



UCPB High Dividend Fund (UHDF)

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ended September 30, 2019

FUND FACTS

| | |
|--|---|
| Classification: Equity | Net Asset Value Per Unit (NAVPU): 1.077701968 |
| Launch Date: April 8, 2014 | Total Fund NAV: PhP 64,959,361.12 |
| Minimum Investment: PhP 1,000.00 | Dealing Day: On any banking day up to 1:30 p.m. |
| Additional Investment: PhP 1,000.00 and in multiples of PhP 1,000.00 | Redemption Settlement: Three (3) banking days after receipt by TBG of redemption notice |
| Minimum Holding Period: 30 calendar days | Early Redemption Charge: 5% of the total amount redeemed |

FEES*

| | | | |
|---|---|---|------------------|
| Trustee Fees: 0.3798% Trustee: UCPB Acting Through Its Trust Banking Group (TBG) | Custodian Fees: 0.00% Custodian: Deutsche Bank AG Manila & Philippine Depository & Trust Corp. | External Auditor Fees: 0.0071% External Auditor: Punongbayan & Araullo Company | Other Fees: None |
|---|---|---|------------------|

*As a percentage of average daily NAV for the quarter valued at PhP 68,846,292.44

INVESTMENT OBJECTIVE AND STRATEGY

UHDF seeks to provide long-term growth of capital appreciation and steady income stream through investments in domestic, listed common and preferred shares. It also aims to surpass its benchmark (gross of fees) which is the Philippine Stock Exchange Index (PSEi). This should not be construed, however, as a guarantee of yield.

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/their investment objective 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 UHDF is suitable only for investors who:
 - have an aggressive risk profile based on the results of the accomplished Client Suitability Assessment Form;
 - are willing to dedicate a small portion of their portfolio, preferably excess funds, for at least 18 months with a high level of return and corresponding risk on an equity portfolio; and
 - understands the significance of fluctuating unit prices and that any income/loss arising from market volatilities and price fluctuations is for client's account.

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

- Market Risk. This is the possibility for an investor to experience losses due to changes in market prices of securities (i.e., equities).
- Credit Risk/Default Risk. This is the possibility for an investor to experience losses due to a deposit issuer's failure to pay principal and/or interest in a timely manner on deposit instruments.
- Liquidity Risk. This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.
- Reinvestment Risk. This is associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of the funds are reinvested.

TBG strictly adheres to the investment outlets as stated in the Fund's Declaration of Trust. Exposure limits and asset allocation is closely monitored on a regular basis. All counterparties and investment outlets underwent thorough evaluation and accreditation in accordance with the Trust Manual of Operations, Policies and Guidelines.

- **THE UITF 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 AND 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**



Talin Cruz
Marilyn Pabustan-Perion
Hannah Borromeo

(02) 8-811-9214
(02) 8-811-9512
(02) 8-811-9553

Nadia Gaetos
Catherine Amador
Elena Hong

(02) 8-811-9542
(02) 8-811-9538
(02) 8-811-9597

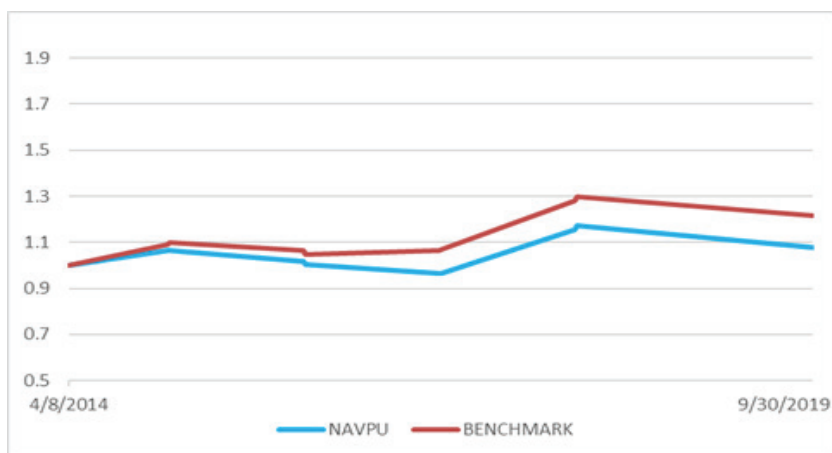
Rosemarie Omet
Alyssa Catapang
Jules Esteva

(02) 8-811-9522
(02) 8-811-9515
(02) 8-811-9544

FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 30, 2019

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

NAVPU Graph



NAVPU OVER THE PAST 12 MONTHS

| | |
|---------|-------------|
| Highest | 1.158088633 |
| Lowest | 0.971435222 |

STATISTICS

| | |
|--------------------------|--------|
| Weighted Ave. Duration | N/A |
| Volatility, Past 1 Year* | 14.16% |
| Sharpe Ratio** | -0.05 |
| Information Ratio*** | -0.03 |

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

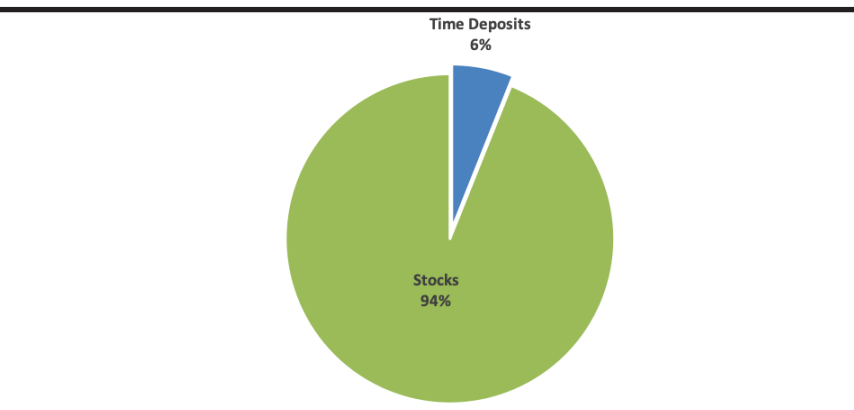
** Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** 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.

CUMULATIVE PERFORMANCE (%)

| Period | 1 Mo | 3 Mos | 6 Mos | 1 Yr | 3 Yrs | 5 Yrs | YTD |
|-----------|--------|--------|--------|-------|-------|-------|-------|
| Fund | -2.62% | -3.35% | -2.28% | 4.98% | 2.37% | 2.73% | 4.02% |
| Benchmark | -2.33% | -2.54% | -1.62% | 6.51% | 2.05% | 6.69% | 3.97% |

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS (%)

| | |
|---------------------------------------|------------|
| SM Investments Corporation | 12% |
| Ayala Land, Inc. | 10% |
| SM Prime Holdings, Inc. | 9% |
| BDO Unibank, Inc. | 7% |
| Ayala Corporation | 6% |
| Time Deposits | 6% |
| Bank of the Philippine Islands | 5% |
| Metropolitan Bank and Trust Company | 4% |
| Metro Pacific Investments Corporation | 4% |
| JG Summit Holdings, Inc. | 3% |
| Total | 66% |

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php28K, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

The Philippine Stock Index ended at 7,779.07, falling 200.59 points or -2.5% lower month-on-month. Investor sentiment was mixed as expectations on BSP's moves were fully priced in. The BSP has cut the overnight rates by 25 bps and the reserve requirements by 100bps. The BSP Governor is still considering more RRR cuts before the year ends. Monetary easing was also seen in the international front with Federal Reserve cutting its overnight rate by 25bps amid the division of perception on the strength of their economy.

The crackdown on Philippine Offshore Gaming Operators (POGO) by the government, particularly Megaworld, still continue to hound the market. It is down by -13.45% which is secondary to Alliance Global Inc. decline by -14.65%.