



**UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP**  
**UNIONBANK DIVIDEND PLAY EQUITY PORTFOLIO**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
As of July 31, 2017

<b>FUND FACTS</b>			
Classification:	Long-term Philippine Equity Fund	Net Asset Value per Unit (NAVPU):	Php 107.869981
Launch Date:	March 7, 2014	Total Fund NAV:	Php 115,171,028.80
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%
<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 115.37 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.

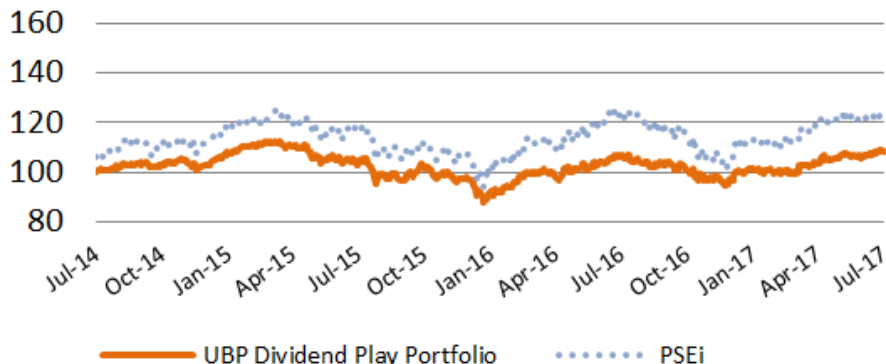
- ❖ **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- ❖ **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY**
- ❖ **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT 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, 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>	108.864722
<b>Lowest</b>	94.286704

**Statistics**

<b>Weighted Ave. Duration</b>	N/A
<b>Volatility, Past 1 Year*</b>	10.22%
<b>Sharpe Ratio**</b>	-0.02
<b>Information Ratio***</b>	-0.21

\*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 = 1.6226%)

\*\*\*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 (%)**

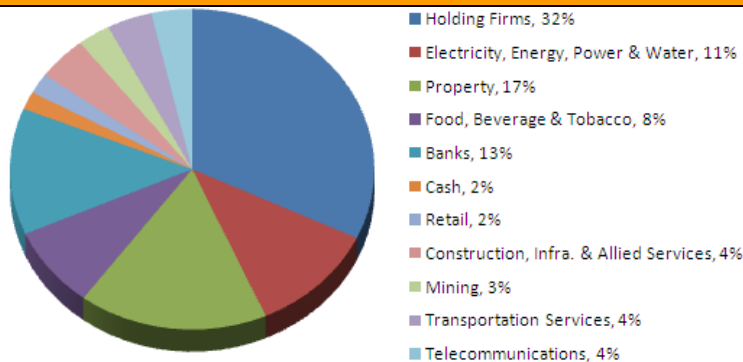
Period	Cumulative Return					Annualized Return	
	1mos	3mos	6mos	1yr	3yrs	3yrs	5yrs
Fund	1.52	4.35	7.41	1.77	7.78	2.53	--
Benchmark*	2.23	4.66	10.90	0.69	16.80	5.31	--
Calendar Year Return							
Period	YTD	2011	2012	2013	2014	2015	2016
Fund	11.17	--	--	--	--	-4.97	-0.46
Benchmark*	17.21	--	--	--	--	-3.85	-1.60

\*PSEi

**Top Ten Holdings (%)**

SM Investments Corp	10.62
SM Prime Holdings Inc	7.59
Ayala Land Inc	7.13
BDO Unibank Inc	6.74
Ayala Corp	5.14
JG Summit Holdings Inc	4.49
Metro Pacific Investments Corp	4.06
International Container Terminal Service	3.98
Megawide Construction Corp	3.66
Semirara Mining and Power Corp	2.89
<b>Total</b>	<b>56.30</b>

**PORTFOLIO COMPOSITION**



**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The fund has equity investments with Aboitiz Equity Ventures and Aboitiz Power amounting to Php 1.66 Mn and Php 2.45 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 rallied once again this month as it closed 8,018, up 2.2% month on month. Foreigners were once again net buyers for the month with a YTD net inflow now standing at US\$ 446m. The tobacco industry was shaken up with the news of Mighty's sale to Japan Tobacco International after months of controversy on alleged tax evasion, which has been positive for LTG's subsidiary PMFTC. Metrobank had an incident of their own on internal fraud that has depressed the stock price.

On earnings as of this writing, they have been generally in line but notable underperformances have come mainly from the cement and consumer industries. Earnings have disappointed for a few names such as Cemex, Century Pacific, DNL, and URC have tumbled as a result. We may see more short term volatility for select names which may present buying opportunities.

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.