

## UNIONBANK OF THE PHILIPPINES

## UNIONBANK TAX EXEMPT PORTFOLIO

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

March 31, 2015

## FUND FACTS

<b>Classification:</b>	Long-term Bond Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 177.327880
<b>Launch Date:</b>	October 1, 2007	<b>Total Fund NAV:</b>	Php 1,278,961,139.45
<b>Minimum Investment:</b>	Php 100,000	<b>Dealing Day:</b>	Daily until 4:30PM
<b>Additional Investment:</b>	Not Applicable	<b>Redemption Settlement:</b>	One (1) banking day after initial notice
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	Not applicable

## FEES\* Special Reimbursable Expenses, if any

Trustee Fees <sup>1</sup> : 0.25% per annum; 0.065% for the quarter <b>State Street Bank &amp; Trust Company</b>	Custodianship Fees <sup>1</sup> : 0.003% for the quarter <b>Citibank</b>	External Auditor Fees <sup>1</sup> : .0019% for the quarter <b>Punongbayan and Araullo</b>
--	---	--

\*As a percentage of average daily NAV for the quarter valued at **Php 1,278,961,139.45** (as of March 31, 2015).

**INVESTMENT OBJECTIVE AND STRATEGY** *The UnionBank Tax Exempt Portfolio is a peso-denominated fund that seeks capital preservation and the total return for participating qualified tax-exempt institutions by investing in a diversified portfolio of primarily investment-grade fixed-income.*

## 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 Tax Exempt Portfolio* is suitable only for investors who:
  - Participation in the Fund shall be open to all individuals of legal age and corporations with a medium to long-term investment horizon with a moderately conservative to aggressive risk profile. Every participant shall be subjected to a Client Suitability Assessment.

## 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:

- **Market/Price Risk:** Possibility to experience losses due to adverse changes in market prices of securities
- **Liquidity Risk:** Possibility to experience losses due to the fund's inability to convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price

The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular 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

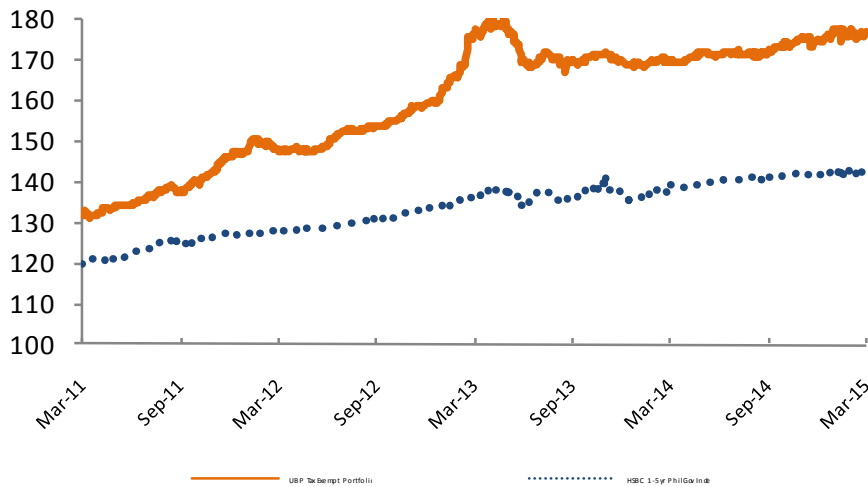
<sup>1</sup> All fees are accrued daily against the fund's total market value

## FUND PERFORMANCE AND STATISTICS AS OF March 31, 2015

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

### NAVPu Graph

#### Net Asset Value per Unit



### NAVPu over the past 12 months

Highest	177.966852
Lowest	169.309936

### Statistics

Weighted Ave. Duration	2.4402
Volatility, Past 1 Year *	4.25%
Shape Ratio	0.79
Information Ratio	0.00

\*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 = 1.0600%)

\*\*\* 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.

### Cumulative Performance (%)

Period	1mos	3mos	6mos	1yr	3yrs
Fund	0.06%	1.30%	3.04%	4.43%	19.78%
Benchmark*	0.05%	0.82%	1.21%	2.69%	11.68%

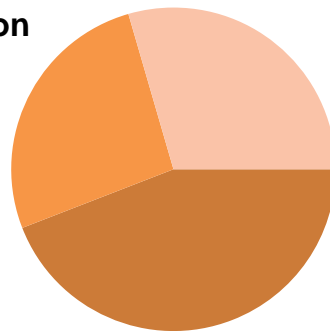
\*HSBC 1-5 Yr Phil Bond Index

### Top Ten Holdings (%)

FXTN 07-48 7.000 01/27/2016	11.33%
RTB 15-01 6.250 10/20/2026	10.27%
GLOPM 6.000 06/01/2019	8.57%
FXTN 25-08 8.125 12/16/2035	5.73%
FXTN 07-49 7.000 03/31/2017	5.29%
FLIPM 6.2731 06/08/2019	4.25%
MERPM 4.3750 12/12/2020	3.94%
FXTN 10-54 6.375 01/19/2022	3.22%
FXTN 10-42 9.125 09/04/2016	2.91%
EDCPM 8.6418 06/04/2015	2.43%
<b>Total</b>	<b>57.92%</b>

### Portfolio Composition

Cash and  
Cash  
Equivalents,  
26.24%



Corporate  
Bonds,  
29.29%

Government  
Securities,  
43.80%

### RELATED PARTY TRANSACTIONS

The Fund has investments in City Savings Bank time deposits.

### OUTLOOK AND STRATEGY

The UnionBank Tax Exempt Portfolio is a peso-denominated fund that seeks capital preservation and the total return for participating qualified tax-exempt institutions by investing in a diversified portfolio of primarily investment-grade fixed-income.

Investments on the above-mentioned instruments/funds shall be subject to existing BSP regulations on the exposure limit to single person/entity/issuer. For more information, you can view our latest monthly fund performance reports at [www.unionbankph.com](http://www.unionbankph.com).