

Philippine Dollar Bond Index Fund

April 30, 2010

BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP480 billion in total assets under management.

Investment Objective

To achieve investment returns that track the total return of the JPMorgan Asia Credit Index Philippines through investments in a diversified portfolio of US dollar denominated fixed income instruments issued by the Philippine government, corporations and financial institutions.

Fund Performance

Absolute Returns	Fund	JACI Phils Total Return Index
Year-to-date	4.33%	4.60%
2009	20.41%	24.38%
2008	-2.70%	-5.43%
2007	7.20%	7.59%
Since Inception	31.04%	32.39%

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

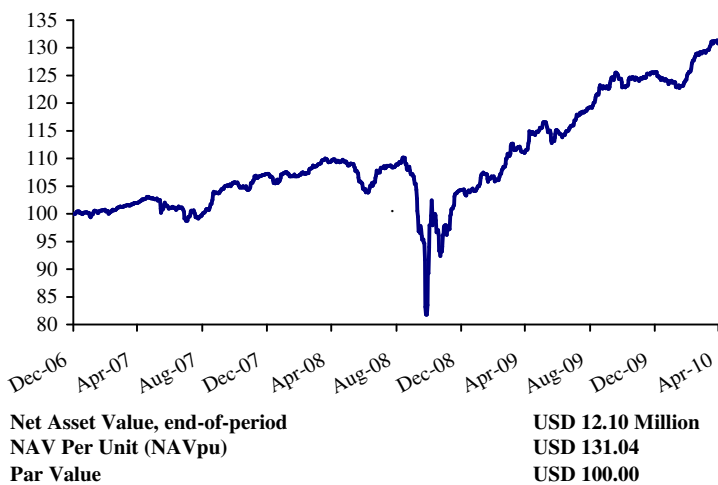
Fund Manager's Report

Prices of USD-denominated ROPs rose by 0.6% in April as investors' appetite for Asian dollar-denominated debt strengthened after Moody's upgraded Korea's sovereign credit rating from "A2" to "A1", and amid news of Greece's sovereign debt woes and the possible contagion effect to other European nations. The JPMorgan Asia Credit Index spreads narrowed slightly by 3 basis points to 222 by month-end. As for the Philippines, five-year ROP CDS spreads remained unchanged at the 165 level.

The Philippine government successfully issued a total of USD298Mn in 3-year and 5-year dollar-denominated Retail Treasury Bonds, also known as the "expat bonds". The success of these auctions, which were targeted primarily for overseas Filipinos, demonstrated the country's capability to raise funds from the investing public.

Against this backdrop, the Fund continued to track the JPMorgan Asia Credit Total Return Index. Investors of the Fund are advised to pursue a long-term investment horizon.

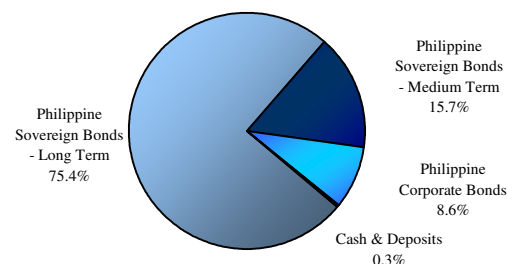
Net Asset Value Per Unit



Risk Disclosure

An index tracker bond fund is suitable for investors who take medium to long-term views and want exposure to Philippine bonds. As a marked-to-market UITF, the Fund's yield, net asset value, and total return may fall as well as rise as a result of interest rate movements and the changes in credit quality of the investments. On redemption of units, an investor may receive an amount less than the original amount of the investment. Liquidity risk also needs to be taken into account.

Portfolio Composition



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

Top 10 Holdings

Security	Yield	Maturity	% of Fund
Republic of the Philippines Bonds	7.750%	01/14/2031	10.2
Republic of the Philippines Bonds	10.625%	03/16/2025	9.6
Republic of the Philippines Bonds	9.500%	02/02/2030	9.4
Republic of the Philippines Bonds	6.375%	10/23/2034	7.6
Republic of the Philippines Bonds	8.375%	06/17/2019	6.6
Republic of the Philippines Bonds	8.250%	01/15/2014	6.5
Republic of the Philippines Bonds	6.375%	01/15/2032	5.5
Republic of the Philippines Bonds	8.000%	01/15/2016	5.4
Republic of the Philippines Bonds	6.500%	01/20/2020	5.3
Republic of the Philippines Bonds	9.000%	02/15/2013	5.1

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

Risk Characteristics

Risk Measures	Fund	JACI Phils Total Return Index
Duration	7.49	7.40
Volatility, Past 360 Days	3.78%	5.04%

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

Fund Facts

Launch Date	December 31, 2006
Structure	Unit Investment Trust Fund
Fund Type	Index Tracker Bond Fund
Benchmark	JPMorgan Asia Credit Philippines Total Return Index
Client Suitability	The fund is suitable for investors with an aggressive risk profile
Base Currency	US Dollar
Minimum Investment	USD 1,000.00
Minimum Additional	USD 200.00
Minimum Holding Period	90 calendar days
Early Redemption Fee	0.25%
Trust Fees	0.25% per annum 0.06% per quarter ¹
Custodianship Fees ²	0.002%
External Audit Fees ³	0.01%
Valuation Methodology	Mark-to-Market
Trustee and Fund Manager	Bank of the Philippine Islands
Available Thru	Bank of the Philippine Islands Branches
Custodians	HSBC Bank of New York
External Auditor	Isla Lipana & Co.
Dealing	Daily up to 12 noon
Bloomberg Ticker	BPIDBIX PM

¹Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.

²Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.

³External Audit fees as a percentage of end-year 2008 NAV.