

## UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio  
as of January 31, 2011

### Investment Objective

The UnionBank Large Capitalization Philippine Equity Portfolio is a peso-denominated fund that seeks long-term capital growth by investing in a diversified portfolio of primarily large capitalization stocks listed in the Philippine Stock Exchange.

### Fund Performance

#### Calendar Absolute Returns\*

|      |         |
|------|---------|
| YTD  | -6.54%  |
| 2010 | 109.32% |
| 2009 | 85.00%  |
| 2008 | -44.93% |
| 2007 | 23.49%  |
| 2006 | 51.40%  |

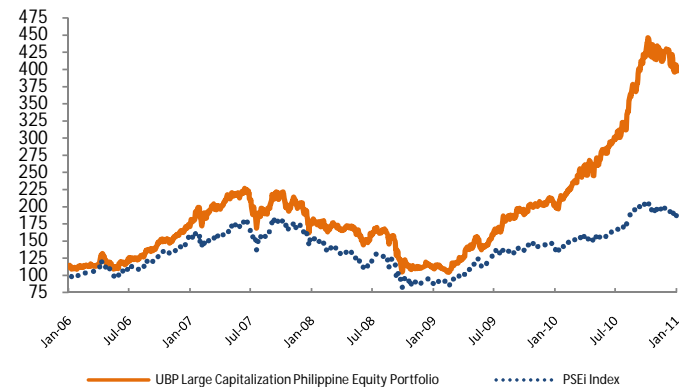
#### Cumulative Annualized Returns\*

|         |        |
|---------|--------|
| 3 Years | 31.89% |
| 5 Years | 28.68% |

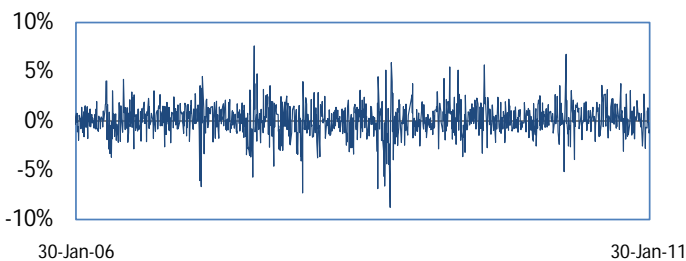
\*Returns are reported Net of Fees.

|                                 |                   |
|---------------------------------|-------------------|
| Net Asset Value, end-of-period: | Php 1.451 Billion |
| Bid NAV Per Unit (NAVpu)        | Php 397.459178    |
| Offer NAV Per Unit (NAVpu)      | Php 403.728784    |

### Net Asset Value per Unit



### Daily Percentage Change of NAVpu



### Risk Characteristics:

|                                       |        |
|---------------------------------------|--------|
| One day VAR at 3σ:                    | 3.78%  |
| Volatility, Past 360 Days:            | 22.38% |
| PSEI Index, Volatility Past 360 days: | 17.54% |
| Sharpe Ratio:                         | 4.05   |

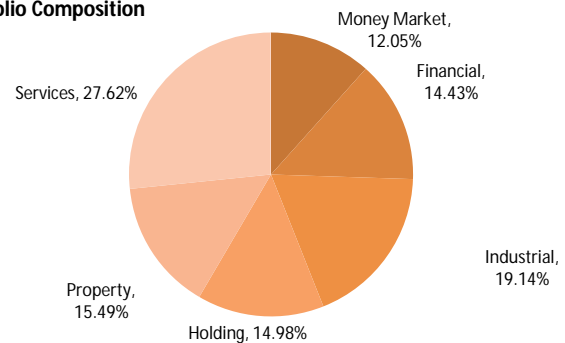
Volatility is a measure of fluctuation of the NAVpu. Higher volatility means higher potential for gains or loss. Duration measures the sensitivity of the portfolio to interest rate movements. The higher the duration, the more the NAVpu will change with interest rate fluctuation. The Sharpe Ratio is a 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.

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### Fund Manager's Report

The local equity market ended the month at 3,881.47, decreasing by 7.6% from 2010. Investors took profits early by selling power, bank and conglomerate stocks. The PSEI was lower month-on-month despite the announcement of the 7.3% growth in the GDP for 2010. The decline in the stock market was due to inflation concerns compounded by the ongoing protests in Egypt which could disrupt oil traffic in the critical Suez Canal. Oil prices continued to increase and have already reached USD100 per barrel. The general instability of the region has made investors fearful that oil prices may continue to rise and cause higher inflation in the Philippines and delay global recovery. Nevertheless, the Bangko Sentral ng Pilipinas maintains that inflation is well managed and still within expectations. Economic fundamentals of the country remain intact, with the government focusing on large infrastructure projects through Public-Private Partnerships (PPP).

### Portfolio Composition



### Holdings

|                              |        |
|------------------------------|--------|
| Megaworld                    | 13.19% |
| Alliance Global              | 14.39% |
| ICTSI                        | 14.59% |
| Unionbank                    | 14.78% |
| GMA Network                  | 12.91% |
| Aboitiz                      | 9.69%  |
| Universal Robina Corporation | 8.39%  |
| CASH                         | 12.05% |

### Fund Facts

|                                |   |
|--------------------------------|---|
| Classification:                | Long-term Philippine Equity Fund                        |
| Launch Date:                   | March 01, 2005  |
| Client Suitability:            | Moderately aggressive risk 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  |
| Custodianship Fees:            | 0.02% per annum   |
| Applicable Tax:                | 20% on interest income<br>0.5% 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: | IFDLCPPE                              |

\* All fees are accrued daily against the fund's Net Asset Value.  
Complete list of holdings available upon request