

INVESTMENT OBJECTIVE

The Fund aims to preserve capital and generate high level of income for tax - exempt entities by investing such funds in a combination of short-term to long-term fixed income securities.

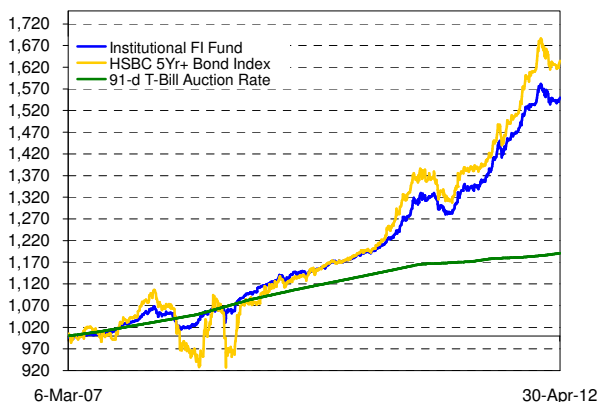
CLIENT SUITABILITY

The Fund is suitable for retirement plans and other entities with moderate risk profiles. These have tax-exemptions supported by Bureau of Internal Revenue tax-exemption certificates, are looking for higher yields and are willing to take the attendant risks that come with portfolios that may have investments with longer tenors.

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 bank 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, marketable fixed income securities that are traded in an organized exchange, loans traded in an organized market, other 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. 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	BDOIFXI <Index>
Fund Type	Tax-exempt Bond Fund
Inception Date	March 6, 2007
Net Asset Value (NAV)	Php 495.738 Million
NAV per unit (NAVPU) ⁹	Php 1,549.5823
Par Value	Php 1,000.00
Minimum Investment	Php 1,000.00
Minimum Additional	Php 1,000.00
Minimum Holding Period	None
Early Redemption Fee	None
Trust Fee	0.50% p.a.
Availability	For tax-exempt trust accounts with full management discretion
Custodian	Standard Chartered Bank, Citibank
Dealing Period	Up to 12:00 nn. of any banking day
Settlement Period	One (1) banking day after notice of redemption is received

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

FUND PERFORMANCE (Absolute Return, net of fees)

Period	BDOIFXI ¹	Benchmark ²	Risk-Free Rate ³
One Month Ago	0.04%	0.13%	0.21%
Three Months Ago	0.57%	0.88%	0.54%
Year to Date	1.25%	2.29%	0.68%
One Year Ago	14.93%	17.72%	1.71%
Three Years Ago	37.74%	47.25%	8.69%
Since Inception	55.11%	63.63%	19.19%

¹ Past performance is not indicative of future performance.

² The Fund's benchmark is the HSBC 5Yr+ Bond Index.

³ The estimated return on the alternative investment refers to the compounded daily return of the latest auctioned 91-day T-Bill.

PORTFOLIO STATISTICS

	Mar 30, 2012	Apr 30, 2012
Weighted Ave. Duration	6.41	6.30
Volatility, Past One Year ⁴	4.93%	4.71%
Sharpe Ratio ⁵	3.44	2.81
Information Ratio ⁶	-1.04	-1.21
Weighted Ave. Yield (net ⁷)	4.58%	4.60%

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.

⁷ Net of taxes and trust fees

BEST PERFORMANCE (Past five years)

Inclusive Dates	Biggest Gain	No. of days to achieve	
5/2/2007	2/17/2012	58.05%	1,752 days

MAXIMUM DRAWDOWN AND RECOVERY IN NAVpus⁸ (Past five years)

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)	
1/29/2008	5/6/2008	-5.08%	128 days

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

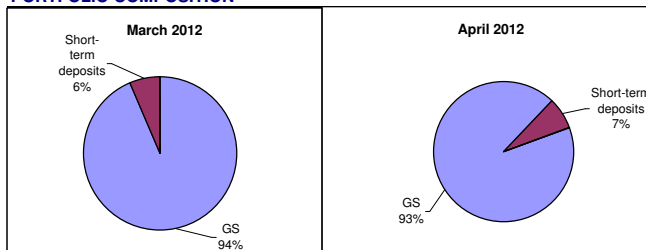
Maximum Drawdown Period is the length of time the maximum drawdown occurs.

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

FUND MANAGER'S STRATEGY

Sentiment remained weak for the local debt market despite positive GDP data came out of the region during the month. This prompted the Asian Development Bank to advise that central banks in the region could refrain from further stimulus, as short-term growth would remain robust. Locally, an unexpected surge in export numbers to 14.6% in February compared to January's 3.1% coupled with remittance growth of 5.8% in February versus 5.4% in January afforded the BSP to pause from further easing interest rates. Finally, a number of corporate debt issuances crowded out government securities as they offered hefty premiums relative to government debt. With no clear price direction for the month, the Fund Manager decided to decrease the Fund's duration.

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS¹⁰

Issue	Coupon Rate	Maturity	% of Portfolio
FXTN ¹¹	8.1250%	12/16/35	19.60%
RTB ¹¹	6.6250%	08/19/17	12.62%
FXTN ¹¹	6.1250%	09/16/20	10.87%
RTB ¹¹	7.2500%	08/19/20	9.32%
PSALM ¹¹	7.7500%	04/22/17	7.61%
RTB ¹¹	5.8750%	08/19/15	5.41%
RTB ¹¹	6.2500%	09/24/14	5.01%
TD - OTHER BANKS ¹¹	4.3750%	07/11/12	4.79%
FXTN ¹¹	5.8750%	02/02/32	4.07%
FXTN ¹¹	6.2500%	01/27/14	3.24%

¹⁰ The complete list of portfolio holdings is available upon request

¹¹ Tax-exempt securities.