

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 10/31/2011

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	6.01	-0.75	61.55	40.90
Benchmark ²	4.27	1.76	65.71	38.82

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	-0.75	16.57	17.34	3.60	7.10
Benchmark ²	1.76	12.75	18.34	3.43	6.78

Calendar Year Performance (%)¹

	YTD	2010	2009	2008	2007	2006
Fund	-1.28	37.38	20.28	-26.80	11.42	26.31
Benchmark ²	2.18	20.41	33.32	-22.30	12.06	23.35

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. PSEi is a barometer of stock price movements in the Philippine Stock Exchange.

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	PHP	124.09
Total Fund NAV (Min)	PHP	807.32
Par Value	PHP	100.00
Current Number of Holdings		34

Risk Characteristics	Past 12 Months			
	Past 1YR	Low	High	Average
Volatility ³	15.56%	11.54%	15.56%	13.46%
Information Ratio ⁴	(0.21)			

General Information

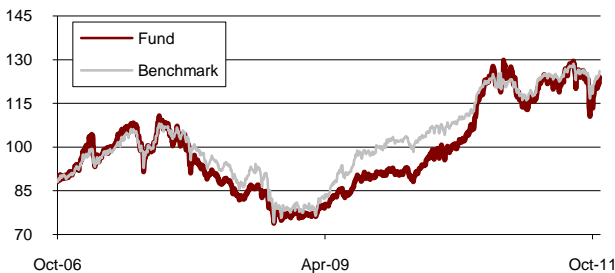
Launch Date	April 4, 2005	
Fund Structure	Unit Investment Trust Fund	
Fund Classification	Balanced Fund	
Fund Currency	Philippine Peso	
Minimum Initial Investment ⁵	PHP	10,000.00
Minimum Transaction ⁵	PHP	1,000.00
Minimum Holding Period	90 calendar days	
Early Redemption Fee	0.50%	
Trust Fee	1.50% per annum / 0.37% per quarter ⁶	
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 12 noon	

³Volatility measures fluctuations in NAVPU. The higher the number, the higher the potential gain or loss.

⁴Information ratio evaluates reward-to-risk efficiency relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁵Contribution rounded down/ redemption rounded off to the nearest whole unit.

NAVPU Graph



Allocation

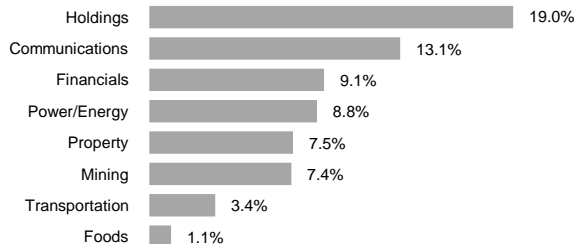
Portfolio Composition: Equities 69.6%, Cash, Fixed Income and Other Receivables 30.4%

Top Ten Equity Holdings

Name	Main Business	% of Fund
Digital Telecom Phils. Inc.	Communications	7.00%
Philippine Long Distance Tel. Company	Communications	6.11%
PNOC Energy Development Corporation	Power/Energy	5.11%
Metro Pacific Investments Corporation	Holdings	4.04%
International Container Terminals, Inc.	Transportation	3.44%
Metropolitan Bank and Trust Company	Financials	3.44%
San Miguel Corporation	Holdings	3.42%
Philex Mining Corporation	Mining	2.99%
Banco De Oro Unibank, Inc.	Financials	2.94%
SM Investments Corporation	Holdings	2.85%

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 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.

⁶Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.

⁷Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.

⁸External Audit fees as a percentage of end-year 2009 NAV.

⁹For publication expense.

Manager's Report

Local Market Review: Local equities reversed losses from a month prior, advancing 8.4% in October, compared to a decline of 8.02% in September. The market was still primarily driven by events surrounding the Euro debt crisis, as investors continued to take their cue from external factors. For majority of the month, volumes thinned however, as local investors chose to remain on the sidelines for the month. Foreigners on the other hand, were net buyers for US\$20.7 Million in October (vs. a US\$77.5 Million net selling position in September), but only turned net buyers towards the latter part of October.

In terms of macroeconomic fundamentals, data released in October remained strong. OFW Remittances grew 11% YoY in August, posting double digit growth for the first time this year. Loan growth likewise showed healthy progression, increasing 19.8% YoY. Inflation on the other hand, remained at a comfortable level, increasing slightly to 4.8% in September, allowing the BSP to hold off on anymore rate hikes for the remainder of the year.

Strategy: In the short-term, we will be cashing in on gains as the index tests the 4,350-4,400 level, given the uncertainty still surrounding the European debt crisis. We are maintaining our overweight stance however, given our bullish long-term view on the market. Any substantial weakness in the short-term will provide a good opportunity to buy back any positions sold.

