

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 1/31/2013

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS	S.I. ³
Fund	4.35	19.47	67.11	57.38	120.28
Benchmark ²	3.71	17.25	58.65	52.72	121.64

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ³
Fund	19.47	13.35	18.67	18.83	9.49	10.61
Benchmark ²	17.25	14.78	16.63	22.57	8.84	10.69

Calendar Year Performance (%)¹

	YTD	2012	2011	2010	2009	2008
Fund	4.35	16.08	-0.72	37.38	20.28	-26.80
Benchmark ²	3.71	17.13	2.81	20.41	33.32	-22.30

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

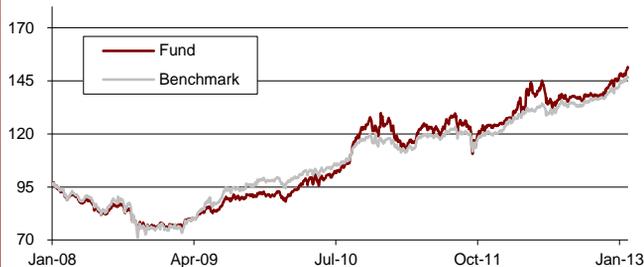
Net Asset Value per Unit (NAVPU)	PHP	151.15
Total Fund NAV (Mln)	PHP	1,145.60
Current Number of Holdings		26
Information Ratio ⁴		0.25
Sharpe Ratio ⁴		1.51

Statistics – Past 5 Years	Fund	Benchmark
Annualized Return (net)	9.49%	8.84%
Annualized Volatility	12.05%	11.60%
Portfolio beta	1.03	

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 69.60%, Fixed Income 4.38%, Cash and Other Receivables 26.02%

Top Equity Holdings

Name	Main Business	% of Fund
Ayala Corporation	Holding Firms	7.23%
DMCI Holdings, Inc.	Holding Firms	6.53%
Ayala Land, Inc.	Property	5.21%
Union Bank of the Philippines	Financials	5.14%
Philippine Long Distance Tel. Company	Telecommunications	4.85%

Top Bond Holdings

Name	Yield*	Maturity	% of Fund
Fixed Rate Treasury Notes 5.0000%	2.7913%	08/18/2018	4.38%

Sector Holdings (Equity Portion)

Holding Firms	19.13%
Financials	18.11%
Property	8.65%
Industrials	7.46%
Telecommunications	6.83%
Food	4.89%
Construction	2.40%
Mining	2.13%

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 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.

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 started the year on a strong note, rising by 7.4% for the month of January, as investors saw more value given the country's better than expected GDP figure and record low interest rates. GDP grew by 6.8% year-on-year for the 4th quarter of 2012, led by an increase in the consumer and construction sectors. This brings the full-year 2012 GDP growth to 6.6% year-on-year. In addition, the Bangko Sentral ng Pilipinas (BSP) reduced the Special Deposit Account (SDA) rate by 50 basis points, thereby causing an additional asset allocation shift from SDA's to local equities. Volume remained strong at US\$223 million/day, and foreign inflow remained hefty at US\$667 million for the month.

Banks (+7.70% month-on-month) gained more interest as investors expected loans growth to remain strong for 2013. The top three banks – BDO (+5.6%), BPI (+5.3%), and MBT (+3.3%) – continued to receive strong interest from foreign flows. Property companies (+9.1%) also went up as demand for real-estate properties is expected to be sustained with the low interest rate regime. Large capital developers ALI (+9.6%), SMPH (+6.3%), and MEG (+21.7%) continued to receive strong buying orders. Media stocks (+19.5%) rose the highest among sectors with the expectation of revenue growth stemming from the upcoming elections. The two media giants GMA (+7.3%) and ABS-CBN (+31.8%) took advantage of this expected revenue spike.

Fund Performance: The Fund advanced by 4.35% during the month against its benchmark's 3.71% gain.

Strategy: The market's performance for the month of January could be a strong signal of what's in store for the rest of the year. The PSEi is likely to reach our base case target of 6,700 -- a 15% growth from last year's close of 5,812. Our best case target is 7,100 which is based on a higher P/E multiple of 19x (2013 estimates) with an earnings growth estimate of +14%. We would be invested on our preferred sectors: banking, real-estate, conglomerates, and consumer.

