

**INVESTMENT OBJECTIVE**

The Fund aims for capital preservation and income generation from investments in a diversified portfolio consisting of selected government securities that can provide higher yields.

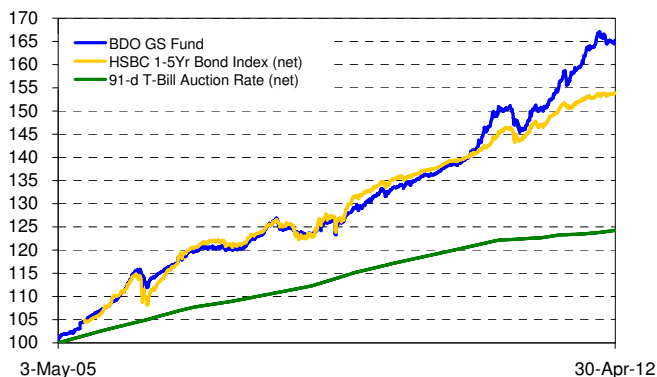
**CLIENT SUITABILITY**

The Fund is suitable for individual and corporate investors with moderate risk appetite and who are looking for investments that have moderate risks. In order to minimize risks and maximize earning potential, participants/trustors are recommended to stay invested in the Fund for at least three (3) years.

**ALLOWABLE / PROSPECTIVE INVESTMENTS**

The following are the investment outlets where the Trustee may invest the Fund in, depending on their availability or other market circumstances: Securities issued or guaranteed by the Philippine Government or the BSP, deposits in trustee's bank or in other banks and collective investment plans of the trustee/other trustees that are invested in securities issued or guaranteed by the Philippine Government or the BSP. The Fund may also avail itself of financial derivative instruments solely for the purpose of hedging risk exposures, subject to the guidelines set by the BSP for such activities and likewise duly approved by the Trustee's Trust Committee.

**NAVPU vs. Benchmark & Alternative Investment**



**OTHER FUND FACTS**

Bloomberg Ticker	EPCIBGS <Index>
Fund Type	Medium Term Bond Fund
Inception Date	May 3, 2005
Net Asset Value (NAV)	Php 1.361 Billion
NAV per unit (NAVPU) <sup>9</sup>	Php 165.2948
Par Value	Php 100.00
Minimum Investment	Php 100,000.00
Minimum Additional	Php 100,000.00
Minimum Holding Period	30 calendar days
Early Redemption Fee	0.50% of Original Participation Amount
Trust Fee	1.00% p.a.
Custodian	Deutsche Bank AG, Manila Branch
Dealing Period	Up to 12:00 nn. of any banking day
Settlement Period	One (1) banking day after notice of redemption is received

<sup>9</sup> The NAVPU of the Fund shall be computed every trading day at 7 p.m.

**FUND PERFORMANCE (Absolute Return, net of tax and fees)**

Period	BDOGS <sup>1</sup>	Benchmark <sup>2</sup>	Risk-Free Rate <sup>3</sup>
One Month Ago	0.07%	0.19%	0.17%
Three Months Ago	0.52%	0.59%	0.43%
Year to Date	0.83%	0.46%	0.55%
One Year Ago	9.40%	4.19%	1.37%
Three Years Ago	25.52%	15.09%	6.89%
Five Years Ago	37.21%	26.13%	14.58%
Since Inception	65.29%	53.93%	24.27%

<sup>1</sup> Past performance is not indicative of future performance.

<sup>2</sup> The Fund's benchmark is the HSBC 1-5Yr Bond Index, commencing Aug. 31, 2005

<sup>3</sup> The estimated return on the risk-free rate refers to the compounded daily return of the latest auctioned 91-day T-Bill, adjusted for tax.

**PORTFOLIO STATISTICS**

	Mar 30, 2012	Apr 30, 2012
Weighted Ave. Duration	4.97	4.96
Volatility, Past One Year <sup>4</sup>	3.09%	2.92%
Sharpe Ratio <sup>5</sup>	3.32	2.75
Information Ratio <sup>6</sup>	2.32	2.06
Weighted Ave. Yield (net <sup>7</sup> )	2.86%	2.85%

<sup>4</sup> Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>5</sup> Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the risk taken. The higher the number, the better.

<sup>6</sup> Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>7</sup> Net of taxes and trust fees

**BEST PERFORMANCE (Past five years)**

Inclusive Dates	Biggest Gain	No. of days to achieve
7/11/2007	2/17/2012	39.30%
		1,682 days

**MAXIMUM DRAWDOWN AND RECOVERY IN NAVPU<sup>8</sup> (Past five years)**

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)
1/4/2011	2/17/2011	-3.81%
		74 days

<sup>8</sup> Maximum Drawdown is the maximum percentage loss that a fund incurs over a time period.

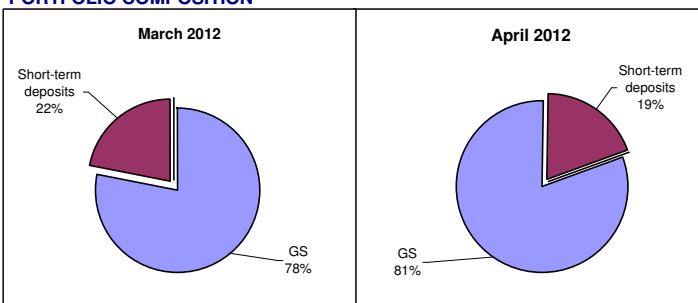
Maximum Drawdown Period is the length of time the maximum drawdown occurs.

Recovery Period is the length of time taken by a fund to surmount its maximum drawdown.

**FUND MANAGER'S STRATEGY**

Peso yields remained dormant for most of the month as data and recent developments failed to lift the market from support levels. During the month, the Bangko Sentral ng Pilipinas (BSP) paused from relaxing monetary policy as export, remittance, and government expenditure data pointed to better GDP figures. Other developments keeping yields at bay and practically leaving most investors on the sidelines were higher yielding corporate issuances which siphoned funds away from government securities and the uncertainty surrounding the extent of domestic funding that the Bureau of Treasury is contemplating. The Fund Manager took profits on 20- year tenors and increased exposure in 5- and 10- year tenors which are showing positive price movements.

**PORTFOLIO COMPOSITION**



**TOP TEN HOLDINGS<sup>10</sup>**

Issue	Coupon Rate	Maturity	% of Portfolio
TD - OWN BANK	4.2500%	06/20/12	7.36%
TD - OWN BANK	4.2500%	06/11/12	6.92%
RTB	6.6250%	08/19/17	6.86%
FXTN	6.3750%	01/19/22	5.55%
FXTN	8.0000%	07/19/31	4.97%
FXTN	7.0000%	03/31/17	4.70%
RTB	5.8750%	03/01/32	3.68%
RTB	6.5000%	10/20/21	3.53%
FXTN	11.2500%	01/26/31	3.40%
FXTN	6.5000%	04/28/21	3.29%

<sup>10</sup> The complete list of portfolio holdings is available upon request