

Philippine Dollar Bond Index Fund

A Unit Investment Trust Fund of the Bank of the Philippine Islands



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 11/29/2012

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5 YRS	S.I. ³
Fund	1.08	17.02	45.62	72.73	81.02
JACI Phil ²	1.02	17.25	48.13	74.74	84.37

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ³
Fund	17.02	11.48	13.35	16.69	11.55	10.55
JACI Phil ²	17.25	12.17	13.99	17.95	11.81	10.89

Calendar Year Performance (%)¹

	YTD	2011	2010	2009	2008	2007
Fund	15.68	9.91	13.40	20.71	-2.95	7.23
JACI Phil ²	15.97	10.44	13.78	26.07	-6.71	7.57

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.

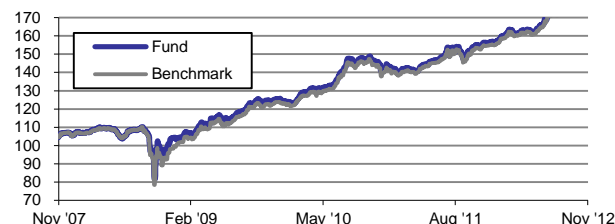
Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	USD	181.02
Total Fund NAV (Min)	USD	30.47
Portfolio Weighted Yield to Maturity	%, net	2.97
Current Number of Holdings		36
Tracking Error (1-Yr) ⁴		1.87%
Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (net)	11.55	11.81
Annualized Volatility (%)	7.41	7.81
Duration (years)	8.10	8.24

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
Trust Fee	0.25% per annum / 0.06% per quarter ⁵
Custodianship Fees ⁵	0.001%
External Audit Fees ⁶	0.017%
Special Expense ⁷	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	HSBC, Ltd. (Philippines)
Dealing Cut-Off	12:00 PM

NAVPU Graph



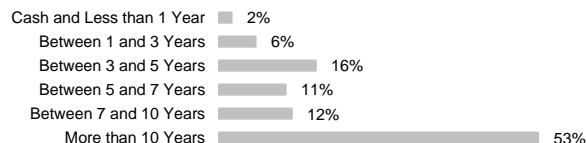
Allocation

Portfolio Composition Government and Supranational 76.1%, Corporates 22.4%, Cash and Receivables 1.5%

Top Holdings

Name	Yield (%)	Maturity	% of Fund
Republic of the Philippines Bonds 6.375%	3.62	10/23/2034	9.31%
Republic of the Philippines Bonds 7.750%	3.60	1/14/2031	8.54%
Republic of the Philippines Bonds 9.500%	3.58	2/2/2030	7.95%
Republic of the Philippines Bonds 10.625%	3.10	3/16/2025	6.40%
Republic of the Philippines Bonds 4.000%	2.16	1/15/2021	5.56%
Republic of the Philippines Bonds 6.375%	3.56	1/15/2032	4.64%
Republic of the Philippines Bonds 5.500%	2.95	3/30/2026	4.49%
Republic of the Philippines Bonds 5.000%	3.62	1/13/2037	4.31%
Republic of the Philippines Bonds 8.375%	2.00	6/17/2019	4.06%
Power Sector Assets and Liabilities Mgt. 7.39%	3.27	12/2/2024	3.88%

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 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 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.

⁴Tracking 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.

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.

*Plan rules are available upon request.

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 1.08%, bringing its year-to-date return to 15.68%.

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

