



**UNIONBANK OF THE PHILIPPINES – TRUST AND INVESTMENT SERVICES GROUP**  
**UnionBank High Net Worth Intermediate-Term Peso Fixed Income Portfolio**  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
 As of January 31, 2017

<b>FUND FACTS</b>			
Classification:	Intermediate-Term Bond Fund	Net Asset Value per Unit (NAVPU):	98.610841
Launch Date:	July 1, 2016	Total Fund NAV:	484,852,540.08
Minimum Investment:	Php 10,000,000.00	Dealing Day:	Up to 2:30 pm, any banking day
Additional Investment:	Not Applicable	Redemption Settlement:	One (1) banking day after initial notice
Minimum Holding Period:	Not Applicable	Early Redemption Charge:	Not Applicable

<b>FEES*</b>			
Trust Fees: 0.066%	Custodianship Fees: 0.001%	Audit Fees: 0.001%	Other Fees: 0.003%
<i>UnionBank of the Philippines</i>	<i>HSBC, Ltd. Philippines</i>	<i>Punongbayan&amp;Arallo</i>	

\*As a percentage of the net fund value for the month valued at Php 484.84 Mn

**INVESTMENT OBJECTIVE AND STRATEGY**

The UnionBank High Net Worth Intermediate-Term Peso Fixed Income Portfolio is a peso-denominated bond fund designed to provide high net worth individual & corporate investors higher returns than traditional fixed-income savings products.

**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 High Net Worth Intermediate-Term Peso Fixed Income Portfolio is suitable only for investors who:
  - Are individuals of legal age and corporations with an intermediate to medium term investment horizon.
  - Have a moderately conservative 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:

- **Interest Rate Risk:** This is the possibility to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **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.

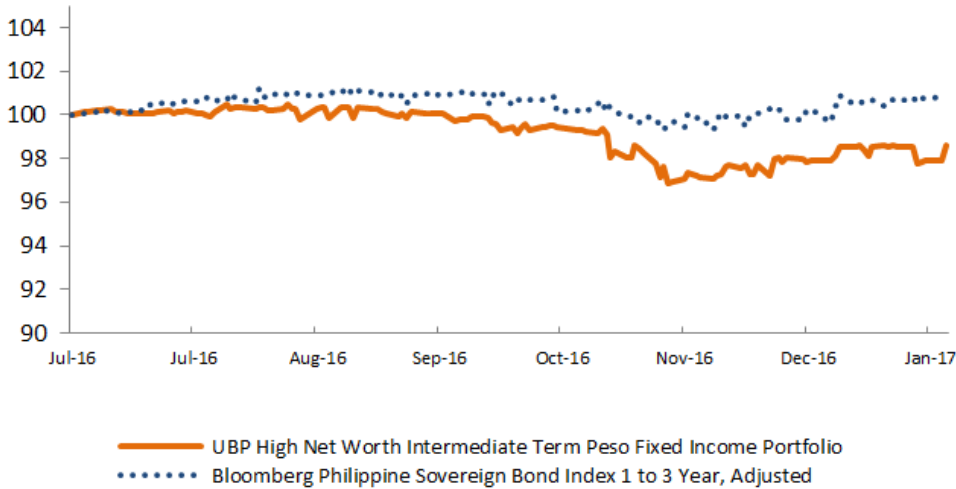
❖ <b>THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)</b>
❖ <b>RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY</b>
❖ <b>WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT 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 JANUARY 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>	100.493948
<b>Lowest</b>	96.881717

**Statistics**

<b>Weighted Ave. Duration</b>	2.3456
<b>Volatility, Past 1 Year*</b>	4.12%
<b>Shape Ratio**</b>	-0.88
<b>Information Ratio***</b>	-0.10

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

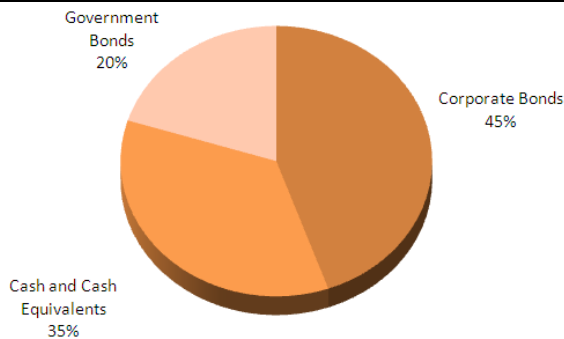
\*\*Sharpe Ratio is used to characterize how well the return of Fund compensates the investor for the level of risk taken. The higher the number, the better. (Risk Free Rate = 2.2226%)

\*\*\*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		FXTN 07-57 3.500 03/20/2021	15.04
	1mo	3mos	6mos	1yr	3yrs	3yrs	5yrs		
Fund	0.69	-0.81	-1.60	--	--	--	--	BANGKO SENTRAL NG PILIPINAS	14.68
Benchmark*	0.55	0.66	0.19	--	--	--	--	JGSPM 5.2442 02/27/2021	13.22
<b>Period</b>	<b>YTD</b>							CITY SAVINGS BANK	11.36
Fund	0.69							PCORPM 4.0032 10/27/2021	7.86
Benchmark*	0.55							FXTN 07-58 3.500 04/21/2023	5.10
								EAST WEST BANK	5.03
								PBCOM	4.20
								PCORPM 7.00 11/10/2017	3.44
								<b>Total</b>	<b>91.42</b>

\*Bloomberg Philippine Sovereign Bond Index 1 to 3 Years, Adjusted

**PORTFOLIO COMPOSITION**



**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The fund has time deposit with City Savings Bank amounting to Php 54.03 Mn. This investment outlet was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

**OUTLOOK AND STRATEGY**

Philippine Headline inflation rose in January to 2.7%. CPI print was a tad lower than market expectations driven by supply side pressures as food, housing, utilities and transport.

The Central bank kept its benchmark rates on hold at 3% -3.5% as widely expected while revising its inflation expectations to 3.5% from 3.3% (2017) and to 3.1% from 3.0%(2018). Bangko Sentral ng Pilipinas is confident that inflation will remain between their comfort range of 2-4% this year even though upside risks arise. Policymakers said “trends in domestic economic activity show sustained firmness, supported by solid private household consumption and investment, buoyant business and consumer sentiment, and adequate credit and domestic liquidity.”

Local bond market started strong for the month of January as yields eased 20-30 basis points across the curve. The rally started from the benchmark FXTN 10-60 (8.569 yrs) reaching as low as 4.18% from 4.60% and spilled over towards the short end of the curve. GS yield movements have been taking its cue from US treasury movements.