

UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio
as of October 28, 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.

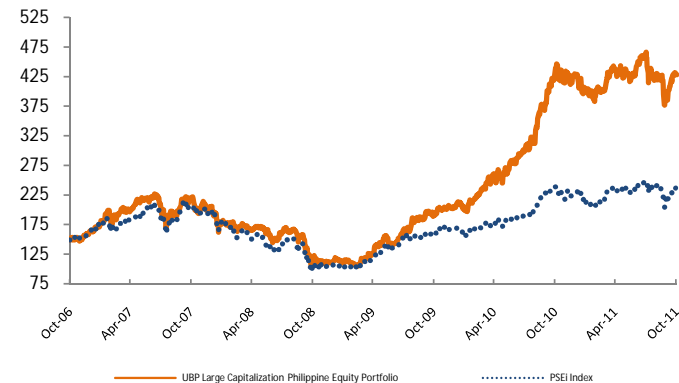
Fund Performance

Calendar Absolute Returns*	Large Cap	PSEi Index
YTD	0.50%	3.16%
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	55.13%	30.57%
5 Years	23.81%	9.87%

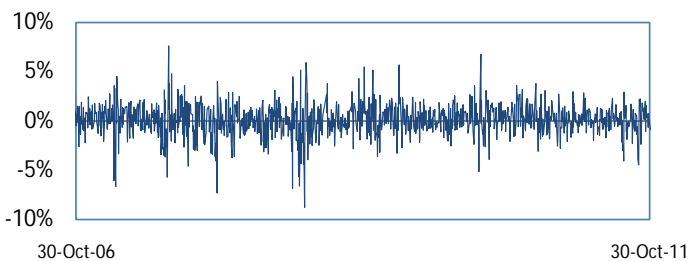
*Returns are reported net of fees.

Net Asset Value, end-of-period: Php 966.816 Million
Bid NAV Per Unit (NAVpu) Php 428.223839
Offer NAV Per Unit (NAVpu) Php 434.917567

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	3.11%
Volatility, Past 360 Days:	19.60%
PSEi Index, Volatility Past 360 days:	19.58%
Sharpe Ratio (Risk Free Rate = 3.29%):	n/a

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.

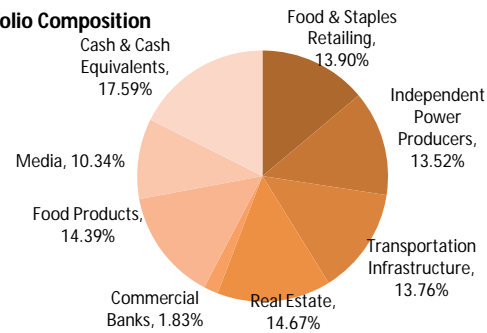
Fund Manager's Report

The Philippine Stock Exchange Index (PSEi) closed at 4333.72, rising 334.07 points or 8.35% percent month-on-month nearly regaining all its value lost from the massive drop on the last week of September.

However, the rally was accompanied by lower volume suggesting that there may be further weakness in the market. It seems as though every few days there is a new headline of the continued crisis in Europe followed by a corresponding solution. This cycle cannot continue forever with yields on Italy's debt reaching the 7% insolvency level. There must be a resolution sooner rather than later. Because of this, the recovery remains fragile.

On the domestic front, remittances were up a surprising +11% YoY for the month of Aug, hitting US\$1.67bn. The Philippines continues to be a robust market showing resilience to the ongoing storm in the global macro economy. Key to weathering this storm is government infrastructure spending. Given the Aquino administration's reluctance to spend and on-going belt-tightening, this seems increasingly unlikely.

Portfolio Composition



Top 5 Holdings

Megaworld	14.67%
Universal Robina Corporation	14.39%
Alliance Global	13.90%
ICTSI	13.76%
First Gen Corp	13.52%

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:	IFDLCPE
* All fees are accrued daily against the fund's total market value. Complete list of holdings available upon request	

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