



UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP
UNIONBANK PESO SHORT TERM FIXED INCOME PORTFOLIO
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
 As of March 31, 2017

FUND FACTS			
Classification:	Short-term Money Market Fund	Net Asset Value per Unit (NAVPU):	Php 133.579337
Launch Date:	February 8, 2006	Total Fund NAV:	Php 193,327,969.9
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: 0.090%	Custodianship Fees: 0.0005%	Audit Fees: 0.001%	Other Fees: 0.003%
UnionBank of the Philippines	HSBC, Ltd. Philippines	Punongbayan & Arullo	

*As a percentage of the net fund value for the month valued at Php 193.33 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.

- ❖ **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 MARCH 31, 2017

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

NAVPu over the past 12 months

Highest	134.190199
Lowest	132.522136

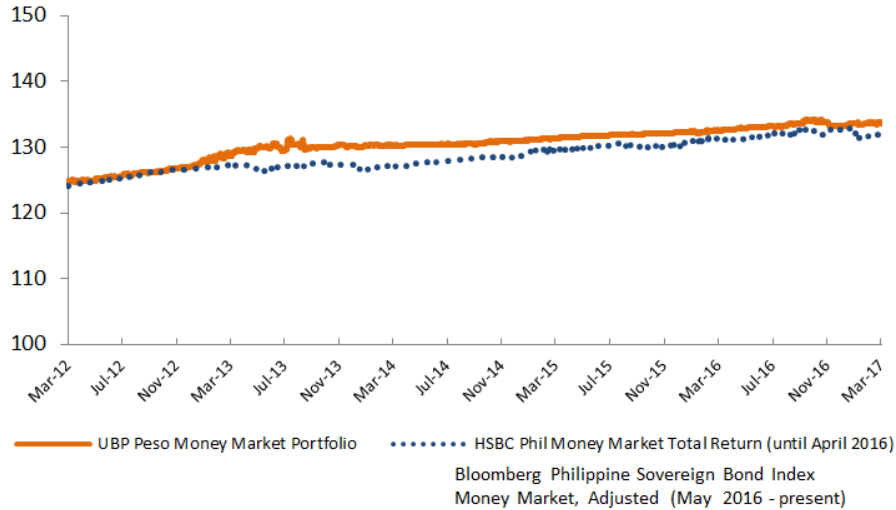
Statistics

Weighted Ave. Duration	0.4922
Volatility, Past 1 Year*	0.92%
Shape Ratio**	-0.29
Information Ratio***	-0.10

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

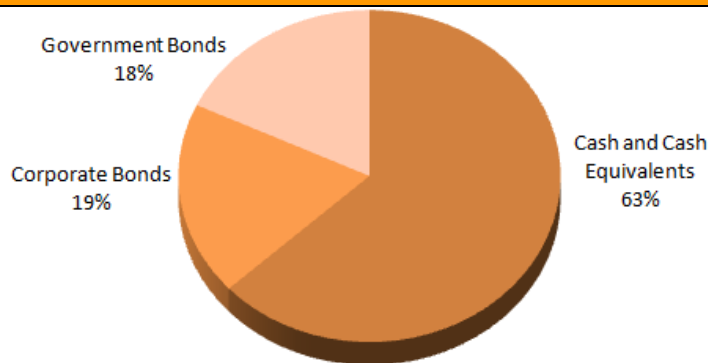
**Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 1.000%)

***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.

Net Asset Value per Unit


Fund Performance Vs. Benchmark (%)								Top Ten Holdings (%)	
Period	Cumulative Return					Annualized Return		Fund	%
	1mos	3mos	6mos	1yr	3yrs	3yrs	5yrs		
Fund	-0.07	0.28	0.00	0.74	2.54	0.84	1.36	BANGKO SENTRAL NG PILIPINAS	20.04
Benchmark	0.16	-0.67	-0.36	0.49	3.65	1.20	1.23	CITY SAVINGS BANK	13.51
								PHILIPPINE SAVINGS BANK	12.97
Calendar Year Return									
Period	YTD	2011	2012	2013	2014	2015	2016		
Fund	0.28	4.74	3.52	2.49	0.63	0.96	0.74	TBILL 09/13/2017	10.27
Benchmark*	-0.67	2.21	2.01	0.62	0.85	1.60	1.62	GLOPM 6.000 06/01/2019	7.49
								EAST WEST BANK	7.43
								FLIPM 6.2731 06/08/2019	5.37
								TBILL 05/31/2017	5.17
								UNIONBANK OF THE PHILIPPINES	4.20
								CHINABANK	3.59
								Total	90.02

* 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 and UnionBank of the Philippines amounting to Php 26.03 Mn and Php 8.10 Mn respectively. 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

BSP-MB kept policy settings steady at its last policy rate meeting. The decision was in line with earlier pronouncements of senior BSP officials and market consensus. Inflation path is expected to remain within BSP's inflation target range of 2% to 4% during the policy horizon.

2017 Inflation Forecast: BSP forecasts inflation to average 3.4% (3.5% previous) this year and 3% (3.1% previous) in 2018. Inflation hit 3.3% in February following 2.7% in January as prices went up at faster pace for food, housing and utilities and transport.

BTR issued 3yr RTB at 4.25% of 170B. Yield curve adjusted beginning from the short ends to the belly with recently issued 5-74 reaching 4.35% and FXTN 10-60 reaching 4.7%. BTR announced 2017 2nd quarter borrowing schedule. Bond auctions will now concentrate on 7yr, 10 yr and 20yr.

Market players were supportive of local bond prices in general as the MB kept its rates steady and forecasted a more modest inflation uptrend this year. Demand was mostly seen on the short dated bonds while longer dated bonds benefited from lower US treasury yields. Market players and investors are still cautious given volatility driven by external developments and are still biased to take in short dated papers.