

## UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio  
as of February 29, 2012

### 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

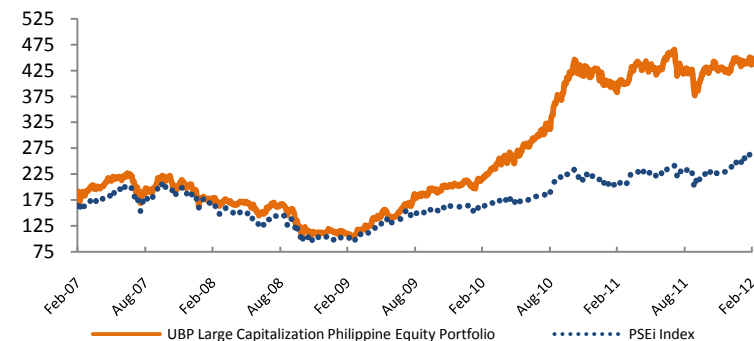
Calendar Absolute Returns*	Large Cap	PSEi Index
YTD	5.57%	12.02%
2011	-1.25%	4.07%
2010	109.32%	37.62%
2009	85.00%	62.99%
2008	-44.93%	-48.29%
2007	23.49%	21.43%
Cumulative Annualized Returns*	Large Cap	PSEi Index
3 Years	59.83%	37.71%
5 Years	19.39%	9.80%

\*Returns are reported net of fees.

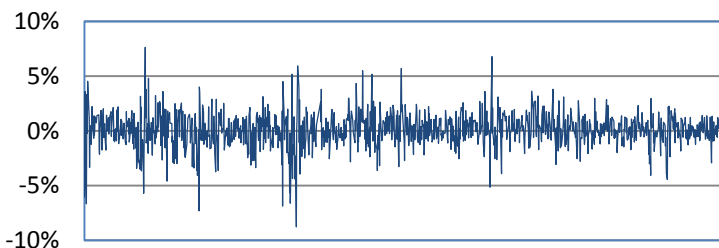
	Net Asset Value (NAV)	NAV Per Unit (NAVpu)
Bid <sup>1</sup>	Php 799.450 Million	Php 440.622272
Offer <sup>1</sup>	Php 809.523 Million	Php 450.835438
Mid <sup>1</sup>	Php 808.690 Million	Php 449.166500

Par Value: Php 100.00

### Net Asset Value per Unit



### Daily Percentage Change of NAVpu



28-Feb-07 29-Feb-12

### Risk Characteristics:

One day VAR at 3σ:	2.78%
Volatility, Past 360 Days:	17.54%
PSEi Index, Volatility Past 360 days:	18.16%
Sharpe Ratio (Risk Free Rate = 2.64%):	0.83

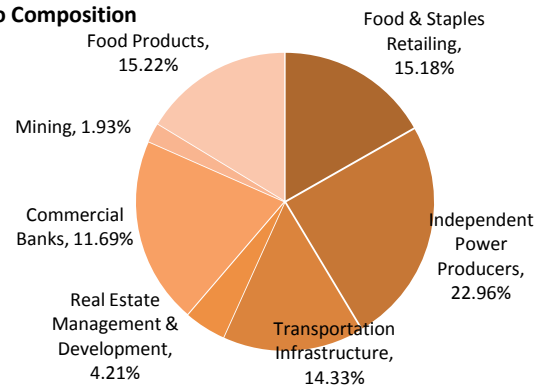
Volatility is a measure of fluctuation of the NAVpu. Higher volatility means higher potential for gains or loss. Duration measures the sensitivity of the portfolio to interest rate movements. The higher the duration, the more the NAVpu will change with interest rate fluctuation. The Sharpe Ratio is a 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) increased by 4.5%, closing the month at 4,897.65. Like those from the rest of the world, interest rates in the Philippines are expected to remain low. The Bangko Sentral ng Pilipinas just recently cut its key policy interest rate by 25 basis points to 4.0%, a total of 50 basis points cut for the year. Yields on long term bonds are also expected to remain low. The excess liquidity in the system and the low interest rates may prompt shift of investments from money market instruments and bonds to riskier assets such as stocks.

Oil prices have hit the highest level since 2010. There is a continued stand-off in the Middle East brought by tensions due to Iran's nuclear plans. Rising oil prices have led to some concern that a correction may be imminent at least in the short term. Notwithstanding, sentiment is improving on the global front. The US market continue to inch higher as it gains traction due on the back of continued positive consumer confidence and employment sector data. Moreover, the worse case scenario in Europe seems to have been avoided yet again – for now, with Greece receiving funds needed to stave off default.

### Portfolio Composition



### Top 5 Holdings<sup>2</sup>

Alliance Global	15.64%
Universal Robina Corporation	15.22%
First Gen Corp	14.47%
ICTSI	14.33%
First Philippine Holdings	8.49%

### 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
Ave. Gross Market Value for the Qtr.	PhP 900,894,290.11
Trust Fees <sup>3</sup> :	2% per annum; 0.18% for the quarter
Audit Fees <sup>3</sup> :	0.0005% for the quarter
Custodianship Fees <sup>3</sup> :	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 Ph
ilippines branches	
Bloomberg Ticker:	IFDLCPE
* All fees are accrued daily against the fund's total market value.	
Complete list of holdings available upon request	

This document is for information purposes only and does not constitute an offer or a solicitation to buy or sell any investment referred to in this document. All Unit Investment Trust Funds (UITFs) are regulated by the Bangko Sentral ng Pilipinas. The UITF is not a deposit and is not insured by PDIC. Due to the nature of the investments, yield and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the UITF, when redeemed, may be worth more or be worth less than his/her initial investment/contributions. Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence.

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**FOOTNOTES:**

**<sup>1</sup>FUND VALUATION**

The Dual Pricing Method shall be used in computing the Net Asset Value (NAV) of the fund. Under this method, the **Bid Net Asset Value per Unit (Bid NAVpu)** and the **Offer Net Asset Value per Unit (Offer NAVpu)** shall be calculated.

The **Bid NAVpu** is the redemption price. It is the price used when a client wishes to redeem units from the fund. The Bid NAVpu is calculated using the closing bid prices of the underlying assets of the fund for the day, net of fees and other allowable expenses.

The **Offer NAVpu** is the admission price. It is the price used when a client wishes to contribute to the fund. The Offer NAVpu is calculated using the closing offer prices of the fund's underlying assets for the day, net of fees and other allowable expenses.

The **Mid/Last Net Asset Value per Unit (Mid/Last NAVpu)** shall also be computed for information or reporting purposes only. For client reporting, the Bid/Offer values shall be provided in the financial statement footnotes.

i. The Mid NAVpu shall be computed for UITFs with fixed income assets. It shall be determined from the average of the bid-side and offer-side market yields-to-maturity or prices of the underlying assets of the fund for the day, net of fees and other allowable expenses.

ii. The Last NAVpu shall be computed for all UITFs with equity holdings. It shall be determined from the LAST closing prices of outstanding equity holdings for the day, net of fees and other allowable expenses.

**<sup>2</sup>PROSPECTIVE INVESTMENTS**

The Fund may be invested and reinvested in:

- i. Debt securities issued by or guaranteed by the Philippine government, or the Bangko Sentral ng Pilipinas;
- ii. Large capitalization equity issues listed in the Philippine Stock Exchange;
- iii. Middle capitalization equity issues listed in the Philippine Stock Exchange;
- iv. Savings/Checking accounts and/or time deposits in any bank or financial institution, including UnionBank of the Philippines;
- v. Derivative instruments for the purpose of hedging market risk exposures of the existing investments of the Fund in accordance with the Bank's risk management and hedging policy duly approved by the Trust Committee.

A complete list of holdings is available upon request.

**<sup>3</sup>FEES & EXPENSES**

The Trustee shall collect from the Fund trust fees in the amount of TWO PERCENT (2%) per annum based on the Gross Market Value of the Fund which shall be accrued daily and shall be collectible from the Fund at the end of every calendar month.

The Trustee may charge the Fund for special expenses if the same is necessary to preserve or enhance the value of the Fund. Such special expenses shall be payable to pertinent third party or parties covered by separate contract/s, and disclosed to the Participants.

**An investor should read the complete details of the fund in the Plan Rules, and should carefully consider the fund's investment objectives, risks, charges and expenses. He then should make his own risk assessment and, when necessary, seek independent/professional opinion before making an investment.**