



UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP
UNIONBANK PESO SHORT TERM FIXED INCOME PORTFOLIO
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
 As of July 31, 2016

FUND FACTS			
Classification:	Short-term Money Market Fund	Net Asset Value per Unit (NAVPU):	Php 133.182952
Launch Date:	February 8, 2006	Total Fund NAV:	Php 594,600,574.97
Minimum Investment:	Not Applicable	Dealing Day:	Up to 2:30 pm, 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
FEES*			
Trust Fees: 0.080%	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 & Arullo</i>	

*As a percentage of the net fund value for the month valued at Php 593.64 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 short-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.

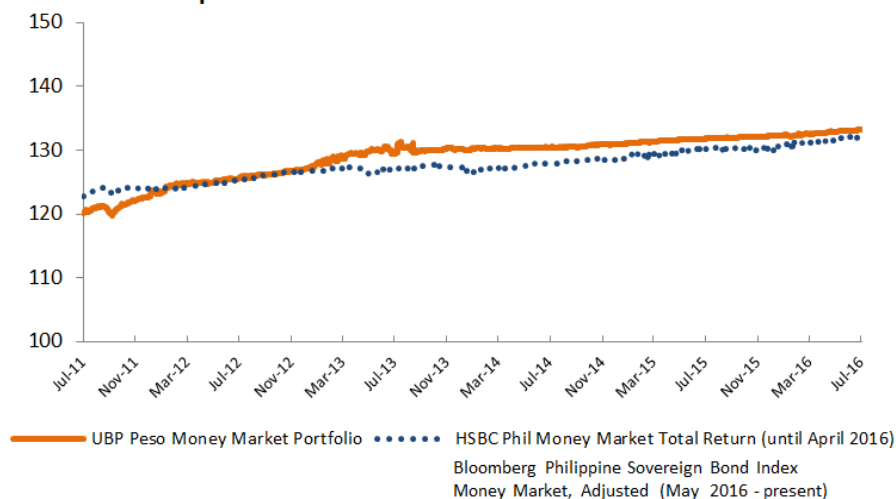
The Fund invests in quality assets which are evaluated under the Trust Department's accreditation process and BSP regulations. Internal risk limits, together with regulatory exposure limits, are monitored, reviewed and strictly adhered to on a daily basis.

<ul style="list-style-type: none"> ❖ 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 JULY 31, 2016

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

Net Asset Value per Unit

NAVPu over the past 12 months

Highest	133.1863600
Lowest	131.8306236

Statistics

Weighted Ave. Duration	0.1902
Volatility, Past 1 Year*	1.33%
Shape Ratio**	0.07
Information Ratio***	-0.03

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

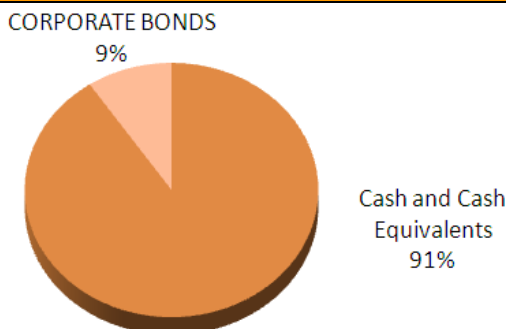
**Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 1.000%)

***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.

Fund Performance Vs. Benchmark (%)							Top Ten Holdings (%)			
		Cumulative Return				Annualized Return				
Period		1mos	3mos	6mos	1yr	3yrs	5yrs			
Fund		0.14	0.37	1.58	1.03	2.82	0.93	2.10	BANGKO SENTRAL NG PILIPINAS	65.12
Benchmark		0.20	0.66	1.35	0.87	3.08	1.02	1.29	CITY SAVINGS BANK	11.96
		Calendar Year Return								
Period		YTD	2011	2012	2013	2014	2015			
Fund		0.73	4.74	3.52	2.49	0.63	0.96	PHILIPPINE SAVINGS BANK		9.45
Benchmark*		0.68	--	--	--	--	--	EAST WEST BANK		4.13
								FLIPM 6.2731 06/08/2019		3.62
								GLOPM 6.000 06/01/2019		2.53
								FLIPM 6.1962 10/07/2016		1.69
								BDO LTNCD 3.500 09/12/2020		0.45
								ALIPM 6.000 04/27/2022		0.35
								AC 7.200 04/30/2017		0.35
								Total	99.64	

* HSBC Philippine Money Market Total Return (until April 2016)

Bloomberg Philippine Sovereign Bond Index Money Market, Adjusted (May 2016 – present)

Portfolio Composition

OTHER DISCLOSURES
RELATED PARTY TRANSACTIONS

The fund has time deposits with City Savings Bank amounting to Php 71.02 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

Third quarter borrowing schedule was released, which detailed offers of a total of PHP 75- billion in 7-year and 10-year treasury bonds. Re issuance of FXTN 07-58 was oversubscribed as demand reached PHP 44.728. Auction was 1.789x with its auction size of PHP 25 B. Average rate was awarded below its coupon rate at an average of 3.016%. BSP's Term Deposit Auction (TDF) still maintained at 2.50%. Steady increase in auction size of the TDF is to be expected in the coming months.

Inflation for June surged to 1.9% from 1.6% in May which was primarily brought by higher in food and non-alcoholic beverage prices. This falls within the 1.5%-2.4% estimate of monetary governing authorities. Rates have been steady for 14 consecutive Monetary Board meetings, since October 2014. As local bond fundamentals remain favourable, yields eased further south. Long term bonds were the most sought after as the GS yield curve bull flattened further. However, we expect US benchmark yields to still play a role in the direction of local bond yields.