

INVESTMENT OBJECTIVE

The Fund aims for capital preservation and income generation over the medium term by investing in higher yielding medium to long term bond investments and other similar fixed income securities.

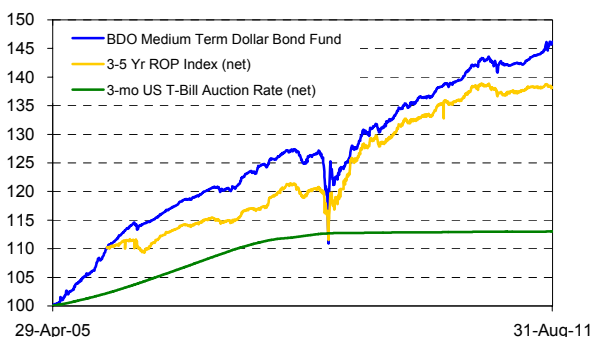
CLIENT SUITABILITY

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 relatively longer-term nature of the Fund's investments. 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 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, 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	EPCIBUS ¹	Benchmark ²	Risk-Free Rate ³
One Month Ago	0.64%	-0.24%	0.00%
Three Months Ago	2.58%	0.32%	0.01%
Year to Date	3.55%	1.33%	0.04%
One Year Ago	3.73%	0.79%	0.08%
Three Years Ago	22.11%	18.11%	0.46%
Five Years Ago	36.26%	27.61%	7.47%
Since Inception	57.64%	42.29%	13.00%

¹ Past performance is not indicative of future performance.

² The Fund's benchmark is the 3-5 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

	Jul 29, 2011	Aug 31, 2011
Weighted Ave. Duration	4.47	3.01
Volatility, Past One Year ⁴	2.63%	3.29%
Sharpe Ratio ⁵	1.75	1.11
Information Ratio ⁶	1.24	1.09
Weighted Ave. Yield (net) ⁷	2.42%	1.99%

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
10/27/2008	8/3/2011	45.28%	1,010

MAXIMUM DRAWDOWN AND RECOVERY IN NAVpus⁸ (Past five years)

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)
5/21/2008	10/27/2008	-16.64%
		150

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.

OTHER FUND FACTS

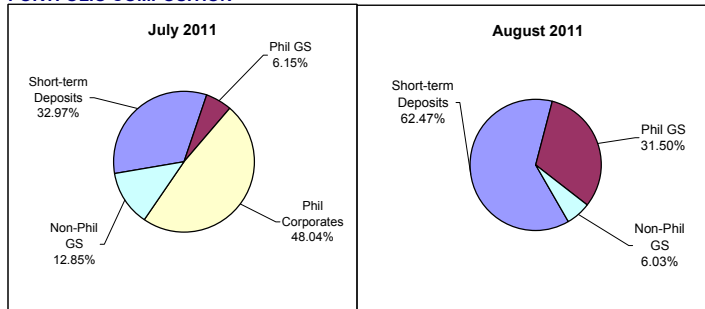
Bloomberg Ticker	EPCIBUS<Index>
Fund Type	Medium Term Bond Fund
Inception Date	May 3, 2005
Net Asset Value (NAV)	US\$16.702 Million
NAV per unit (NAVPU) ⁹	US\$ 1.5764
Par Value	US\$ 1.00
Minimum Investment	US\$ 2,000.00
Minimum Additional	US\$ 2,000.00
Minimum Holding Period	45 calendar days
Early Redemption Fee	1.00% p.a. of Original Participation Amount
Trust Fee (TF)	1.00% p.a.
Custodian	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

⁹ The NAVPU of the Fund shall be computed every trading day at 7:00 p.m.

FUND MANAGER'S STRATEGY

August was a very volatile month for ROP dollar bond investors. The month started on a positive note following news of an agreement in the US Congress to raise their debt ceiling, a move that saved the US from default. However, ROP bonds succumbed to selling pressure after the S&P downgrade of the US just a few days later. Instead of eroding the value of US debt, the rating cut sparked financial market turmoil that made US Treasuries the favored safe haven asset once again. The 10-yr US government bond yield dropped to a record low of 1.97%. The US Fed then came out with a pronouncement to keep its policy rates low until the middle of 2013. This put some firmer footing on market sentiment and ROP prices recovered. Fund managers took advantage of this opportunity to sell and realize gains. Volatility increased anew after news of French banks encountering liquidity problems hit the headlines. This drove the price of ROPs lower once again. Before the month ended, opportunistic buying was seen ahead of the Fed chair's Wyoming meeting with the world's central bank head. ROP bonds pared losses at the end of the month after the Fed Chairman reiterated that the US economy is not deteriorating enough to warrant any immediate monetary stimulus dubbed QE3.

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS¹⁰

Issuer / S&P Rating	Gross Yield	Maturity	% of Portfolio
Phil / BB-	4.000%	01/15/21	18.38%
Phil / BB-	5.500%	03/30/26	13.12%
TD-Other Bank	1.750%	10/17/11	12.03%
TD-Other Bank	1.500%	09/06/11	7.22%
STATE BANK OF INDIA	3.250%	04/30/13	6.03%
TD-Other Bank	2.400%	11/10/11	6.01%
TD-Other Bank	1.900%	11/21/11	6.01%
NCTD - Other Bank	3.650%	02/16/13	6.01%
LTTD - Own Bank	6.000%	11/17/13	6.01%
TD-Other Bank	1.500%	09/14/11	4.81%

¹⁰ The complete list of portfolio holdings is available upon request.

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