



FUND FACTS

Bloomberg Ticker	EPCIBGS <Index>
Fund Type	Medium Term Bond Fund
Inception Date	May 3, 2005
Net Asset Value (NAV)	Php 919.959 Million
NAV per unit (NAVPU) ¹	Php 146.1022
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.
Valuation	Mark-to-market
Trustee	Banco de Oro Unibank, Inc.
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

¹ 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 ²	Benchmark ³	Risk-Free Rate ⁴
One Month Ago	-1.29%	-0.78%	0.06%
Three Months Ago	-2.72%	-1.30%	0.16%
Year to Date	-2.99%	-1.52%	0.11%
One Year Ago	6.25%	3.99%	2.49%
Since Inception	46.10%	43.84%	22.42%

² Past performance is not indicative of future performance.

³ The Fund's benchmark is the HSBC 1-5Yr Bond Index, commencing Aug. 31, 2005

⁴ 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

	Jan 31, 2011	Feb 28, 2011
Weighted Ave. Duration (years)	4.08	3.39
Weighted Ave. Yield (net ⁵)	3.37%	3.53%

⁵ Net of taxes and trust fees

PORTFOLIO COMPOSITION

	Jan 31, 2011	Feb 28, 2011
Government securities	88.76%	81.63%
Short-term deposits ⁶	11.24%	10.71%
IOSDI ⁷	0.00%	7.66%
Corporate Bonds	0.00%	0.00%

⁶ Includes BSP Special Deposit Accounts (SDA)

⁷ Investment in other securities and debt instruments (guaranteed by the government)

TOP TEN HOLDINGS⁸

Issue	Coupon Rate	Maturity	% of Portfolio
TD - OTHER BANKS	4.2500%	03/03/11	10.62%
FXTN	6.2500%	01/27/14	8.85%
SDA ⁶	4.1875%	03/28/11	7.66%
FXTN	7.8750%	02/19/19	5.50%
FXTN	12.7500%	07/15/14	5.05%
FXTN	6.3750%	05/13/15	4.59%
RTB	7.2500%	08/19/20	3.78%
FXTN	7.7500%	02/18/20	3.10%
RTB	9.0000%	07/31/13	2.94%
FXTN	13.0000%	04/25/12	2.63%

⁸ The complete list of portfolio holdings is available upon request

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.

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.

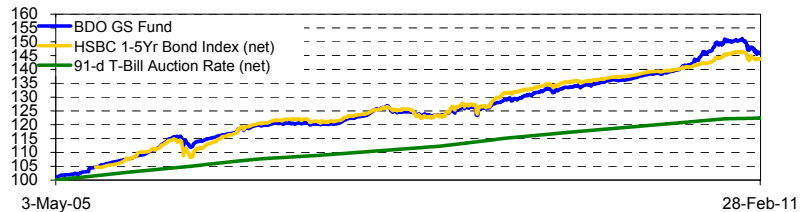
CLIENT SUITABILITY

The Fund is suitable for risk-tolerant individual and corporate investors 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.

PROSPECTIVE INVESTMENTS

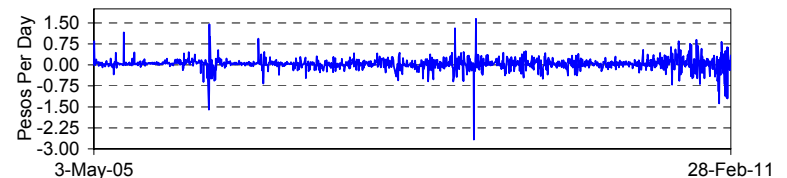
The Fund may be invested in securities issued or guaranteed by the Philippine government or the BSP, deposits in Trustee's bank or in other banks and collective investment plans of the trustee/other trustees that are invested in securities issued or guaranteed by the Philippine Government or the BSP.

NAVPU vs. Benchmark & Alternative Investment



DAILY CHANGES IN NAVPU

(This chart measures the Fund's degree of volatility).



FUND MANAGER'S REPORT

The peso bond market sustained another round of beating during the month of February as inflation spiked on the back of oil price hikes. As the political tensions in the oil-rich Middle East and North Africa (MENA) escalated, the BSP was forced to revise its 2011 inflation forecast to 4.4% from 3.6%. Nonetheless, the Monetary Board maintained its stance by keeping the key borrowing rate at an all-time low of 4% even as neighbors China and Indonesia had already increased their headline rates during the month to curb inflation. On the other hand, after rejecting all bids for the 7-year auction and partially accepting bids for the 25-year offering, the Bureau of Treasury decided to tap the retail market towards the end of the month by offering Retail Treasury Bonds (RTBs) with 5- and 10-year tenors. These developments caused another 20 to 70 basis points increase on yields of belly tenors as investors shifted funds to shorter tenors to minimize risks to the current inflationary scenario. The Fund Manager sold some belly and long-end tenors and shifted to 3-year papers.