



**UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP**  
**UNIONBANK DIVIDEND PLAY EQUITY PORTFOLIO**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
As of October 28, 2016

<b>FUND FACTS</b>			
Classification:	Long-term Philippine Equity Fund	Net Asset Value per Unit (NAVPU):	Php 101.150583
Launch Date:	March 7, 2014	Total Fund NAV:	Php 225,014,749.91
Minimum Investment:	Php 100,000	Dealing Day:	Up to 2:30 PM, any banking day
Additional Investment:	Not Applicable	Redemption Settlement:	Four (4) banking days after initial notice
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	0.25% flat on redeemed amount or Php 500, whichever is higher
<b>FEES*</b>			
Trust Fees: 0.147%	Custodianship Fees: 0.001%	Audit Fees: 0.001%	Other Fees: 0.002%
<i>UnionBank of the Philippines</i>	<i>HSBC, Ltd. Philippines</i>	<i>Punongbayan &amp; Arullo</i>	

\*As a percentage of the net fund value for the month valued at Php 225.01 Mn

**INVESTMENT OBJECTIVE AND STRATEGY**

The UnionBank Dividend Play Equity Portfolio is a peso-denominated fund that invests in dividend yielding equity securities listed in the Philippine Stock Exchange Index (PSEi). The portfolio has an equity-income/growth strategy that invests in stocks of well established companies that have a history of regular dividend payments and potential for capital appreciation. Income strategy counteracts the volatility of the portfolio.

**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 Dividend Play Equity Portfolio is suitable only for investors who:
  - Are individuals of legal age and corporations with a long-term investment horizon
  - Have an aggressive 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:

- **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.

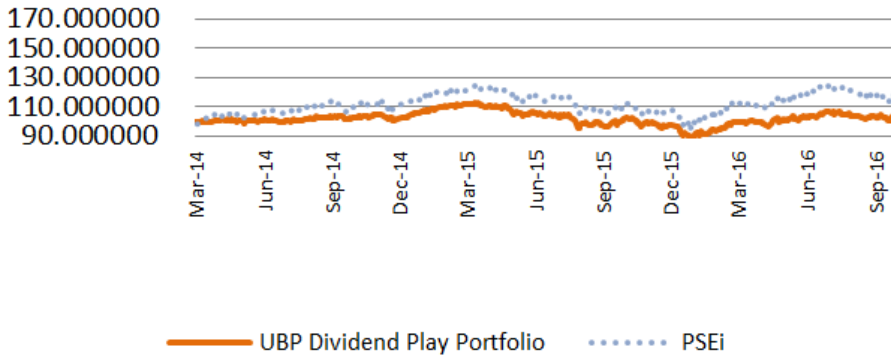
- ❖ **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- ❖ **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY**
- ❖ **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT 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 OCTOBER 28, 2016**

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

**Net Asset Value per Unit**



**NAVPU over the past 12 months**

<b>Highest</b>	106.807267
<b>Lowest</b>	87.7615820

**Statistics**

<b>Weighted Ave. Duration</b>	N/A
<b>Volatility, Past 1 Year*</b>	11.59%
<b>Shape Ratio**</b>	-0.31
<b>Information Ratio***</b>	0.09

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

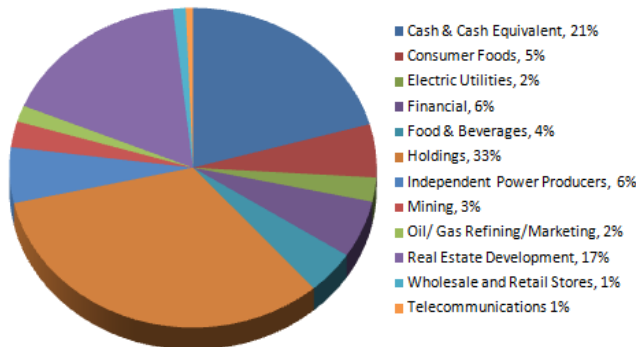
\*\*Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 1.7545%)

\*\*\*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 (%)			
		<b>Cumulative Return</b>				<b>Annualized Return</b>		BANGKO SENTRAL NG PILIPINAS	9.08	
<b>Period</b>		<b>1mos</b>	<b>3mos</b>	<b>6mos</b>	<b>1yr</b>	<b>3yrs</b>	<b>5yrs</b>	CITY SAVINGS BANK	5.44	
Fund		-1.86	-4.57	2.36	-0.34	--	--	SM Investments Corporation	5.24	
Benchmark*		-2.95	-7.01	3.43	3.79	--	--	CITIBANK/CITIGROUP GLOBAL	4.80	
		<b>Calendar Year Return</b>							Ayala Corporation	4.67
<b>Period</b>	<b>YTD</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>			Ayala Land, Inc.	4.43
Fund	3.77	--	--	--	--	-4.97			San Miguel Pure Foods Perpetual Pref. 2	4.37
Benchmark*	6.51	--	--	--	--	-3.85			Universal Robina Corporation	3.88
									First Gen Corporation	3.86
									Energy Development Corporation	3.80
									<b>Total</b>	<b>49.57</b>

\*PSEi

**Portfolio Composition**



**RELATED PARTY TRANSACTIONS**

The fund has equity investments with Aboitiz Power, equity investments in UnionBank of the Philippines, and time deposits with City Savings Bank amounting to Php 4.14 Mn, Php 4.08 Mn and Php 12.30 Mn respectively. These investment outlets were approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

**OUTLOOK AND STRATEGY**

The index continued to fall in October closing 2.95% lower MoM. The last trading day before the long weekend reflected the lowest intraday point of the month, a drop of over 4% before closing just above the 7,400 level. The story remained more of the same as foreign outflows continued with the risk off sentiment continuing to push down the market. November looks to continue this trend with the Fed rate hike and US elections still looming over the market. Locally, risks remain as political statements and policies have caused industries such as property, utilities and telcos to plummet. State visits to Japan and China may potentially serve as a boon to the country with the caveat that the projects are only at the MOU stage and not enforceable at the moment.

The market has continues to weaken as it looks to retest lower support levels. We aim to deploy cash further into liquid names as the market continues to come off and rebalance given volatile market conditions.