

#### 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 12/27/2013

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

	1 mo	1YR	3YRS	5YRS	S.I. <sup>3</sup>
Fund	-3.73	1.37	16.82	93.03	113.99
Benchmark <sup>2</sup>	-2.56	0.94	21.83	112.63	113.16

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

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>3</sup>
Fund	1.37	8.48	5.32	12.56	14.06	9.10
Benchmark <sup>2</sup>	0.94	8.76	6.80	10.65	16.28	9.05

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

	YTD	2012	2011	2010	2009	2008
Fund	1.37	16.08	-0.72	37.39	20.27	-26.80
Benchmark <sup>2</sup>	0.94	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, net of tax.

<sup>3</sup> Since Inception

#### Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	PHP	146.84
Total Fund NAV (Mn)	PHP	3,333.84
Average Daily NAV for the Quarter (Mn) <sup>4</sup>	PHP	3,460.96
Current Number of Holdings		35
Information Ratio <sup>5</sup>		0.08
Sharpe Ratio <sup>5</sup>		0.05

Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (net)	14.06%	16.28%
Annualized Volatility (%)	13.12%	9.72%
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)	5:00PM Day 4	
Management/Trust Fees <sup>6</sup>	1.50% per annum / 0.37% per quarter	
Custodianship Fees <sup>6</sup>	0.003% per quarter	
External Audit Fees <sup>7</sup>	0.01%	
Valuation Methodology	Marked-to-Market	
External Auditor	Isla Lipana & Co.	
Available Through	BPI Branches 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:** QE Tapering and a recovering US Economy continued to drive market sentiment as investors sold out of South East Asian markets in favor of North Asian and US counterparts. November's downturn extended through December with the PSEi shedding another 5.1%, closing the year at 5,889.83. Year-on-year, the local bourse managed to hold on to a 1.3% gain. Foreigners were once again net sellers with over USD 170 million exiting the country this month bringing net flows down to USD 585 million, just over a third of our the year's highpoint of USD 1.7 billion.

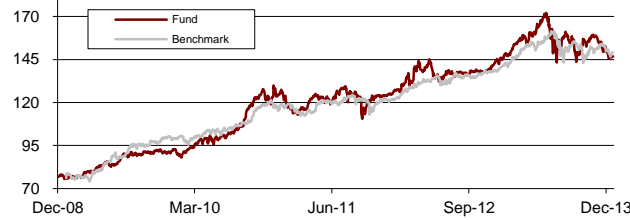
Most index names ended in the red with widely owned names Ayala Land, Inc. (-12.9%), SM Prime Holdings, Inc. (-10.5%), BDO Unibank, Inc. (-12.0%), and Bank of the Philippine Islands (-7.6%) weighing most on the index. The biggest losers for the year were Philex Mining Corporation (-47.1%), First Gen Corporation (-41.4%), Manila Water Company, Inc. (-31.3%), and Energy Development Corporation (-21.0%). The year's biggest gainers included mostly consumer names – Jollibee Foods Corporation (+69.7%), Alliance Global Group, Inc. (+53.9%), Globe Telecom, Inc. (+50.2%), and Universal Robina Corporation (+34.8%).

Looking forward, the local equity market may face additional headwinds and will most likely be influenced by developments in the US, the direction of foreign flows, and capital raising activities by financial institutions.

**Fund Performance:** The Fund lost 3.73% for the month against its benchmark's loss of 2.56%.

**Strategy:** We continue to take a defensive stance, stock picking on value and taking profit on strong rallies.

#### NAVPU Graph



#### Allocation

Portfolio Composition: Equities 46.99%, Fixed Income 10.54%, Cash and Other Receivables 42.47%

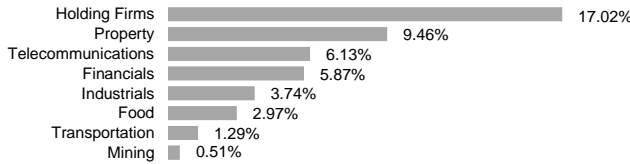
#### Top Equity Holdings

Name	Main Business	% of Fund
Philippine Long Distance Telephone Co	Telecommunications	6.13%
SM Investments Corp	Holding Firms	6.01%
Ayala Land Inc	Property	4.87%
Ayala Corp	Holding Firms	4.19%
SM Prime Holdings Inc	Property	2.54%

#### Top Bond Holdings

Name	Yield <sup>8</sup>	Maturity	% of Fund
Fixed Rate Treasury Notes 5.0000%	2.33%	8/18/2018	4.93%
Fixed Rate Treasury Notes 3.8800%	2.55%	11/22/2019	1.94%
Fixed Rate Treasury Notes 5.9100%	2.11%	1/31/2018	1.91%
Fixed Rate Treasury Notes 7.3000%	1.66%	9/4/2016	0.89%
Fixed Rate Treasury Notes 7.3000%	2.50%	7/19/2019	0.88%

#### 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 2012 end-year NAV.

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

\* Plan rules are available upon request.

