalancing our portfolios to reflect our view on the situation. We are relatively close to being fully invested but we plan to remain nimble with the ability to deploy into or take profit on liquid names.