

UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio as of September 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	-7.03%	-4.79%
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	37.23%	15.89%
5 Years	23.67%	9.48%

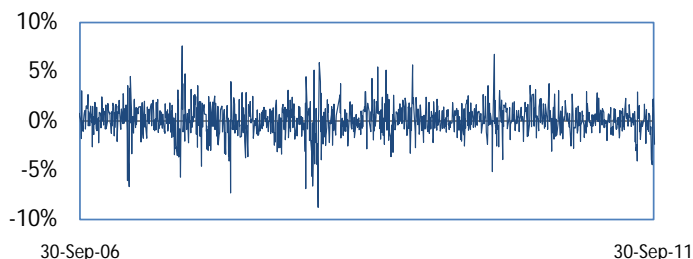
*Returns are reported net of fees.

Net Asset Value, end-of-period: Php 950.463 Million
Bid NAV Per Unit (NAVpu) Php 395.985939
Offer NAV Per Unit (NAVpu) Php 401.690676

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	3.13%
Volatility, Past 360 Days:	19.71%
PSEi Index, Volatility Past 360 days:	18.85%
Sharpe Ratio (Risk Free Rate = 3.64%):	0.25

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.

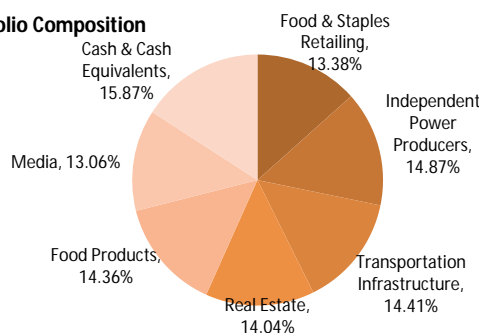
Fund Manager's Report

The Philippine Stock Exchange Index (PSEi) closed at 3999.65, dropping 367 points or 8.4% percent month-on-month. There was no single catalyst for the massive sell-off. Rather the persistent troubles in the global economy have dashed sentiment for a recovery anytime soon. The market remained weak due to a persistent European debt crisis and fears of a double dip recession in the US. The massive losses in September have brought the index Year to date down by 4.8%.

Amidst the drop in global equity prices, continued positive developments for the country go largely unnoticed. Inflation eased to 4.7% in August from 5.1% in July. OFW remittances remained stable in July rising by 6.1%. Meanwhile, consumer confidence has improved, driven by a decline in inflation expectations. Business sentiment has also improved given expectations for softer/more stable commodity prices and a recovery in demand.

On other hand, the Dept of Transportation & Communication (DOTC) has shifted to a new hybrid version of the public-private partnership (PPP) project. In this version, the government will build the projects by tapping cheap official development assistant loans then auction off Operations & Management contracts to the private sector upon project completion. Considering that most of the PPPs are under the DOTC and given the governments track record (or lack of there-off) in implementing projects, this is definitely a negative development.

Portfolio Composition



Top 5 Holdings

First Gen Corp	14.87%
ICTSI	14.41%
Universal Robina Corporation	14.36%
Megaworld	14.04%
Alliance Global	13.38%

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.
Complete list of holdings available upon request

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