

Investment Objective

The Fund aims to achieve investment returns that closely track the total return of a U.S. dollar-denominated index, the JP Morgan Asia Credit Philippines Total Return Index, before fees and taxes, by investing in a diversified portfolio of Philippine sovereign and corporate fixed income instruments.

Figures as of 08/30/2013

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5 YRS	S.I. ³
Fund	-3.17	-6.00	11.68	50.44	63.62
JACI Phil ²	-2.39	-5.32	13.91	53.55	68.00

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ³
Fund	-6.00	3.37	3.75	8.24	8.51	7.66
JACI Phil ²	-5.32	3.83	4.44	8.85	8.96	8.09

Calendar Year Performance (%)¹

	YTD	2012	2011	2010	2009	2008
Fund	-9.15	15.09	9.91	13.40	20.71	-2.95
JACI Phil ²	-8.74	15.79	10.44	13.78	26.07	-6.71

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

²The Fund tracks the JP Morgan Asia Credit Philippines Total Return Index.

³Since Inception.

Key Figures and Statistics

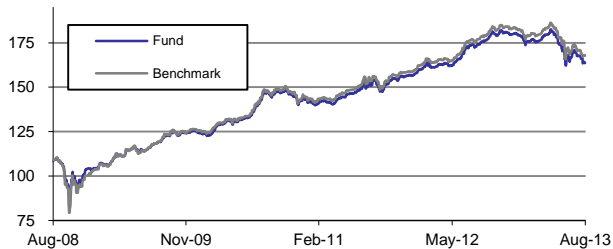
Net Asset Value per Unit (NAVPU)	USD	163.62
Total Fund NAV (Mn)	USD	23.32
Average Daily NAV for the Quarter (Mn) ⁴	USD	26.72
Portfolio Weighted Yield to Maturity	% net	4.81
Current Number of Holdings		43
Tracking Error (3-Yr) ⁵		1.95%

Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (net)	8.51	8.96
Annualized Volatility (%)	7.61	7.98
Duration (years)	7.20	7.49

General Information

Launch Date	December 31, 2006
Fund Structure	Unit Investment Trust Fund
Fund Classification	Index Tracker Bond Fund
Fund Currency	US Dollar
Minimum Initial Investment	USD 500.00
Minimum Transaction	USD 200.00
Minimum Holding Period	None
Days to Settlement (Contribution)	Day 1 End-of-Day
Days to Settlement (Redemption)	Day 1 End-of-Day
Trust Fee ⁶	0.25% per annum / 0.06% per quarter
Custodianship Fees ⁶	0.003%
External Audit Fees ⁷	0.021%
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

NAVPU Graph



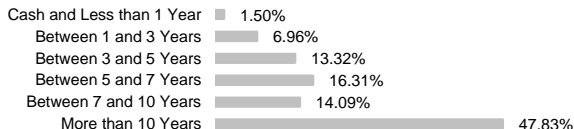
Allocation

Portfolio Composition Government 64.16%, Corporates 34.34%, Cash and Receivables 1.50%

Top Holdings

Name	Yield (%)	Maturity	% of Fund
Republic of the Philippines Bonds 6.3750%	5.33	10/23/2034	8.18%
Republic of the Philippines Bonds 7.7500%	5.51	1/14/2031	7.66%
Republic of the Philippines Bonds 9.5000%	5.48	2/2/2030	7.28%
Republic of the Philippines Bonds 10.6250%	4.84	3/16/2025	6.14%
Republic of the Philippines Bonds 4.0000%	3.77	1/15/2021	5.33%
Republic of the Philippines Bonds 5.0000%	4.73	1/13/2037	4.58%
Republic of the Philippines Bonds 6.3750%	5.34	1/15/2032	4.06%
Republic of the Philippines Bonds 5.5000%	4.79	3/30/2026	3.96%
Republic of the Philippines Bonds 8.375%	3.50	6/17/2019	3.82%
Power Sector Assets and Liabilities Mgt. 7.3900%	5.26	12/2/2024	3.54%

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) / BBB- (S&P)

Risk Disclosure

The fund is suitable for investors with an aggressive risk profile. An index tracker bond fund is suitable for investors who take medium- to long-term views and want exposure to Philippine bonds. 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. As a marked-to-market UITF, the Fund's yield, 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 the investment. Liquidity risk also needs to be taken into account.

⁴ Average Daily NAV for the past 3 months.

⁵ Tracking error is the measure of deviation between the Fund's returns and the benchmark returns. A lower number means the Fund's return is closely aligned with the benchmark.

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

⁷ External Audit fees as a percentage of 2011 end-year NAV.

*Plan rules are available upon request.

Manager's Report

Market Review. A slew of positive economic figures from the US prompted talks that the Federal Reserve could start tapering their Quantitative Easing (QE) Program by this September. The 2nd Quarter GDP in the US beat market expectations as it grew by 2.5% compared to the 2.2% consensus, and the previous quarter's reading of 1.7%. Unemployment rate, meanwhile, clocked-in at 7.40% for July versus the 7.60% reading last June. Discussions of a US-led military strike against Syria due to suspected use of chemical weapons added fuel to the bond market slide. As a result, the 10-Year US Treasury traded as high as 2.9% before falling 12 basis points to end the month at 2.78%.

ROPs continued to track the movement of US Treasuries as yields rose by 34 basis points on average, with the 25-year ROP bond price falling to the 103 level by month-end, compared to 107 at the start of the month. This decline in ROP bond prices occurred in spite of the Philippines posting positive economic figures. GDP registered a 7.5% growth for the Second Quarter of 2013, exceeding analysts' expectations of 7.2%, only slightly falling below last quarter's revised figure of 7.7%. Meanwhile, preliminary data from the BSP reported a jump in the Philippines' gross international reserves to US\$ 83.201 billion in August, from US\$ 83.172 billion in July. This is enough to cover 12 months of imports of goods and service payments, as well as 8.5x the country's short-term external debt.

Moving forward, volatility in ROP prices may remain due to news flows abroad. However, the country's economic fundamentals remain positive as domestic inflation was likewise a positive surprise. The CPI figure for August registered at 2.1% versus last month's 2.5%, giving the Monetary Board leeway to maintain their accommodative stance.

Fund Performance. Against this backdrop, the Fund returned -9.15% year-to-date.

Strategy. The Fund will continue to track the JPMorgan Asia Credit Total Return Index.

