

UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio
as of June 30, 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.

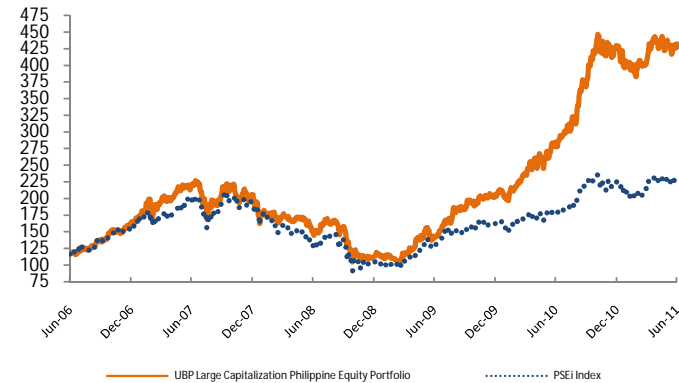
Fund Performance

Calendar Absolute Returns*	Large Cap	PSEi Index
YTD	-0.59%	2.14%
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	41.21%	20.38%
5 Years	29.64%	14.51%

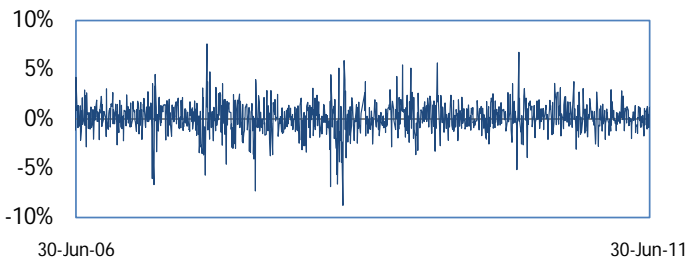
*Returns are reported net of fees.

Net Asset Value, end-of-period: Php 1.161Billion
Bid NAV Per Unit (NAVpu) Php 423.328426
Offer NAV Per Unit (NAVpu) Php 430.687405

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	2.99%
Volatility, Past 360 Days:	18.82%
PSEi Index, Volatility Past 360 days:	15.79%
Sharpe Ratio (Risk Free Rate = 3.68%):	2.48

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.

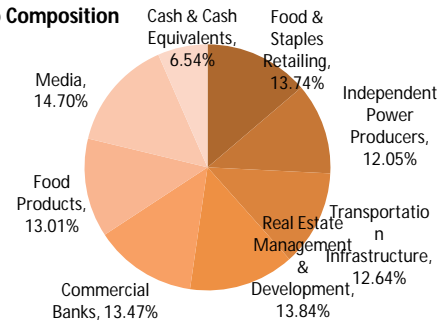
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Fund Manager's Report

The PSE Index gained 1.1% in June ending the month at 4291.21. The flat performance masked the upward and downward swings of the market during the month as investors lacking conviction reacted to a number of negative and positive news flows. Value turnover dropped to US\$105m, falling from US\$133.8m in the previous month. The Index had been bogged down by the Greek situation, US debt concerns, and constant delays in the government's PPP program. The market managed to recover in the last two weeks, driven by a series of credit upgrades for the Philippines through strength in both the government's fiscal and external payments' positions. Moody's upgraded the Philippines' sovereign rating by one notch to Ba2 while Fitch also upgraded its rating to BB+, a notch below investment grade. Inflation increased from 4.3% to 4.5% in May, the highest in 13 months, while core inflation rose from 3.3% to 3.7%. 5M11 inflation is at 4.2%, which is well within the Central Bank target range of 3% to 5%.

Hot money inflows rose 105%YoY to US\$364m in May, resulting from the continued inflow of investments in PSE-listed securities and government securities. YTD net inflows have reached US\$2bn, from US\$772m in the same period last year.

Portfolio Composition



Top 5 Holdings

GMA Network	14.70%
Megaworld	13.84%
Alliance Global	13.74%
Unionbank	13.47%
Universal Robina Corporation	13.01%

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 total market value.