

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 Treasury Bill, net of tax.

Figures as of 12/28/2012

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS	S.I. ³
Fund	2.11	16.08	58.31	39.39	111.10
Benchmark ²	1.55	17.13	48.31	37.59	110.84

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ³
Fund	16.08	7.35	16.55	17.47	6.87	10.13
Benchmark ²	17.13	9.83	14.04	20.42	6.59	10.12

Calendar Year Performance (%)¹

	2012	2011	2010	2009	2008	2007
Fund	16.08	-0.72	37.38	20.28	-26.80	11.42
Benchmark ²	17.13	2.81	20.41	33.32	-22.30	12.06

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

²The Benchmark of the fund is 50% PSEI / 50% 91-d T-Bills. Prior to 2009, the Benchmark was 50% PSEI/50% 1-Year T-bills.

³ Since Inception

Key Figures and Statistics

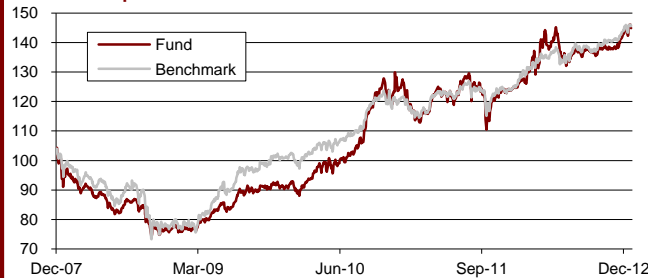
Net Asset Value per Unit (NAVPU)	PHP	144.85
Total Fund NAV (Mln)	PHP	988.18
Current Number of Holdings		24
Information Ratio ⁴		(0.12)
Sharpe Ratio ⁴		1.22

Statistics – Past 5 Years	Fund	Benchmark
Annualized Return (net)	6.87%	6.59%
Annualized Volatility	12.47%	11.81%
Portfolio beta	1.04	

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	
Management/Trust Fee	1.50% per annum / 0.37% per quarter ⁵	
Custodianship Fees	0.005% per quarter ⁵	
External Audit Fees	0.01% ⁶	
Valuation Methodology	Marked-to-Market	
Special Expense ⁷	PHP 2,000.00 per annum	
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	

NAVPU Graph



Allocation

Portfolio Composition: Equities 72.2%, Fixed Income 5.0%, Cash and Other Receivables 22.8%

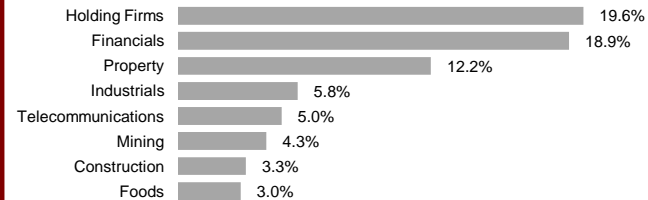
Top Equity Holdings

Name	Main Business	% of Fund
DMCI Holdings, Inc.	Holding Firms	9.37%
Ayala Corporation	Holding Firms	7.02%
Union Bank of the Philippines	Financials	6.95%
Bank of the Philippine Islands	Financials	6.25%
Cebu Holdings, Inc.	Property	4.95%

Top Bond Holdings

Name	Yield*	Maturity	% of Fund
Fixed Rate Treasury Notes 5.0000%	3.0096%	08/18/2018	5.02%

Sector Holdings (Equity Portion)



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

*Net of tax

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 fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original amount of investment.

⁴ 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.

⁵ Trust fees/custodianship fees/audit fees as a percentage of average daily NAV for the quarter.

⁶ External Audit fees as a percentage of the end-year NAV.

⁷ For publication expense.

* Plan rules are available upon request.

Manager's Report

Local Market Review: The Philippine Stock Exchange index closed the year strong, climbing 3.05% in December to close at 5,812.73. The last month of 2012 was testament to the strength of the Philippine market, which was up 32.95% for the year. Year-end window dressing came early as we saw strong buying flows a week before the last trading day of the year. The largest gainer for the month was Philex Mining (+15.23%), as it recovered from oversold levels. Other top gainers were Megaworld (+10.36%), Ayala Land (+10.21%) and JG Summit (+10.03%).

In terms of economic newsflow, remittances continued to be robust, increasing by 8.5% year-on-year for the month of October, versus consensus estimates of 6.0%. We also saw inflation remaining benign at 2.8% YoY for the month of November, prompting the BSP to keep the overnight borrowing rate at an all-time low of 3.5%.

Fund Performance: The Fund advanced by 2.11% during the month against its benchmark's 1.55% gain. In 2012, the Fund gained 16.08%.

Strategy: We expect another good year for Philippine equities in 2013. We expect policy rates to remain at all-time low levels until at least the first half of 2013. This would continue to be beneficial to rate-cyclical sectors such as banks, real estate companies, and the infrastructure industry. Improving consumer confidence and election-related consumption could help support the consumer sector. Assuming earnings per share growth estimate of 12% for 2013, we could expect the market to go as high as 6,350.

