

Investment Objective

The Fund aims to achieve capital appreciation and income by investing in a diversified portfolio of foreign currency-denominated fixed income instruments issued by the Philippine government and by Philippine corporations and financial institutions. The Fund aims to provide excess return over the composite benchmark, 50% return of the 3-month U.S. Treasury Bill and 50% JACI Philippines.

Figures as of 04/30/2012

Cumulative Performance (%) ¹	1 mo	1YR	3YRS	5YRS
Fund	0.42	4.27	18.32	28.58
Benchmark ²	0.45	5.48	5.76	10.93

Annualized Performance (%) ¹	1YR	2YRS	3YRS	4YRS	5YRS
Fund	4.27	4.32	5.77	4.91	5.16
Benchmark ²	5.48	2.78	1.88	1.65	2.10

Calendar Year Performance (%) ¹	YTD	2011	2010	2009	2008	2007
Fund	2.40	2.22	6.53	9.76	2.17	4.93
Benchmark ²	2.07	3.39	0.14	0.15	1.80	4.67

¹Returns are net of fees. Past performance is not an indication of future returns.
²The Benchmark of the Fund is a composite of 50% 3-month U.S. Treasury Bill and 50% JP Morgan Asia Credit Philippines Total Return Index. The Fund adopted the Benchmark on July 1, 2011. The previous Benchmark of the Fund is the 3-month U.S. Treasury Bill.

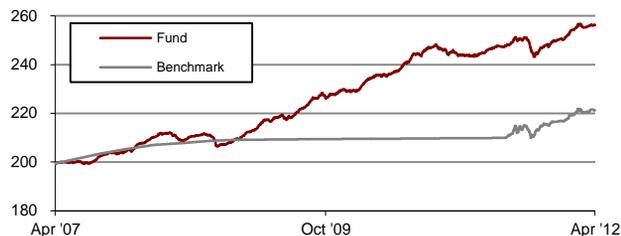
Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	USD	256.36
Total Fund NAV (Mln)	USD	88.31
Par Value	USD	100.00
Portfolio Weighted Yield to Maturity	%, net	4.00
Current Number of Holdings		48
Information Ratio ³		-0.75
Sharpe Ratio ³		2.85
Statistics (Past 5 Years)	Fund	
Annualized Return (net)		5.16
Annualized Volatility (%)		1.37
Duration (years)		4.34

General Information

Launch Date	August 30, 1994
Fund Structure	Unit Investment Trust Fund
Fund Classification	Medium Term Bond Fund
Fund Currency	US Dollar
Minimum Initial Investment ⁴	USD 500.00
Minimum Transaction ⁴	USD 200.00
Minimum Holding Period	30 calendar days
Early Redemption Fee	0.25%
Trust Fee	1.00% per annum / 0.25% per quarter ⁵
Custodianship Fees ⁵	0.006%
External Audit Fees ⁶	0.020%
Special Expense ⁷	PHP 2,000.00 per annum
Valuation Methodology	Marked-to-Market
Trustee and Fund Manager	Bank of the Philippine Islands
External Auditor	Isla Lipana & Co.
Receiving Banks	BPI Branches
Third-Party Custodian	HSBC, Ltd. (Philippines)
Dealing Cut-Off	12:00 PM

NAVPU Graph



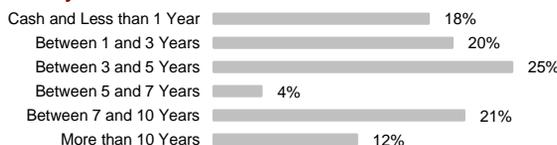
Allocation

Portfolio Composition: Government 46.0%, Corporates 45.2%, Deposits and Other Receivables 8.8%

Top Ten Holdings

Name	Yield (%)	Maturity	% of Fund
Republic of the Philippines Bonds 8.250%	2.10	1/15/2014	6.50%
Republic of the Philippines Bonds 8.875%	2.09	3/17/2015	6.48%
RCBC Perpetual Bonds 9.875%	7.98	10/27/2016	5.95%
Rep of the Philippines Global Peso Bonds 4.950%	4.63	1/15/2021	5.66%
Dev Bank of the Philippines Notes 5.500%	4.66	3/25/2021	4.69%
SM Investments Corp. Bonds 6.000%	4.21	9/22/2014	4.63%
JG Summit Corporate Bonds 8.000%	2.97	1/18/2013	4.61%
SM Investments Corp. Bonds 5.500%	5.26	10/13/2017	4.39%
Multicurrency Retail Treasury Bonds 2.875%	1.58	4/29/2013	4.31%
Republic of the Philippines Bonds 8.000%	2.31	1/15/2016	4.04%

Maturity Profile



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

Average Credit Rating: Ba3 (Moody's) / BB- (S&P)

Risk Disclosure

The Fund is suitable for investors with at least a moderately conservative profile. The Fund is suitable for investors who take medium to long-term views. The Fund's net asset value, and total return may fall as well as rise as a result of stock price movements. On redemption of units, an investor may receive an amount less than the original amount of investment.

Risk Management

In accordance with the provisions in the Declaration of Trust, the Fund implements a risk management policy that applies the principles of Value-at-Risk (VAR). VAR is a measure of the portfolio's maximum potential loss and is computed based on price volatility and market value of the investment portfolio. The Fund's risk management policy prescribes a dynamic volatility band, such that if the volatility of the Fund's investments as reflected in the NAVPU exceeds the volatility band, adjustments are made for the collective interest of the participants. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

³The 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.

⁴Contribution rounded down/ redemption rounded off to the nearest whole unit.

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

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

⁷For publication expense.

Manager's Report

Monthly Commentary. Philippine dollar-denominated bond prices increased by close to half a percent on average in April. Longer-dated bonds posted the most gains, with the price of the 25-year ROP 2037 rising by as much as 0.8% month-on-month. Prospectively, we expect ROP prices to remain well-supported given the lack of new supply and on investors' willingness to take on more Philippine risk as the country's fiscal consolidation measures start to take effect. This comes even as the government reported a deficit of PHP34Bn in 1Q12, way below the deficit target of PHP83Bn.

US Treasury prices also rallied as yields declined by 13 basis points on average. The Federal Reserve met on April 25 and, as widely expected, kept policy rates on hold and reiterated its stance to keep interest rates low until 2014.

A flight-to-safety atmosphere prevailed once again, causing investors to seek safe-haven debt, amid resurgent concerns over Europe. The spotlight turned to Spain during the month after the new government announced that they could not meet the austerity measures that the previous administration had agreed to. The country also officially entered into recession after the economy reportedly shrank by 0.3% in the first three months of 2012, matching the quarter-on-quarter decline reported in 4Q2011. In addition, nearly a quarter of Spaniards can't find jobs, pushing the unemployment rate to 24.4%. To make matters worse, Standard & Poor's downgraded Spain's credit rating by 2 notches from A to BBB+.

Fund Performance. The Fund's return for the month of April was 0.42%, bringing its year-to-date return to 2.40%, outperforming its benchmark by 33 basis points.

Strategy. The duration of the Fund as of month-end was at 4.33, slightly lower than the previous month's figure of 4.40. Moving forward, we look to maintain the Fund's overweight position in terms of duration.

