



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

<b>FUND FACTS</b>			
Classification:	Long-term Philippine Equity Fund	Net Asset Value per Unit (NAVPU):	Php 107.525186
Launch Date:	March 7, 2014	Total Fund NAV:	Php 113,834,765.24
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 114.04 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.

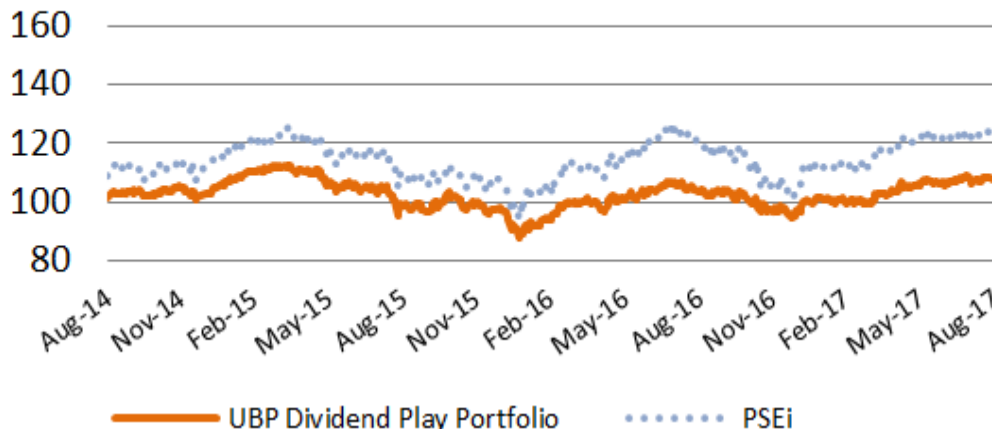
❖ <b>THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)</b>
❖ <b>RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY</b>
❖ <b>WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT</b>
❖ <b>THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE</b>

*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 AUGUST 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>	10.10%
<b>Sharpe Ratio**</b>	0.18
<b>Information Ratio***</b>	0.13

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

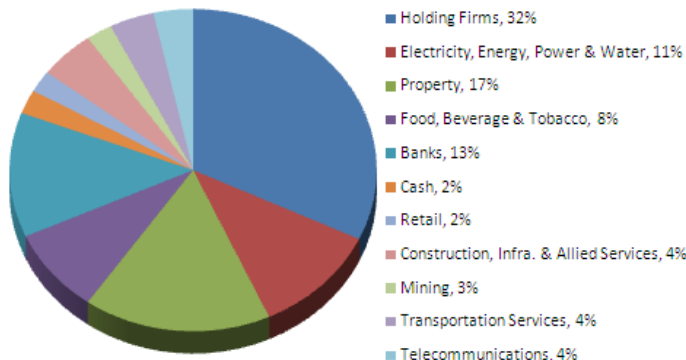
\*\*Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 2.1000%)

\*\*\*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 (%)			
Period		Cumulative Return					Annualized Return				
		1mos	3mos	6mos	1yr	3yrs	3yrs	5yrs			
Fund		-0.32	1.60	7.81	3.94	6.23	2.04	--	SM Investments Corp	10.74	
Benchmark*		-0.74	1.55	10.35	2.20	12.87	4.12	--	SM Prime Holdings Inc	7.32	
Period		Calendar Year Return									
		YTD	2011	2012	2013	2014	2015			2016	
Fund		10.82	--	--	--	--	-4.97	-0.46	Ayala Land Inc	7.18	
Benchmark*		16.34	--	--	--	--	-3.85	-1.60	BDO Unibank Inc	6.85	
										Ayala Corp	5.34
										JG Summit Holdings Inc	3.99
										International Container Terminal Service	3.92
										Metro Pacific Investments Corp	3.83
										Megawide Construction Corp	3.63
										Bank of the Philippine Islands	2.62
										<b>Total</b>	<b>55.43</b>

\*PSEi

**PORTFOLIO COMPOSITION**



**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The fund has equity investments with Aboitiz Equity Ventures and Aboitiz Power amounting to Php 2.52 Mn and Php 2.48 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 market showed signs of sputtering for August as it failed to close above 8,000 levels, closing at 7,958 to end the month. Volumes were down on most days but foreign flows continued to come in, bringing the YTD levels close to USD 500M. Earnings have come generally in line but the lack of remarkable results and disappointing overall earnings growth YoY may have led to light volumes.

More on results, consumer names lagged behind market expectations with retailers appearing as the safer play versus the manufacturers. Security Bank outperformed on strong loan growth. Conglomerates were broadly in line but the stock prices closed lower with JGS noticeably lagging on weak numbers from its subsidiaries. Presales growth for the property sector gave some cause for optimism for developers. On power, EDC is the biggest story with a GIC-Macquarie consortium launching a tender offer at a significant premium to the then-trading price.

We are close to being fully invested but we plan to remain nimble with the ability to deploy into or take profit on liquid names.