

## UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio  
as of March 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.

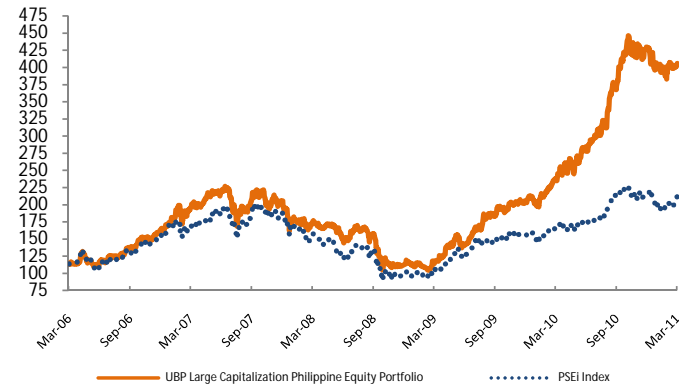
### Fund Performance

Calendar Absolute Returns*	Large Cap	PSEi Index
YTD	-5.73%	-3.48%
2010	109.32%	37.62%
2009	85.00%	62.99%
2008	-44.93%	-48.29%
2007	23.49%	21.43%
2006	51.40%	42.29%
Cumulative Annualized Returns*	Large Cap	PSEi Index
3 Years	33.09%	10.94%
5 Years	28.87%	13.11%

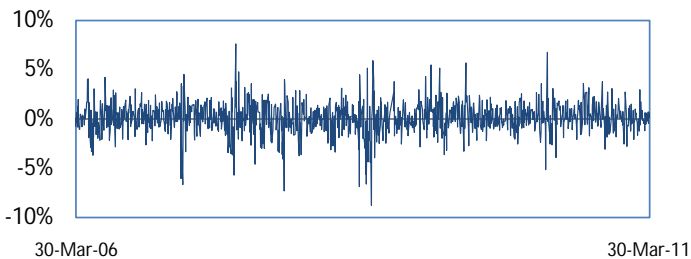
\*Returns are reported Net of Fees.

Net Asset Value, end-of-period: Php 1.224 Billion  
Bid NAV Per Unit (NAVpu) Php 401.547232  
Offer NAV Per Unit (NAVpu) Php 406.909075

### Net Asset Value per Unit



### Daily Percentage Change of NAVpu



### Risk Characteristics:

One day VAR at 3σ: 4.02%  
Volatility, Past 360 Days: 22.36%  
PSEi Index, Volatility Past 360 days: 17.56%  
Sharpe Ratio (Risk Free Rate = 3.52%): 3.07

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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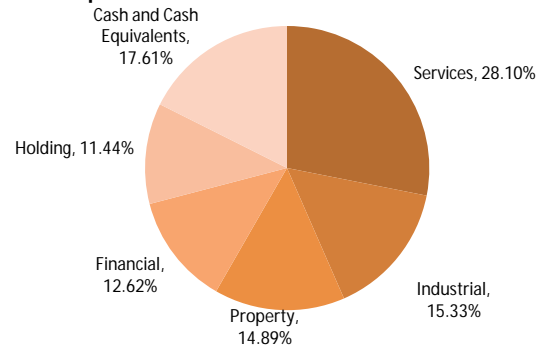
### Fund Manager's Report

The Philippine Stock Exchange index closed strong at 4055.14 and increased 7.16% March due to continued foreign buying and quarter-end window dressing. Concern regarding the tragedy in Japan and its resulting economic effects on the country were outweighed by the general bullish sentiment beginning to build in the market. Year-to-date, the bourse is still down 3.48% and foreigners are still net sellers at Php3.25bn.

The Philippine economy continues to remain robust due to strong domestic consumption, continued overseas remittances and government initiatives. Furthermore, the Bangko Sentral ng Pilipinas (BSP) has mitigated inflation concerns by raising rates by 25 bps. Overnight borrowing rate is now at 4.25% while overnight lending is unchanged at 6%. The rate hike was anticipated by the market as signs of stronger and broadening inflation pressures mounted. Inflation hit a nine-month high of 4.3% in. The rate hike should help preserve the solid domestic consumption especially if it is successful in quickly reigning in inflation.

Driving the month-end gains of the index was the announcement of Philippine Long Distance Telephone Company (TEL) purchasing 55.15% stake in third-ranked mobile operator Digital Communications Philippines (DGTI) in a share-swap deal worth Php69.2bn. The deal is expected to result in TEL firming its lead in the telecom sector.

### Portfolio Composition



### Top 5 Holdings

Megaworld	14.89%
ICTSI	14.38%
GMA Network	13.72%
Universal Robina Corporation	12.84%
Unionbank	12.62%

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