

UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio as of December 31, 2013

Investment Objective

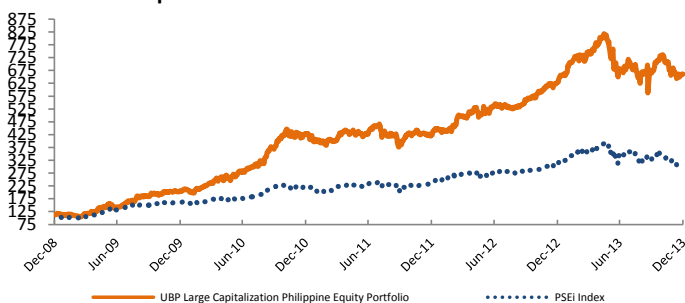
The UnionBank Large Capitalization Philippine Equity Portfolio is a peso-denominated fund that seeks long-term capital growth by investing in a diversified portfolio of primarily large capitalization stocks listed in the Philippine Stock Exchange.

Fund Performance

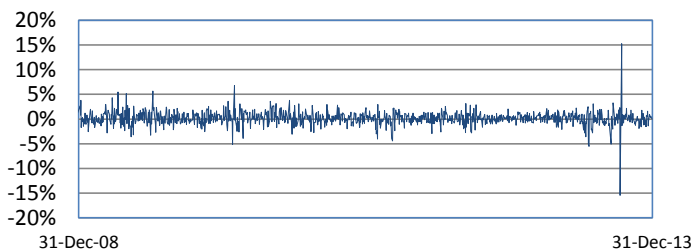
Calendar Absolute Returns*	Large Cap	PSEi Index
2013	5.61%	1.33%
2012	47.89%	32.96%
2011	-1.25%	4.07%
2010	109.32%	37.62%
2009	85.00%	62.99%
2008	-44.93%	-48.29%
2007	23.49%	21.43%
Cumulative Annualized Returns*	Large Cap	PSEi Index
3 Years	15.75%	11.91%
5 Years	42.79%	25.74%

Net Asset Value (NAV)	NAV Per Unit (NAVpu)
Php 2.818Billion	Php 661.026743
Par Value: Php 100.00	

Net Asset Value per Unit



Daily Percentage Change of NAVpu



Risk Characteristics:

One day VAR at 3σ:	4.66%
Volatility, Past 360 Days:	29.32%
PSEi Index, Volatility Past 360 days:	22.97%
Sharpe Ratio (Risk Free Rate = 0.640%):	0.17

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.

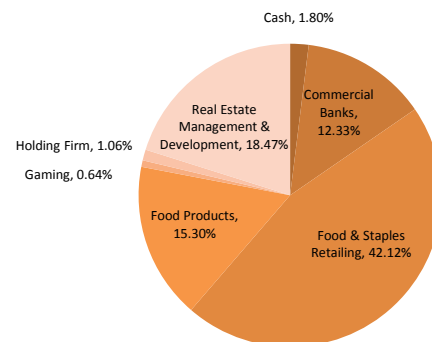
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Fund Manager's Report

The major theme that ended the year was centered on the news that the FED tapering announcement. In an official statement, Ben Bernanke outgoing FED chairman said that the US Central Bank will be tapering its current bond buying purchases by \$10Billion in January with successive reduction of \$10Billion per month after depending on the evolution of economic data in 2014. In January 2014, the FOMC announced that it would lower its monthly Treasury purchases to \$40Billion and \$35Billion in mortgaged backed securities.

As a result, the PSEi fell by 5.1% in the month of December while gains for the year 2013 ended at 1.3%. PSEi returned 33% in the previous year. Additionally, the market saw net sellers mainly composed of foreign flows.

Favorites for 2013 were centered in consumer and consumption related stocks like Jollibee (69.7%), AGI (53.9%) and URC (34.8%). Losers were weight down by Philex Mining (-47%), Manila Water (-31%), FGEN (-41%) and EDC (-21%).



Top 5 Holdings

San Miguel Purefoods	15.30%
Puregold	14.49%
Emperador Distillery Inc	14.01%
Universal Robina Corp	12.95%
Rizal Banking Corp	12.33%

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 2,700,486,756.21
Trust Fees ³ :	2% per annum; 0.47% for the quarter
Audit Fees ³ :	0.0022% for the quarter
Custodianship Fees ³ :	0.0051% 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:	IDFLCPE

