

INVESTMENT OBJECTIVE

The Fund aims primarily for capital growth over the medium to long-term by investing in a selection of exchange-listed equities.

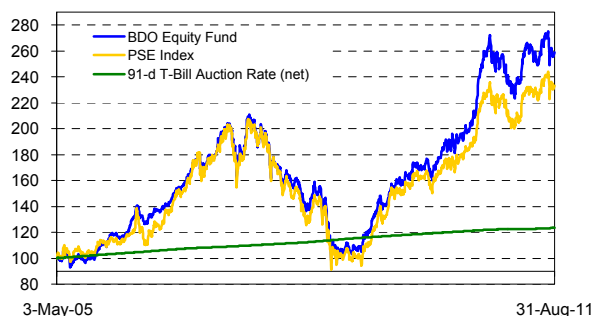
CLIENT SUITABILITY

The Fund is suitable for risk-taking individual and corporate investors who seek potentially higher returns through stock market investments but are also aware of the possibility of capital losses that such investments may entail. In order to minimize risks and maximize earning potential, participants/trustors are recommended to stay invested in the Fund for more than 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: Exchange-listed equities and fixed income securities, deposits in the Trustee's bank or in other banks, securities issued or guaranteed by the Philippine Government or the BSP, tradable securities issued by any supranational entity, collective investment plans of the trustee/other trustees and such other tradable investment outlets/categories allowed for UITFs by BSP and approved by the Trustee's Trust Committee as suitable for the Fund

NAVPU vs. Benchmark & Alternative Investment



OTHER FUND FACTS

Bloomberg Ticker	EPCIBEQ<Index>
Fund Type	Equity Fund
Inception Date	May 3, 2005
Net Asset Value (NAV)	Php 2.412 Billion
NAV per unit (NAVPU) ¹⁰	Php 258.8444
Par Value	Php 100.00
Minimum Investment	Php 10,000.00
Minimum Additional	Php 10,000.00
Minimum Holding Period	30 calendar days
Early Redemption Fee	1.00% 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	Four (4) 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 PERFORMANCE (Absolute Return, net of tax and fees)

Period	BDOEQ ¹	Benchmark ²	Risk-Free Rate ³
One Month Ago	-4.78%	-3.44%	0.14%
Three Months Ago	1.36%	2.45%	0.49%
Year to Date	0.52%	3.51%	0.83%
One Year Ago	23.08%	21.94%	1.58%
Three Years Ago	70.52%	61.77%	9.09%
Five Years Ago	88.58%	88.07%	16.27%
Since Inception	158.84%	133.15%	23.30%

¹ Past performance is not indicative of future performance.

² The Fund's benchmark is the PSEi.

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

FUND MANAGER'S REPORT

Expectations of a slowing US economy and renewed concerns over the sovereign debt crisis in Europe triggered a global sell off in equity markets worldwide, resulting in an unexpected volatility and risk aversion for the month. While the local equity market was not spared from the market correction, the local market (together with other key ASEAN markets) remained resilient as the PSEi closed at 4,348.50, a decline of only 3.44% versus its regional and global counterparts which declined by as much as 7%-10% for the same period. As such, the Fund Manager expects the equity market to remain volatile in the near term, with the PSEi to range between 4,100 to 4,350 while still maintaining the year-end target at 4,600-4,800. The Fund Manager has gradually reduced exposure in equities by taking profits on some positions and is now looking for opportunities to reposition on market dips or when improvements are seen in global market sentiments. Also, domestic fundamentals remain intact as the 2Q corporate results have been an improvement over the weak 1Q numbers particularly on the banking and property sector.

PORTFOLIO STATISTICS

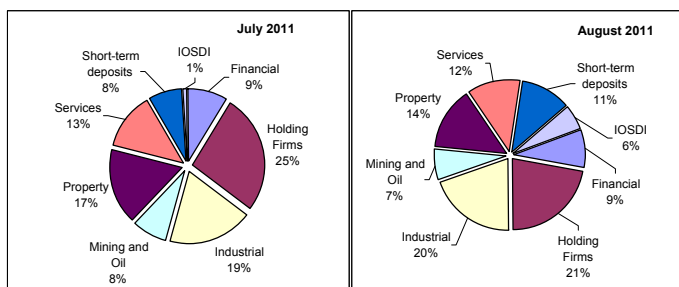
	Jul 29, 2011	Aug 31, 2011
Volatility, Past One Year ⁴	16.32%	17.17%
Sharpe Ratio ⁵	2.20	1.25
Information Ratio ⁶	1.08	0.20

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 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.

PORTFOLIO COMPOSITION - BY SECTOR



BEST PERFORMANCE (Past five years)

Inclusive Dates	Biggest Gain	No. of days to achieve	
11/21/2008	8/1/2011	180.90%	983

MAXIMUM DRAWDOWN AND RECOVERY IN NAVpus⁷ (Past five years)

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)	
10/15/2007	11/21/2008	-53.56%	636

⁷ 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.

PORTFOLIO COMPOSITION

	Jul 29, 2011	Aug 31, 2011
Equity securities	91.78%	82.94%
Government securities	0.00%	0.00%
Corp bonds	0.00%	0.00%
Short-term deposits ⁸	7.52%	11.46%
IOSDI ⁹	0.70%	5.60%

⁸ Includes BSP Special Deposit Account (SDA)

⁹ Investment in other securities and debt instruments

TOP TEN HOLDINGS¹¹

Company Name	Ticker	Last Price Aug 31, 2011	% of Portfolio
Ayala Land	ALI	15.94	6.73%
SM Investments	SM	540.00	5.78%
Alliance Global	AGI	10.30	5.66%
DMCI Hldgs	DMC	40.25	5.62%
PLDT Co	TEL	2,390.00	5.27%
Banco de Oro	BDO	58.75	4.39%
ICTSI	ICT	50.70	4.34%
Energy Dev't	EDC	6.25	4.18%
Metro Pac. Inv.	MPI	3.30	4.03%
Philex Mng	PX	27.70	3.87%

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