



**UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP**  
**UNIONBANK DIVIDEND PLAY EQUITY PORTFOLIO**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
As of June 30, 2017

| <b>FUND FACTS</b>                   |                                  |                                   |   |
|-------------------------------------|----------------------------------|-----------------------------------|---|
| Classification:                     | Long-term Philippine Equity Fund | Net Asset Value per Unit (NAVPU): | Php 106.257064  |
| Launch Date:                        | March 7, 2014                    | Total Fund NAV:                   | Php 177,527,578.79  |
| 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:                         | 2.00% per annum                  | Custodianship Fees:               | 0.002%  |
|                                     |                                  | Audit Fees:                       | 0.002%  |
|                                     |                                  | Other Fees:                       | 0.003%  |
| <b>UnionBank of the Philippines</b> | <b>HSBC, Ltd. Philippines</b>    | <b>Punongbayan &amp; Araullo</b>  |   |

\*As a percentage of the total market value of the fund for the month valued at Php 177.53 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.

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.

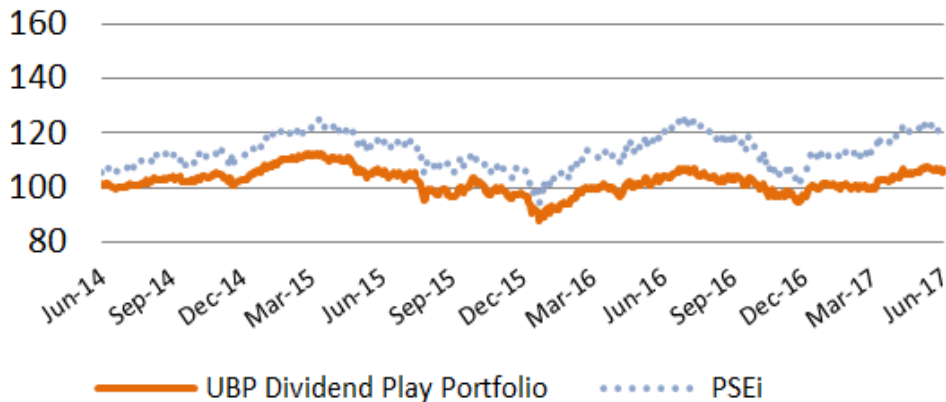
|  |
|--|
| <ul style="list-style-type: none"><li>❖ <b>THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)</b></li><li>❖ <b>RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY</b></li><li>❖ <b>WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT</b></li><li>❖ <b>THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE</b></li></ul> |
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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 JUNE 30, 2017**

(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> | 107.609619 |
| <b>Lowest</b>  | 94.286704  |

**Statistics**

|                                 |        |
|---------------------------------|--------|
| <b>Weighted Ave. Duration</b>   | N/A    |
| <b>Volatility, Past 1 Year*</b> | 10.18% |
| <b>Shape Ratio**</b>            | 0.06   |
| <b>Information Ratio***</b>     | 0.08   |

\*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 = 1.7337%)

\*\*\*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 (%)**

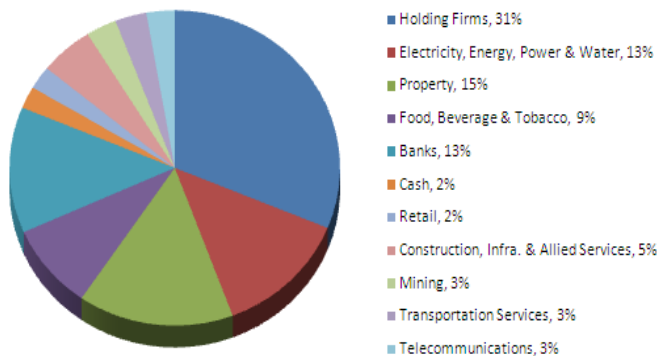
| Period               | Cumulative Return |      |       |      |       | Annualized Return |       |
|----------------------|-------------------|------|-------|------|-------|-------------------|-------|
|                      | 1mos              | 3mos | 6mos  | 1yr  | 3yrs  | 3yrs              | 5yrs  |
| Fund                 | 0.40              | 6.63 | 9.51  | 2.37 | 5.15  | 1.69              | --    |
| Benchmark*           | 0.08              | 7.27 | 14.66 | 0.60 | 14.59 | 4.65              | --    |
| Calendar Year Return |                   |      |       |      |       |                   |       |
| Period               | YTD               | 2011 | 2012  | 2013 | 2014  | 2015              | 2016  |
| Fund                 | 9.51              | --   | --    | --   | --    | -4.97             | -0.46 |
| Benchmark*           | 14.66             | --   | --    | --   | --    | -3.85             | -1.60 |

\*PSEi

**Top Ten Holdings (%)**

|  |              |
|--|--------------|
| SM Investments Corp                      | 9.71         |
| BDO Unibank Inc                          | 7.64         |
| SM Prime Holdings Inc                    | 6.99         |
| Ayala Corp                               | 6.01         |
| Ayala Land Inc                           | 5.69         |
| Aboitiz Power Corp                       | 3.43         |
| Metro Pacific Investments Corp           | 3.43         |
| Metropolitan Bank & Trust Co             | 3.20         |
| Megawide Construction Corp               | 3.20         |
| International Container Terminal Service | 3.07         |
| <b>Total</b>                             | <b>52.38</b> |

**PORTFOLIO COMPOSITION**



**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The fund has equity investments with Aboitiz Equity Ventures and Aboitiz Power amounting to Php 1.81 Mn and Php 5.95 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 rise over previous three months for the index has slowed down with the market coming off flat for the month of June. Foreigners continued to buy with a YTD figure now at US\$406 Mn inflow, a large portion of which was fueled by the placement of Meralco and the balance potentially being driven by the FTSE rebalancing. The various funds seem to be waiting for a direction with 2Q earnings coming out in a few weeks and flows continuing to drive the market.

We continue to monitor this development and have been rebalancing our portfolios to reflect our view on the situation. We are relatively close to being fully invested but we plan to remain nimble with the ability to deploy into or take profit on liquid names.