

UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio
as of September 30, 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

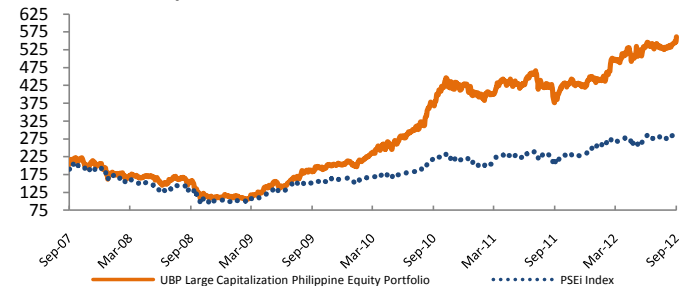
Calendar Absolute Returns*	Large Cap	PSEI Index
YTD	32.62%	22.28%
2011	-1.25%	4.07%
2010	109.32%	37.62%
2009	85.00%	62.99%
2008	-44.93%	-48.29%
2007	23.49%	21.43%
Cumulative Annualized Returns*	Large Cap	PSEI Index
3 Years	45.23%	23.84%
5 Years	22.48%	8.38%

*Returns are reported net of fees.

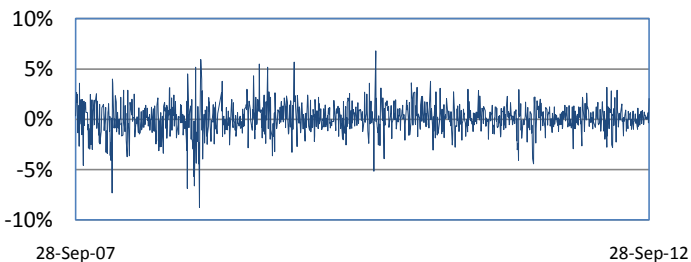
	Net Asset Value (NAV)	NAV Per Unit (NAVpu)
Bid ¹	Php 1.382 Billion	Php 553.654803
Offer ¹	Php 1.391 Billion	Php 563.130720
Mid ¹	Php 1.389 Billion	Php 560.990887

Par Value: Php 100.00

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	2.54%
Volatility, Past 360 Days:	15.99%
PSEI Index, Volatility Past 360 days:	16.587%
Sharpe Ratio (Risk Free Rate = 1.180%):	2.79

Volatility is a measure of fluctuation of the NAVpu. Higher volatility means higher potential for gains or losses. 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.

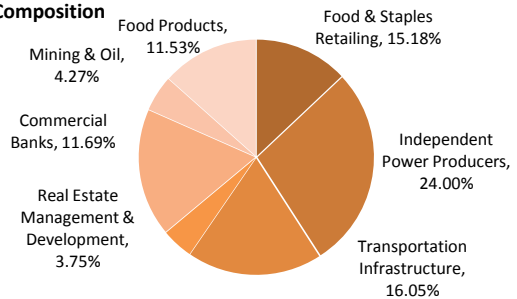
Fund Manager's Report

The Philippine Stock Exchange Composite Index (PSEI) rallied 2.88 percent for the month of September led by the banking, property, and conglomerate sectors. Foreigner investors were accumulating again as net foreign inflows reached Php 3.5 Billion in September, and totaled Php 67.2 Billion for the first three quarters of this year. The country's robust macroeconomic fundamentals propelled the market to new highs despite the continued uncertainties hounding the American and European markets.

Index leaders for the month were: Alliance Global Group Inc. (PSE: AGI), up 24.8 percent, Universal Robina Corp. (PSE: URC), up 14.3 percent, and First Gen Corp. (PSE: FGEN), up 7.3 percent. Laggards were: Philex Mining Corp. (PSE: PX), down 24.4 percent, JG Summit Holdings (PSE: JGS), down 2.1 percent, and San Miguel Corp. PSE: SMC), down 1.5 percent.

The Philippines' position as the newest gaming hub in Southeast Asia was the story of the month, as investors bought up casino and gaming-related stocks. The manufacturing sector grew at a faster pace than expected, as seen in the continued increase in electricity sales volume of Manila Electric Co. (PSE: MER) to industrial customers. The Philippines' manufacturing industry is ramping up its competitiveness as neighboring countries experienced sharp wage increases. Meanwhile, the mining sector continues to be a drag as uncertainties on the new legislations and weather conditions kept sentiment low.

Portfolio Composition



Top 5 Holdings²

First Gen Corp.	13.48%
Universal Robina Corporation	11.17%
Alliance Global Group Inc.	11.14%
First Philippine Holdings Corp.	10.52%
ICTSI	9.61%

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 1,220,831,152.51
Trust Fees ³ :	2% per annum; 0.66% for the quarter
Audit Fees ³ :	0.0016% for the quarter
Custodianship Fees ³ :	0.000% per annum
Applicable Tax:	20% on interest income 0.5% on equity sales
Custodian:	HSBC, Ltd Philippines
External Auditor:	Punongbayan & 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.	
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:**¹FUND 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.

²PROSPECTIVE 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.

³FEES & 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.