

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 08/29/2014

Cumulative Performance (%) ¹	1 mo	1YR	3YRS	5YRS	S.I. ³
	Fund	1.47	8.93	30.11	77.83
Benchmark ²	1.40	8.33	32.27	75.58	140.67

Annualized Performance (%) ¹	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ³
	Fund	8.93	8.82	9.17	11.24	12.20
Benchmark ²	8.33	8.77	9.77	10.82	11.92	9.78

Calendar Year Performance (%) ¹	YTD	2013	2012	2011	2010	2009
	Fund	10.75	1.37	16.08	-0.72	37.39
Benchmark ²	10.02	0.94	17.13	2.81	20.41	33.32

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	PHP	162.63
Total Fund NAV (Mn)	PHP	3,408.11
Average Daily NAV for the Quarter (Mn) ⁴	PHP	3,453.58
Current Number of Holdings		33
Information Ratio ⁵		0.29
Sharpe Ratio ⁵		1.02
Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (% net)	12.20	11.92
Annualized Volatility (%)	12.94	8.94
Portfolio beta	1.29	

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)	Day 4 5:00 PM
Trust Fee ⁶	1.50% per annum / 0.37% per quarter
Custodianship Fee ⁷	0.0175%
External Audit Fee ⁷	0.0142%
Valuation Methodology	Marked-to-Market
External Auditor	Isla Lipana & Co.
Available Through	BPI Branches and www.bpiexpressonline.com
Trustee	Bank of the Philippine Islands
Third Party Custodian	HSBC, Ltd. (Philippines)
Dealing Cut-Off	2:30 PM

Manager's Report

Market Review. To the surprise of many, the PSEi managed to climb by 2.71% month-on-month to eventually close at the 7,050.89-index level in August. Instead of a typically weak month for stocks during the "ghost month", there was a lot of activity due to the confluence of positive catalysts that pushed the index to its year-to-date high. Several index issues such as TEL, AC, ALL, BDO, EDC and MPI saw their weights being increased in the MSCI index thereby generating strong trading interest for the month. Among these names, Philippine Long Distance Telephone (TEL) had the highest upweight, resulting in an estimated \$130 mn in trades. Moreover, investors reacted positively to the better-than-expected 2Q 2014 GDP of +6.4% mainly driven by the Industry sector (+7.8%). The 2nd quarter GDP print easily beat consensus of 6.1% and 1Q 2014 of 5.7%. Sentiment was also buoyed by positive first semester corporate earnings releases which as a whole, registered a double digit expansion.

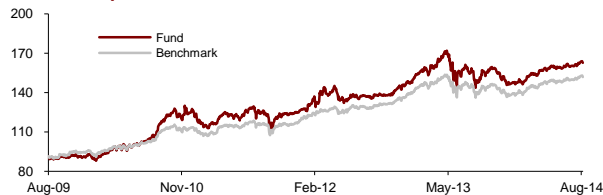
In terms of foreign activity, foreigners were net buyers worth US\$300 million in August. This has brought the year-to-date inflows to US\$1.3 billion, still below last year's peak of \$1.8 billion. Average daily turnover improved to US\$239 million from a quiet US\$163 million in July.

Top gainers for the month were EDC (+18.4%), SCC (+15.06%) and TEL (+13.1%) while PX (-8.44%), AGI (-6.64%) and PCOR (-5.36%) were the main laggards.

Fund Performance. The Fund gained 1.47% for the month against its benchmark's gain of 1.40%.

Strategy. Due to the persisting strength of foreign flows, we are maintaining our beta strategy and will continue to hold large cap names. We look to deploy cash during market dips but will be selective on lagging index issues.

NAVPU Graph



Allocation

Portfolio Allocation: Equities 48.68%, Fixed Income 38.61% and Cash and Other Receivables 12.71%

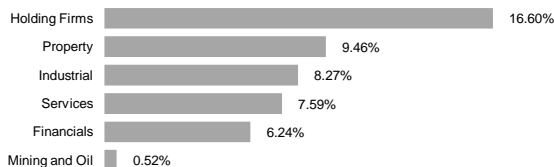
Top Equity Holdings

Name	Main Business	% of Fund
SM Investments Corporation	Holding Firms	5.82
Philippine Long Distance Telephone Co.	Services	4.76
Ayala Land, Inc.	Property	4.09
Ayala Corporation	Holding Firms	3.38
SM Prime Holdings, Inc.	Property	2.86

Top Fixed Income Holdings

Name	Yield (%) ⁸	Maturity	% of Fund
BSP Special Deposit Account	1.80	9/9/2014	7.31
BSP Special Deposit Account	1.80	9/12/2014	5.84
BSP Special Deposit Account	1.80	9/5/2014	5.84
BSP Special Deposit Account	1.80	9/2/2014	5.84
BSP Special Deposit Account	1.80	9/1/2014	5.84

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.

¹ Returns are net of fees. Past performance is not an indication of future returns.

² 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.

³ Since Inception

⁴ Average daily NAV for the past three months

⁵ 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.

⁶ Trust fee as a percentage of average daily NAV for the quarter

⁷ Calculated based on the total billings received in 2013 divided by the average daily NAV in 2013

⁸ Net of Tax

* Plan rules are available upon request.