

UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio as of May 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.

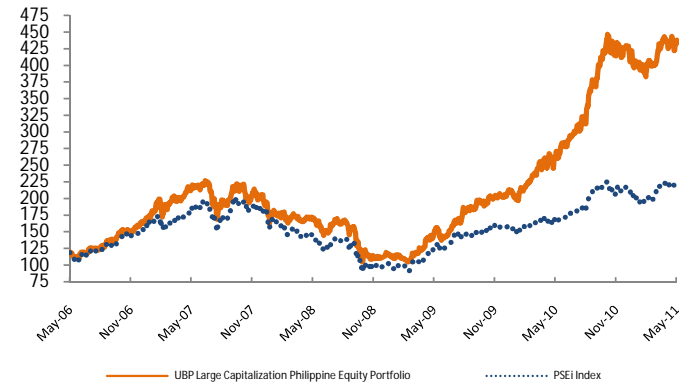
Fund Performance

Calendar Absolute Returns*	Large Cap	PSEI Index
YTD	0.75%	1.03%
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	36.80%	14.55%
5 Years	29.56%	13.07%

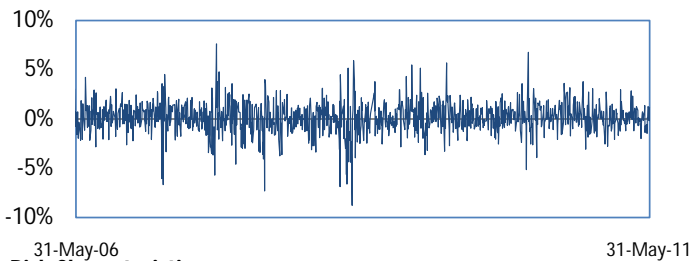
*Returns are reported net of fees.

Net Asset Value, end-of-period: Php 1.425 Billion
Bid NAV Per Unit (NAVpu) Php 428.114169
Offer NAV Per Unit (NAVpu) Php 435.287989

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ: 3.07%
Volatility, Past 360 Days: 19.33%
PSEI Index, Volatility Past 360 days: 15.90%
Sharpe Ratio (Risk Free Rate = 3.68%): 3.20

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

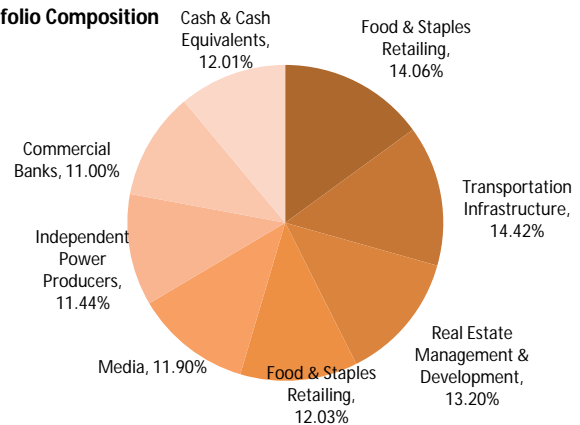
The Philippine Stock Exchange Index, losing 1.73 percent or 74.87 points for the month of May, fell to 4,244.64 as risk aversion gripped the markets.

In the United States, investors remain focused on the grim unemployment report. Hiring has slowed at the same time that unemployment benefits have remained at elevated levels. The unemployment rate is now at 9.1 percent. In addition, consumer spending remains low due to high gas and food prices. The delay of supplies from Japan due to the earthquake and tsunami is hurting U.S. manufacturers. This collection of weak economic data has prompted fears of a double-dip U.S. recession.

In the meantime, Europe is reeling on Greece's debt crisis and on the risk of contagion emanating from the euro zone. European leaders are negotiating a deal that would lead to unprecedented external intervention in the Greek economy. The deal will include an exchange of bail-out for international involvement in tax collection and privatization of state assets.

Despite the rather grim situation of US and Europe, prospects of growth in the Philippines remain bullish. Inflation in May was 4.5 percent year-on-year, up from a revised 4.3 percent figure in April but lower than the 5.0 percent market expectation. Philippine GDP grew only 4.9 percent in the first quarter, but there is reason to believe that it will pick up as OFW remittances, employment in the BPO sector and domestic consumption remain robust.

Portfolio Composition



Top 5 Holdings

Universal Robina Corporation	14.95%
ICTSI	14.42%
Megaworld	13.20%
Alliance Global	12.03%
GMA Network	11.90%

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:	IFDLCPPE

* All fees are accrued daily against the fund's total market value.