

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% JP Morgan Asia Credit Philippines Total Return Index.

Figures as of 04/30/13

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	0.68	8.34	17.89	31.25
Benchmark ²	1.11	5.95	11.81	12.98

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	8.34	6.29	5.64	6.40	5.59
Benchmark ²	5.95	5.66	3.79	2.86	2.47

Calendar Year Performance (%)¹

	YTD	2012	2011	2010	2009	2008
Fund	1.12	9.75	2.15	6.62	10.09	2.00
Benchmark ²	0.30	0.62	3.39	0.15	0.13	1.77

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

² The 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	277.73
Total Fund NAV (Mn)	USD	100.31
Average Daily NAV for the Quarter (Mn) ³	USD	96.91
Portfolio Weighted Yield to Maturity	% net	3.19
Current Number of Holdings		53
Information Ratio ⁴		2.00
Sharpe Ratio ⁴		6.81

Statistics (Past 5 Years)

	Fund
Annualized Return (net)	5.59
Annualized Volatility (%)	1.42
Duration (years)	4.64

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	USD 500.00
Minimum Transaction	USD 200.00
Minimum Holding Period	None
Trust Fee ⁵	1.00% per annum / 0.25% per quarter
Custodianship Fees ⁵	0.004%
External Audit Fees ⁶	0.006%
Valuation Methodology	Marked-to-Market
Trustee	Bank of the Philippine Islands
External Auditor	Isla Lipana & Co.
Available Through	BPI Branches and www.bpiexpressonline.com
Third-Party Custodian	HSBC, Ltd. (Philippines)
Dealing Cut-Off	12:00 PM

Manager's Report

Market Review. Philippine dollar-denominated bond prices recovered in April as the market digested news of the country having attained an investment grade rating from Fitch Ratings Agency. The long-end of the yield curve benefitted the most with the 25-year ROP trading back at the 120 price level, where it was trading at the start of the year. This improvement in bond prices caused ROP yields to decline by an average of 20 basis points across the yield curve.

At the end of the month, the maturity of the Multi-currency Retail Treasury Bond (MRTB) released US\$200 million back into the market. Thus, we expected some level of bid support for ROP bonds as investors put this liquidity back to work.

All this was capped with Standard & Poor's upgrade of the country's long-term foreign currency debt to BBB- (Investment Grade) from BB+ with a stable outlook. The recent upgrade to Investment Grade status by Japan Credit Ratings (JCR) Agency only serves as an affirmation of what the country has accomplished.

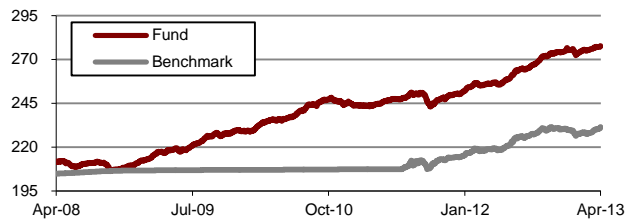
Moving forward, we expect ROPs to benefit from the recent credit rating upgrades and enjoy some bid support from the investing public. We can also expect yields to decline further.

Fund Performance. The Fund has returned 1.12% for the year, outperforming its benchmark by 82 basis points.

Strategy. The duration of the Fund as of month-end was at 4.64, higher than the previous month's 4.38. Moving forward, we look to maintain the Fund's overweight duration in light of the recent sovereign rating upgrade for the Philippines.



NAVPU Graph



Portfolio Composition: Government 40.94%, Corporates 43.72%, Cash and Receivables 15.34%

Top Holdings

Name	Yield (%)	Maturity	% of Fund
Republic of the Philippines Bonds 10.6250%	3.34	3/16/2025	6.86%
Republic of the Philippines Bonds 8.3750%	2.21	6/17/2019	6.29%
Republic of the Philippines Glo. Peso Note 4.9500%	2.22	1/15/2021	4.05%
SM Inv. Corp. Foreign Currency Bonds 6.0000%	3.81	9/22/2014	3.97%
Republic of the Philippines Bonds 8.3750%	3.78	2/2/2030	3.93%
Development Bank of the Philippines Notes 5.5000%	3.48	3/25/2021	3.80%
RCBC Perpetual Bond 9.8750%	5.76	10/27/2016	3.73%
Metrobank and Trust Co. Perp. Series 9.0000%	5.01	2/15/2016	3.49%
BPI Time Deposit	1.04	6/4/2013	3.46%
SM Inv. Corp. Foreign Currency Bonds 5.5000%	4.11	10/13/2017	3.45%

Portfolio Weightings

Philippine Corporate Bonds	51.64%
Philippine Sovereign Bonds	48.36%

Maturity Profile

Cash and Less than 1 Year	15.63%
Between 1 and 3 Years	16.93%
Between 3 and 5 Years	16.19%
Between 5 and 7 Years	13.49%
Between 7 and 10 Years	19.78%
More than 10 Years	17.98%

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

Average Credit Rating: Ba1 (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. 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. The Fund's net asset value, and total return may fluctuate as a result of interest rate and currency movements and the changes in the credit quality of the investments. 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.

Risk Management

In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. Duration measures the sensitivity of NAVPU to interest rate movements. As interest rates rise, bond prices fall. The higher the duration, the more NAVPU will fluctuate in relation to changes in interest rates. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

³ Average daily NAV for the past 3 months.

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

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

*Plan rules are available upon request.