

## UnionBank Trust and Investment Services Group

UBP Large Capitalization Philippine Equity Portfolio  
as of December 29, 2014

### 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.

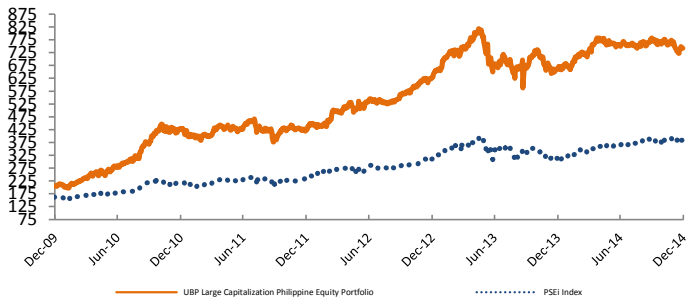
### Fund Performance

Calendar Absolute Returns*	Large Cap	PSEI Index
YTD	12.34%	22.76%
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	21.01%	18.07%
5 Years	29.60%	18.73%

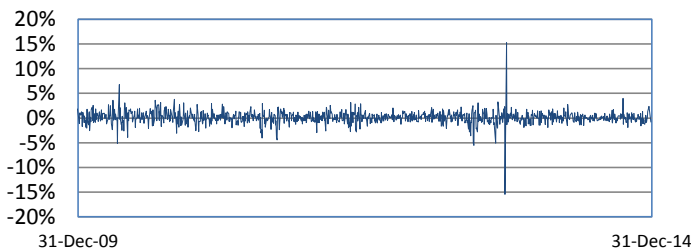
\*Returns are reported net of fees.

Net Asset Value (NAV)	NAV Per Unit (NAVpu)
Php 2.2528 Billion	Php 742.617481
Par Value: Php 100.00	

### Net Asset Value per Unit



### Daily Percentage Change of NAVpu



### Risk Characteristics:

One day VAR at 3σ:	3.68%
Volatility, Past 360 Days:	23.16%
PSEI Index, Volatility Past 360 days:	15.64%
Sharpe Ratio (Risk Free Rate = 0.580%):	0.51
Information Ratio:	-0.08

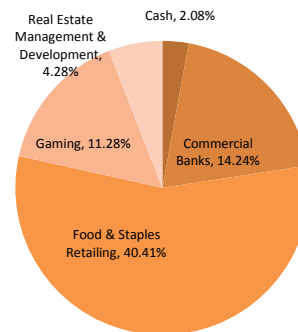
Volatility is a measure of fluctuation of the NAVpu. Higher volatility means higher potential for gains or losses. Duration measures the sensitivity of the portfolio to interest rate movements. The higher the duration, the more the NAVpu will change with interest rate fluctuation. The Sharpe Ratio is 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.

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.

### Fund Manager's Report

The index went as low as a 4.5% drop intra-month before bargain hunter helped cushion the fall to -0.88%, closing the year at 7,230.57. This marks a gain of 22.76% for the PSEI for the year 2014. December marked a drop across various sectors as oil prices experienced a steep drop on the back of added supply by US shale. Despite the news which caused a sell down among emerging markets, the gain of the Philippine market for the year beat its regional counterparts with Indonesia as a close runner up and Malaysia as a negative performer.

The broad based fall of the index affected five of the six sectors. Services continued to tumble (-1.76%) and the Mining and Oil (-1.60%), Financial (-1.17%), Holding (-0.88%), and Property (-0.70%) sectors followed. The Industrial sector was the last man standing with a gain of 0.44%.



### Top 5 Investment Holdings

Rizal Com Bank Equity	14.24%
Pepsi-Cola Products Philippines Inc.	14.09%
Megawide Construction	14.03%
Lopez Holdings	13.83%
San Miguel Purefoods	13.21%

### 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 <sup>3</sup> :	2% per annum; 0.47% for the quarter
Audit Fees <sup>3</sup> :	0.0022% for the quarter
Custodianship Fees <sup>3</sup> :	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:	IDLCPE

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

All assets of the Fund shall be marked to market daily in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments. The pricing valuation methodology shall use the following price sources as bases for computing NAVPu.

*Philippine Equity Securities: Philippine Stock Exchange Closing Levels, 3:30 pm daily*

*Other instruments: Closing prices as prescribed by BSP regulations and market conventions*

Valuation Day shall mean any day in which banks are open for business in Manila.

The value of the NAVPu at the start of Fund's operation shall be: Php 100.00

The Admission and Redemption NAVPu of the fund shall be computed 4:30pm of each business day and/or after markets close and shall be available to investors by 9:00 am of the next banking day.

All mark-to-market valuation procedures are in accordance with BSP Memorandum No. M-2007-005 dated February 28, 2007.

**<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.**