

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 01/31/2012

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	1.39	7.55	66.89	28.45
Benchmark ²	3.60	11.05	82.33	30.50

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	7.55	18.27	18.62	7.13	5.13
Benchmark ²	11.05	14.72	22.17	6.40	5.47

Calendar Year Performance (%)¹

	YTD	2011	2010	2009	2008	2007
Fund	1.39	-0.72	37.38	20.28	-26.80	11.42
Benchmark ²	3.60	2.81	20.41	33.32	-22.30	12.06

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-d T-Bills. Prior to 2009, the Benchmark was 50% PSEi/50% 1-Year T-bills. PSEi is a barometer of stock price movements in the Philippine Stock Exchange.

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	PHP	126.52
Total Fund NAV (Mln)	PHP	667.01
Par Value	PHP	100.00
Current Number of Holdings		34

Risk Characteristics	Past 12 Months			
	Past 1YR	Low	High	Average
Volatility ³	13.21%	12.64%	15.56%	13.82%
Information Ratio ⁴	(0.62)			

General Information

Launch Date	April 4, 2005
Fund Structure	Unit Investment Trust Fund
Fund Classification	Balanced Fund
Fund Currency	Philippine Peso
Minimum Initial Investment ⁵	PHP 10,000.00
Minimum Transaction ⁶	PHP 1,000.00
Minimum Holding Period	90 calendar days
Early Redemption Fee	0.50%
Trust Fee	1.50% per annum / 0.37% per quarter
Custodianship Fees ⁷	0.001%
External Audit Fees ⁸	0.01%
Special Expense ⁹	PHP 2,000.00 per annum
Valuation Methodology	Marked-to-Market
Available Through	BPI Branches
Trustee	Bank of the Philippine Islands
Third-Party Custodian	HSBC, Ltd. (Philippines)
External Auditor	Isla Lipana & Co.
Dealing	Daily up to 2:30PM

³ Volatility measures fluctuations in NAVPU. The higher the number, the higher the potential gain or loss.
⁴ Information ratio evaluates reward-to-risk efficiency relative to the benchmark. The higher the number, the higher the reward per unit of risk.
⁵ Contribution rounded down/ redemption rounded off to the nearest whole unit.

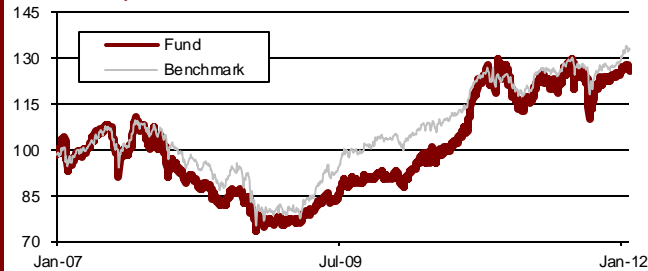
Manager's Report

Local Market Review: For the month of January, the PSEi continued to breach new all-time highs and closed at 4,682.44, increasing by 7.10% during the month. Market momentum remained strong as the local macroeconomic data continued to cushion the impact of the European debt worries and uncertainties in the US. Philippine GDP growth was in-line with market expectations, increasing by 3.7% year-on-year. Inflation for December remained benign at 4.2% year-on-year, lower than market consensus of 4.7%, prompting the central bank to lower its benchmark interest rates by 25 basis points to 4.25%. Overseas remittances hit a record high of US\$1.78 billion in November, a 10.6% year-on-year increase.

The real-estate sector gained the most, increasing by 14% during the month. Property stocks led the index's ascent with RLC gaining +24%, SMPH by +23%, and ALI by +16%. Laggards were FGEN and EDC, both decreasing by 11% from the announced delay in the Bacman power plant operations. Foreign flows continued to be at a net buy of US\$373 million in January. Foreign investors continued to stock-up large-cap players such as PLDT (+US\$57.92 million) and AC (+US\$32.11 million).

Strategy: Going forward, we expect the property, banking, and infrastructure sectors to outperform. The low interest rate regime should increase profit margins for banks and increase demand for loans. Consequently, demand for real-estate should also flourish as cost for borrowing remains low. In addition, sustained remittances from abroad should support demand further. Infrastructure companies should benefit from the government's increased allotment in infrastructure spending. Near-term support for the index is seen at 4,650.

NAVPU Graph



Allocation

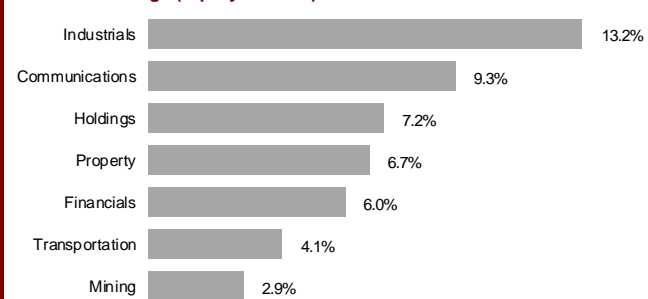
Portfolio Composition: Equities 49.4%, Cash, Fixed Income and Other Receivables 50.6%

Top Ten Equity Holdings

Name	Main Business	% of Fund
Digital Telecom Philippines Inc.	Communications	6.87%
International Container Terminal Services, Inc.	Transportation	4.09%
Ayala Land, Inc.	Property	3.85%
Petron Corporation	Industrials	3.72%
PNOC Energy Development Corporation	Industrials	3.70%
Bank of the Philippine Islands	Financials	2.43%
SM Investments Corporation	Holdings	2.34%
Philippine Long Distance Tel. Company	Communications	2.30%
Abotiz Power Corporation	Industrials	2.00%
NiHao Mineral Resources International, Inc.	Mining	1.99%

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

Sector Holdings (Equity Portion)



Risk Disclosure

The Fund is suitable for investors with an aggressive risk profile or for those who have medium- to long-term views. As a marked-to-market UTF, 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.

⁶ Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.
⁷ Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.
⁸ External Audit fees as a percentage of end-year 2009 NAV.
⁹ For publication expense.

