

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 09/30/2013

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5 YRS	S.I. ³
Fund	2.51	-5.17	13.91	56.46	67.73
JACI Phil ²	2.08	-4.79	15.45	61.14	71.49

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ³
Fund	-5.17	6.25	4.44	8.08	9.37	7.96
JACI Phil ²	-4.79	6.75	4.90	8.49	10.01	8.31

Calendar Year Performance (%)¹

	YTD	2012	2011	2010	2009	2008
Fund	-6.86	15.09	9.91	13.40	20.71	-2.95
JACI Phil ²	-6.84	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

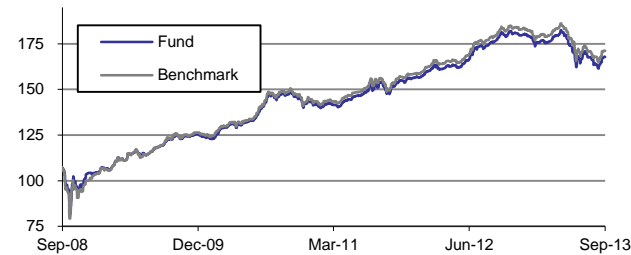
Net Asset Value per Unit (NAVPU)	USD	167.73
Total Fund NAV (Mn)	USD	24.27
Average Daily NAV for the Quarter (Mn) ⁴	USD	24.55
Portfolio Weighted Yield to Maturity	% net	4.49
Current Number of Holdings		44
Tracking Error (3-Yr) ⁵		1.97%

Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (net)	9.37	10.01
Annualized Volatility (%)	7.63	8.01
Duration (years)	7.06	7.61

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	0.013%
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



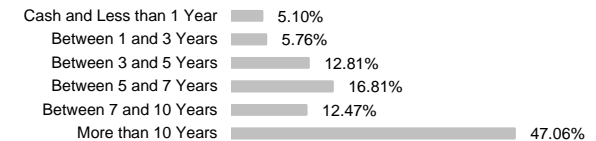
Allocation

Portfolio Composition Government 62.88%, Corporates 32.91%, Cash and Receivables 4.21%

Top Holdings

Name	Yield (%)	Maturity	% of Fund
Republic of the Philippines Bonds 6.3750%	4.97	10/23/2034	8.21%
Republic of the Philippines Bonds 7.7500%	5.06	1/14/2031	7.70%
Republic of the Philippines Bonds 9.5000%	5.07	2/2/2030	7.26%
Republic of the Philippines Bonds 10.6250%	4.73	3/16/2025	5.93%
Republic of the Philippines Bonds 4.0000%	3.41	1/15/2021	5.24%
Republic of the Philippines Bonds 6.3750%	4.93	1/15/2032	4.08%
Republic of the Philippines Bonds 5.0000%	4.38	1/13/2037	4.04%
Republic of the Philippines Bonds 5.5000%	4.26	3/30/2026	3.99%
Republic of the Philippines Bonds 8.375%	3.22	6/17/2019	3.71%
Power Sector Assets and Liabilities Mgt. 7.3900%	4.98	12/2/2024	3.47%

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 2012 end-year NAV.

*Plan rules are available upon request.

Manager's Report

Market Review. September proved to be a good month for Emerging Markets as investors were surprised to see that no tapering took effect following the Federal Reserve's meeting during the month. This meant that the bond purchases in the amount of \$85 billion every month by the Federal Reserve would continue at least until December, if not until next year.

This caused the price of the 10-Year US Treasury bond to rally, with its yield initially declining by 15 basis points, and finally settling at the 2.60% level. Since RoPs have been tracking the movement in US Treasuries, RoP yields declined as well. On average, yields of Philippine dollar-denominated bonds dropped by 31 basis points, with the 25-year ROP bond price rising by as much as 5 price points to the 109 level by month-end.

Looking ahead, ROP prices will remain volatile due to market news from abroad, particularly in the US. The US government has been partially shut down due to the budget impasse and the debt ceiling deadline is drawing closer. The US government must raise the debt ceiling by October 17, otherwise the US government will run out of borrowing capacity. All these could lead to a slowdown in US economic growth and ultimately, adversely affect the global economy.

On a positive note, the Philippines was upgraded by Moody's Investors Service from Ba1 to Baa3 last October 3. This further affirms the country's investment grade status as the rating action puts Moody's at par with ratings from both Standard and Poor's and Fitch Ratings.

Fund Performance. Against this backdrop, the Fund returned -6.86% year-to-date.

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

