

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 11/29/2012

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	0.83	10.40	20.32	34.81
Benchmark ²	0.51	8.19	11.44	14.01

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	10.40	5.49	6.36	7.22	6.16
Benchmark ²	8.19	5.50	3.68	2.78	2.66

Calendar Year Performance (%)¹

	YTD	2011	2010	2009	2008	2007
Fund	9.53	2.15	6.62	10.09	2.00	4.78
Benchmark ²	7.77	3.39	0.15	0.13	1.77	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	274.09
Total Fund NAV (Mln)	USD	94.83
Portfolio Weighted Yield to Maturity	%, net	3.32
Current Number of Holdings		48
Information Ratio ³		2.04
Sharpe Ratio ³		9.11

Statistics (Past 5 Years)	Fund
Annualized Return (net)	6.16
Annualized Volatility (%)	1.40
Duration (years)	4.81

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	1.00% per annum / 0.25% per quarter ⁴
Custodianship Fees ⁴	0.004%
External Audit Fees ⁵	0.006%
Special Expense ⁶	PHP 2,000.00 per annum
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	HSCB, Ltd. (Philippines)
Dealing Cut-Off	12:00 PM

Manager's Report

Market Review. For the month of November, Philippine dollar denominated bond prices increased by an average of 1.13%. The solid macroeconomic fundamentals evidenced by the strong 3Q GDP figure contributed to the attractiveness of ROPs. The Philippine 3Q GDP growth surprised on the upside, registering at 7.1% compared to the 5.4% market consensus. This figure makes the Philippines the fastest growing economy in the ASEAN region for the period.

The Philippines continued to exhibit prudent fiscal management as the 10-month budget balance accumulated to a deficit of Php115.7 billion, well below the full-year government target deficit of Php183 billion. The government posted a Php9.7 billion deficit in October.

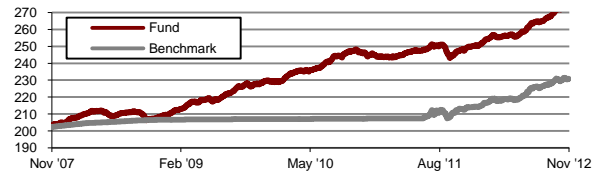
In overseas markets, US treasuries and Euro benchmark bonds outperformed in November, with yields decreasing by an average of 5 and 6 basis points, respectively. Demand for safe-haven assets strengthened as democrats and republicans failed to find an agreement to avoid the US Fiscal Cliff. There were also renewed concerns over Europe as the IMF and EU finance ministers debated over conditions of the Greek debt bail-out, and as the Euro-zone fell into recession after contracting for two consecutive quarters.

Fund Performance. The Fund's return for the month was 0.83%, bringing its year-to-date return to 9.53%.

Strategy. The duration of the Fund as of month-end was at 4.81, an increase from the previous month's 4.26. We will maintain the Fund's overweight position in terms of duration given the positive outlook on Philippine fundamentals.



NAVPU Graph



Allocation

Portfolio Composition: Government and Supranational 45.1%, Corporates 47.7%, Cash and Receivables 7.2%

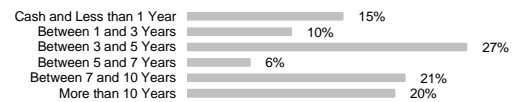
Top Holdings

Name	Yield (%)	Maturity	% of Fund
BPI Dollar Time Deposit 1.60%		1/3/2013	5.72%
RCBC Perpetual Bonds 9.875%	6.48	10/27/2016	5.63%
Republic of the Philippines Bonds 8.875%	3.58	2/2/2030	5.30%
Republic of the Philippines Bonds 10.625%	3.10	3/16/2025	4.79%
Republic of the Philippines Global Peso Note 4.950%	3.67	1/15/2021	4.52%
SM Investments Corp. Bonds 6.000%	3.53	9/22/2014	4.39%
SM Investments Corp. Bonds 5.500%	3.90	10/13/2017	4.39%
JG Summit Corporate Bonds 8.000%	3.34	1/18/2013	4.20%
Multicurrency Retail Treasury Bonds 2.8750%	0.67	4/29/2013	4.13%
Development Bank of the Philippines Notes 5.500%	3.47	3/25/2021	3.87%

Portfolio Weightings



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: 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 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. Beginning October 17, 2012 the fund no longer utilizes the dynamic volatility band. 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.

⁴Trust fees/management fees/custodianship fees as a percentage of average daily NAV for the quarter.

⁵External Audit fees as a percentage of end-year NAV.

⁶For publication expense.

*Plan rules are available upon request.