

INVESTMENT OBJECTIVE

The Fund aims for capital preservation and income generation by investing in higher yielding short to medium-term bond investments and other similar fixed income securities with a portfolio weighted average life of more than one (1) year.

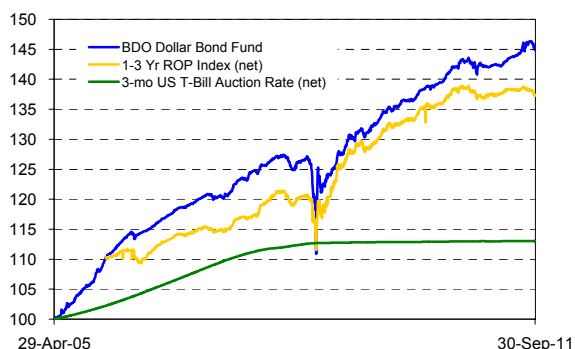
CLIENT SUITABILITY

The Fund is suitable for risk-tolerant individual and corporate investors who are looking for higher yields and are willing to take the attendant risks due to the medium-term assets the Fund may have. 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: deposits in the trustee's own or in other banks, securities issued or guaranteed by the Philippine Government or the BSP, tradable securities issued by any supranational entity, exchange-listed fixed income securities, collective investment plans of the trustee/other trustees and such other tradable investment outlets/categories allowed for UITFs by BSP and determined by the Trustee's Trust Committee as suitable for the Fund.

NAVPU vs. Benchmark & Alternative Investment



FUND PERFORMANCE (Absolute Return on Investment)

Period	BDODBF ¹	Benchmark ²	Risk-Free Rate ³
One Month Ago	-0.48%	-0.64%	0.00%
Three Months Ago	1.08%	-0.64%	0.01%
Year to Date	2.10%	0.10%	0.04%
One Year Ago	1.65%	-1.06%	0.07%
Three Years Ago	15.65%	14.38%	0.35%
Five Years Ago	25.00%	22.11%	7.06%
Since Inception	45.49%	37.30%	13.01%

¹ Past performance is not indicative of future performance.

² The Fund's benchmark is the 1-3 Yr ROP Index based on Bloomberg's FMPH prices commencing Jan. 5, 2006.

³ The estimated return on the risk-free rate refers to the compounded daily return of the latest auctioned 3-mo US T-Bill, adjusted for tax.

PORTFOLIO STATISTICS

	Jun 30, 2011	Sep 30, 2011
Weighted Ave. Duration	2.25	2.09
Volatility, Past One Year ⁴	1.48%	1.89%
Sharpe Ratio ⁵	2.09	0.83
Information Ratio ⁶	0.92	1.30
Weighted Ave. Yield (net) ⁷	1.82%	1.23%

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

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

⁶ 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.

⁷ Net of taxes and trust fees

BEST PERFORMANCE (Past five years)

Inclusive Dates	Biggest Gain	No. of days to achieve	
10/27/2008	9/9/2011	31.97%	1,047

MAXIMUM DRAWDOWN AND RECOVERY IN NAVPU⁸ (Past five years)

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)	
5/21/2008	10/27/2008	-12.98%	106

⁸ 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.

SPECIAL REIMBURSABLE EXPENSES

Nature of Expense	Name of Third Party	Expense Ratio ⁹
Custodianship	Standard Chartered/Deutsche Bank	0.0034%
Financial Info Service	Bloomberg/Reuters	0.0021%
Audit Fees	Punongbayan & Araullo	0.0000%

⁹ Ratio of expense to the quarter's average daily NAV of the Fund valued at US\$ 39.914 Million.

DISCLAIMER: The views expressed in this Update by BDO-Trust are strictly for information purposes only. The UITFs are not deposit accounts but trust products. Participation in UITFs does not guarantee a rate of return and are not covered by the Philippine Deposit Insurance Corporation (PDIC). BDO UITFs are likewise not guaranteed by BDO. Investment or participation in the UITFs are subject to risk and possible losses of principal. The value of the investments can go up or down and, upon redemption, may be worth more or worth less than the original amount invested. BDO-Trust is not liable for such losses, which are for the sole account of the participant/trustor. Thus, it is important that the investor always considers if these Funds are aligned with his financial goals, investment horizon and risk appetite. The UITFs are charged for custodianship fees, financial services providers' fees and third-party audit fees whose sum total does not exceed 0.10% of each of the Funds' volumes. For more information, kindly call (02) 878-4255.

OTHER FUND FACTS

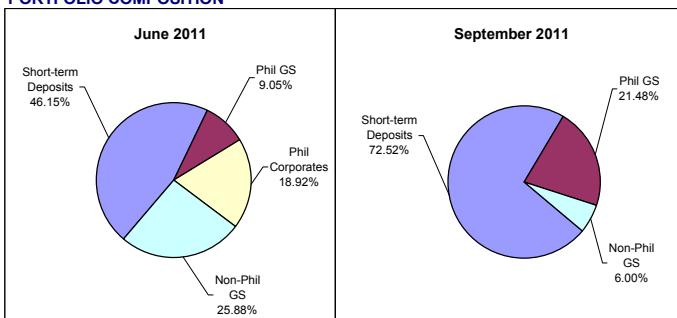
Bloomberg Ticker	BDODBF <Index>
Fund Type	Intermediate Term Bond Fund
Inception Date	April 29, 2005
Net Asset Value (NAV)	US\$33.203 Million
NAV per unit (NAVPU) ¹⁰	US\$ 145.4901
Par Value	US\$ 100.00
Minimum Investment	US\$ 2,000.00
Minimum Additional	US\$ 2,000.00
Minimum Holding Period	45 calendar days
Early Redemption Fee	0.50% of Original Participation Amount
Trust Fee (TF)	0.75% p.a.
TF as Expense Ratio	0.1904%
Custodian	Standard Chartered Bank Deutsche Bank AG, Manila Branch
Dealing Period	Up to 12:00 nn. of any banking day
Settlement Period	Three (3) banking days after notice of redemption is received

¹⁰ The NAVPU of the Fund shall be computed every trading day at 7:00 p.m.

FUND MANAGER'S STRATEGY

The quarter started positively for ROP bonds after the twin credit rating upgrades of the Philippines from Moody's and Standard and Poor's (S&P). With this development, and the momentary wane of global risk aversion, the Fund Manager decided to increase the exposure to the long tenors - the very liquid portion of the ROP curve. However, midway into the quarter, the market turned very volatile as threats of a default in Greece and a double-dip back to recession for the US began to circulate in sovereign debt and equity markets. ROP bonds succumbed to selling pressure after the S&P downgraded the US for the first time. Thus, prices have been on a downtrend for the whole month of September. The Fund Manager took advantage of the August volatility to sell ahead and realize gains while shifting to a defensive duration stance. This proved to be a good strategy as volatility increased even further after news of French banks encountering liquidity problems and the downgrade of Italy hit the headlines. The further slide in ROP prices provided the Fund Manager opportunities to accumulate fresh positions for the portfolio.

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS¹¹

Issuer / S&P Rating	Gross Yield	Maturity	% of Portfolio
Phil / BB-	5.500%	03/30/26	12.57%
TD-Other Bank	1.880%	01/16/12	8.99%
Phil / BB-	4.000%	01/15/21	8.91%
STATE BANK OF INDIA	3.250%	04/30/13	6.00%
TD-Other Bank	1.625%	11/18/11	5.99%
TD-Other Bank	1.750%	12/20/11	5.99%
TD-Other Bank	1.900%	12/28/11	5.99%
TD-Other Bank	2.125%	10/20/11	4.49%
TD-Other Bank	1.750%	12/08/11	4.49%
TD-Own Bank	0.250%	10/03/11	3.20%

¹¹ The complete list of portfolio holdings is available upon request.