



**UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP**  
**UNIONBANK PESO SHORT TERM FIXED INCOME PORTFOLIO**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
 As of September 30, 2015

<b>FUND FACTS</b>			
Classification:	Short-term Money Market Fund	Net Asset Value per Unit (NAVPU):	Php 131.92370369
Launch Date:	February 8, 2006	Total Fund NAV:	Php 644,256,374.15
Minimum Investment:	Not Applicable	Dealing Day:	Up to 12 noon, any banking day
Additional Investment:	Not Applicable	Redemption Settlement:	One (1) banking day after initial notice
Minimum Holding Period:	Not Applicable	Early Redemption Charge:	No early redemption charge, only service fee of Php 100 per withdrawal
<b>FEES*</b>			
Trust Fees:	1.00% per annum	Custodianship Fees:	0.0001%
		Audit Fees:	0.001%
		Other Fees:	0.003%
<i>UnionBank of the Philippines</i>		<i>HSBC, Ltd. Philippines</i>	
		<i>Punongbayan &amp; Arullo</i>	

\*As a percentage of the total market value of the fund for the month valued at Php 644.97 Mn

**INVESTMENT OBJECTIVE AND STRATEGY**

The UnionBank Peso Short Term Fixed Income Portfolio is a peso-denominated money market fund designed to provide investors a higher-yielding liquid outlet for their short-term transactional funds. It seeks capital preservation with enhanced yields.

**CLIENT SUITABILITY**

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

- The UnionBank Peso Short Term Fixed Income Portfolio is suitable only for investors who:
  - Are individuals of legal age and corporations with a medium to long-term investment horizon
  - Have a moderately conservative risk profile
- The principal is at risk. Loss in the original investment may arise due to market fluctuations and price volatility of the securities held by the fund.

**KEY RISKS AND RISK MANAGEMENT**

You should not invest in this Fund if you do not understand or are comfortable with the accompanying risks.

Some of the key risks associated with this Fund are listed below:

- **Interest Rate Risk:** This is the possibility to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **Market/Price Risk:** This is the possibility to experience losses due to adverse changes in market prices of securities. It is the exposure to the uncertain market value of a portfolio due to price fluctuations.
- **Liquidity Risk:** This is the possibility to experience losses due to the fund's inability to sell and convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price.
- **Credit/Default Risk:** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued.

The Fund invests in quality assets which are evaluated under the Trust Department's accreditation process and BSP regulations. Internal risk limits, together with regulatory exposure limits, are monitored, reviewed and strictly adhered to on a daily basis.

- ❖ **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- ❖ **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY**
- ❖ **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT**
- ❖ **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE**

For any queries, you may call UnionBank-Trust and Investment Services Group at 667-6388 or visit our website at www.unionbankph.com.

**FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 30, 2015**

(Purely for reference purposes and is not a guarantee of future results)

**NAVPu over the past 12 months**

<b>Highest</b>	131.9938426
<b>Lowest</b>	130.4669989

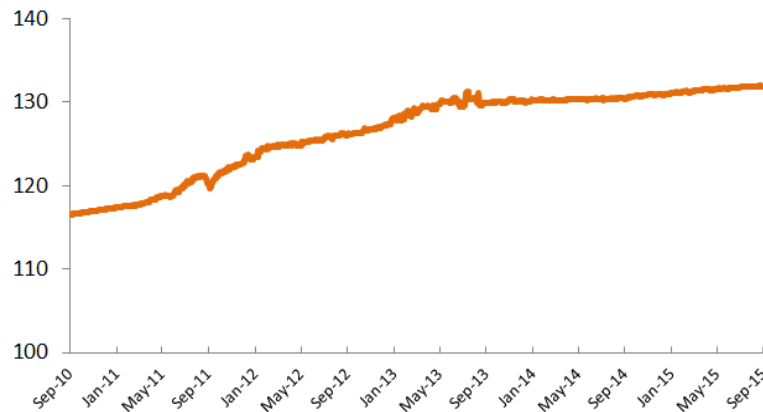
**Statistics**

<b>Weighted Ave. Duration</b>	0.2261
<b>Volatility, Past 1 Year*</b>	1.50%
<b>Shape Ratio**</b>	0.09
<b>Information Ratio***</b>	N/A

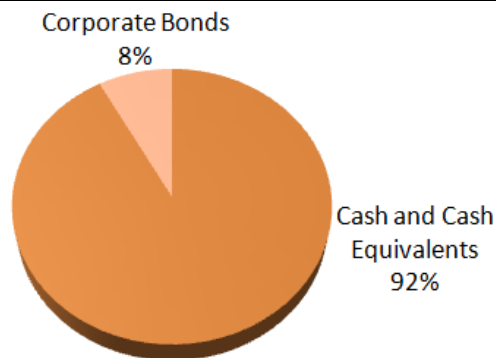
\*Volatility measures the degree to which the Fund fluctuates vis-a-vis its average return over a period of time.

\*\*Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 1.000%)

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

**NAVPu Graph**
**Net Asset Value per Unit**


Fund Performance Vs. Benchmark (%)							Top Ten Holdings (%)			
Period	YTD	Cumulative Return					Annualized Return		Top Ten Holdings (%)	Value
		1mos	3mos	6mos	1yr	3yrs	3yrs	5yrs		
Fund	0.72	0.06	0.17	0.40	1.13	4.64	1.52	2.51	BSP SDA	59.94
Benchmark	--	--	--	--	--	--	--	--	CITY SAVINGS BANK	13.07

**Portfolio Composition**


DBP	7.06
PSBANK	6.23
ANZ BANK	5.41
FLIPM 6.2731 06/08/2019	3.30
GLOPM 6.000 06/01/2019	2.34
FLIPM 6.1962 10/07/2016	1.63
BDO	0.42
ALIPM 6.000 04/27/2022	0.32
<b>Total</b>	<b>99.72</b>

**OTHER DISCLOSURES**
**RELATED PARTY TRANSACTIONS**

The fund has time deposits with City Savings Bank amounting to Php 84.23 Mn. This investment outlet was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

**OUTLOOK AND STRATEGY**

Bangko Sentral ng Pilipinas maintained its overnight borrowing rate at 4% this September. The decision was widely expected as the central bank sees inflation risks remained within its expectations over the policy horizon. Philippines annual inflation rate eased to 0.6 percent in August of 2015 from 0.8 percent in July and below market consensus. BTR also released its 4Q borrowing schedule for three tenors (3yr, 5yr and 5yr).

With the Fed hike expectations pushed back to December and possibly even next year, the local bond market took its cue and initially took a relief rally as yields inched down 5- 10bps across liquid tenors. However, players were quick to erase the gains as market sentiment post FOMC remained defensive. Market mostly remained unchanged as yields traded sideways.