

#### Investment Objective

The Fund aims to achieve long-term capital growth by investing in a diversified portfolio of equity and fixed income securities. The Fund aims to provide excess return over the composite benchmark, 50% Philippine Stock Exchange index (PSEI) and 50% return of the 91-day Philippine Treasury Bill, net of tax.

#### Figures as of 7/31/2013

##### Cumulative Performance (%)<sup>1</sup>

|                        | 1 mo | 1YR   | 3YRS  | 5YRS  | S.I. <sup>3</sup> |
|------------------------|------|-------|-------|-------|-------------------|
| Fund                   | 1.87 | 15.04 | 54.81 | 86.32 | 130.25            |
| Benchmark <sup>2</sup> | 1.40 | 12.79 | 49.07 | 85.23 | 131.72            |

##### Annualized Performance (%)<sup>1</sup>

|                        | 1YR   | 2YRS  | 3YRS  | 4YRS  | 5YRS  | S.I. <sup>3</sup> |
|------------------------|-------|-------|-------|-------|-------|-------------------|
| Fund                   | 15.04 | 10.89 | 15.68 | 15.35 | 13.25 | 10.53             |
| Benchmark <sup>2</sup> | 12.79 | 11.67 | 14.23 | 14.59 | 13.12 | 10.62             |

##### Calendar Year Performance (%)<sup>1</sup>

|                        | YTD  | 2012  | 2011  | 2010  | 2009  | 2008   |
|------------------------|------|-------|-------|-------|-------|--------|
| Fund                   | 9.08 | 16.08 | -0.72 | 37.39 | 20.27 | -26.80 |
| Benchmark <sup>2</sup> | 7.22 | 17.13 | 2.81  | 20.41 | 33.32 | -22.30 |

<sup>1</sup> Returns are net of fees. Past performance is not an indication of future returns.

<sup>2</sup> The Benchmark of the fund is 50% PSEI / 50% 91-day Philippine Treasury Bill. Prior to 2009, the Benchmark was 50% PSEI/50% 1-Year Philippine Treasury bill.

<sup>3</sup> Since Inception

#### Key Figures and Statistics

|   |     |          |
|---|-----|----------|
| Net Asset Value per Unit (NAVPU)                    | PHP | 158.00   |
| Total Fund NAV (Mn)                                 | PHP | 3,405.06 |
| Average Daily NAV for the Quarter (Mn) <sup>4</sup> | PHP | 3,121.13 |
| Current Number of Holdings                          |     | 30       |
| Information Ratio <sup>5</sup>                      |     | 0.41     |
| Sharpe Ratio <sup>5</sup>                           |     | 1.00     |

| Statistics (Past 5 Years) | Fund   | Benchmark |
|---------------------------|--------|-----------|
| Annualized Return (net)   | 13.25% | 13.12%    |
| Annualized Volatility (%) | 13.13% | 11.21%    |
| Portfolio beta            | 1.16   |           |

#### General Information

|                                   |  |
|-----------------------------------|--|
| Launch Date                       | April 4, 2005                            |
| Fund Structure                    | Unit Investment Trust Fund               |
| Fund Classification               | Balanced Fund                            |
| Fund Currency                     | Philippine Peso                          |
| Minimum Initial Investment        | PHP 10,000.00                            |
| Minimum Transaction               | PHP 1,000.00                             |
| Minimum Holding Period            | None                                     |
| Days to Settlement (Contribution) | Day 1 End-of-Day                         |
| Days to Settlement (Redemption)   | 1:00PM Day 4                             |
| Management/Trust Fee <sup>6</sup> | 1.50% per annum / 0.37% per quarter      |
| Custodianship Fees <sup>6</sup>   | 0.004% per quarter                       |
| External Audit Fees <sup>7</sup>  | 0.02%                                    |
| Valuation Methodology             | Marked-to-Market                         |
| External Auditor                  | Isla Lipana & Co.                        |
| Available Through                 | BPI Branches<br>www.bpiexpressonline.com |
| Trustee                           | Bank of the Philippine Islands           |
| Third Party Custodian             | HSBC, Ltd. (Philippines)                 |
| Dealing Cut-Off                   | 2:30 PM                                  |

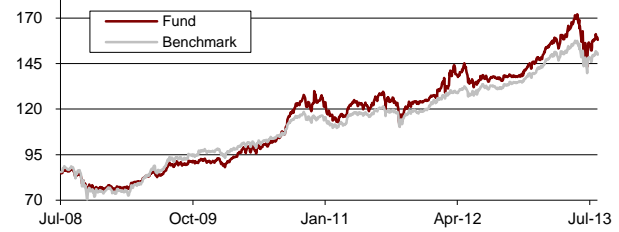
#### Manager's Report

**Local Market Review:** The PSEI regained some ground this month after June's 7.9% decline, as it rose 2.7% to a level of 6,639. The market was buoyed by positive sentiment arising from the US Fed's dovish stance on quantitative easing as well as President Aquino's State of the Nation Address which highlighted the government's intent to boost revenues and address backlogs in infrastructure investments. Trading, however, proceeded with tepid volumes with average daily turnover falling to US\$171.5 million compared to last month's US\$265 million. Foreigners were net buyers with inflows amounting to US\$133 million relative to last month's US\$241 million outflow due mostly to the recent Meralco placement. Sans the placement, foreign inflows amounted to US\$18 million.

**Fund Performance:** The Fund gained 1.87% for the month against its benchmark's return of 1.40%.

**Strategy:** The fund's overall strategy is to sell on rallies to raise funds for asset building at lower index levels. Longer term, our view remains positive as the benefits of our investment grade status become more apparent and foreign flows return. We maintain our sector calls on conglomerates, consumer companies, and property.

#### NAVPU Graph



#### Allocation

Portfolio Composition: Equities 64.35%, Fixed Income 15.25%, Cash and Other Receivables 20.40%

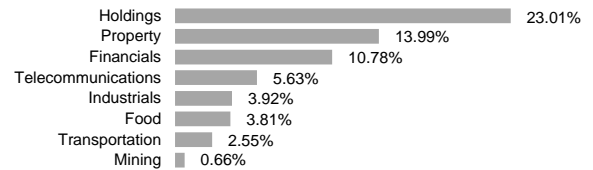
#### Top Equity Holdings

| Name                                  | Main Business      | % of Fund |
|---------------------------------------|--------------------|-----------|
| Ayala Land, Inc.                      | Property           | 6.90%     |
| SM Investments Corporation            | Holding Firms      | 6.42%     |
| Ayala Corporation                     | Holding Firms      | 6.25%     |
| Philippine Long Distance Tel. Company | Telecommunications | 5.63%     |
| SM Prime Holdings, Inc.               | Property           | 3.90%     |

#### Top Bond Holdings

| Name                              | Yield <sup>8</sup> | Maturity   | % of Fund |
|-----------------------------------|--------------------|------------|-----------|
| Fixed Rate Treasury Notes 5.0000% | 2.00%              | 08/18/2018 | 5.86%     |
| Fixed Rate Treasury Notes 5.9100% | 1.90%              | 01/31/2018 | 2.87%     |
| Fixed Rate Treasury Notes 3.8800% | 2.50%              | 11/22/2019 | 2.80%     |
| Fixed Rate Treasury Notes 7.3000% | 1.71%              | 09/04/2016 | 1.90%     |

#### Sector Holdings (Equity Portion)



Any prospective investment shall be limited to the type of investments described in the Declaration of Trust for the Fund.

#### Risk Disclosure

The Fund is suitable for investors with an aggressive risk profile or for those who have medium- to long-term views. Prior to investment in the Fund, the investor shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience. As a marked-to-market UITF, the Fund's net asset value and total return may fluctuate as a result of movements in stock prices and interest rates. On redemption of units, an investor may receive an amount less than the original amount of investment. Liquidity risk also needs to be taken into account.

<sup>4</sup> Average daily NAV for the past three months.

<sup>5</sup> The Information Ratio evaluates reward-to-risk efficiency relative to the benchmark, while the Sharpe Ratio evaluates reward-to-risk efficiency relative to the risk free rate. The higher the number, the higher the reward per unit of risk. Sharpe and Information Ratios between funds of different classifications are non-comparable.

<sup>6</sup> Trust fees/custodianship fees as a percentage of average daily NAV for the quarter.

<sup>7</sup> External Audit fees as a percentage of 2011 end-year NAV.

<sup>8</sup> Net of tax.

\* Plan rules are available upon request.

