

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.

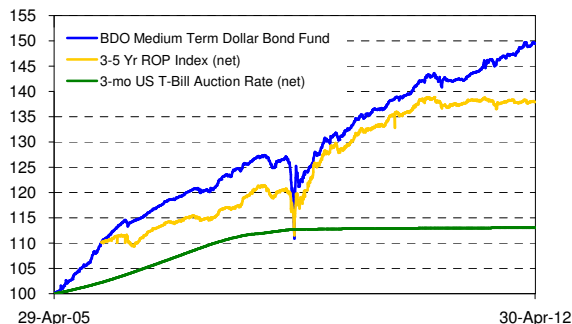
CLIENT SUITABILITY

The Fund is suitable for individual and corporate investors with moderate risk appetite and 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. 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	EPCIBUS<Index>
Fund Type	Medium Term Bond Fund
Inception Date	May 3, 2005
Net Asset Value (NAV)	US\$19,555 Million
NAV per unit (NAVPU) ⁹	US\$ 1.6291
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 PERFORMANCE (Absolute Return on Investment)

Period	MTDBF ¹	Benchmark ²	Risk-Free Rate ³
One Month Ago	0.61%	0.31%	0.01%
Three Months Ago	1.56%	0.87%	0.02%
Year to Date	2.11%	0.66%	0.02%
One Year Ago	6.74%	2.13%	0.03%
Three Years Ago	24.64%	13.16%	0.24%
Five Years Ago	32.79%	24.62%	4.25%
Since Inception	62.91%	43.96%	13.02%

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.

FUND MANAGER'S STRATEGY

As mentioned in the report last month, the movement of ROP prices will be dictated by the trend in the US Treasury yields. After rising to as high as 2.4% last month from 1.88% at the end of 2011, the yield on the benchmark 10-year US Treasury paper dropped back to 2% on signs that the recovery of the US economy is still not that strong. Despite this, the Fund Manager expects ROP prices to start rising in the near term. The ROP showed resilience even after Indonesia tapped the market with the new Indon 2022 with an issue size of \$2 billion and a re-tapped of Indon 2042 for \$500mm. It also showed strength in the face of small profit-taking with the long end outperforming the middle part of the curve. With these developments, the Fund Manager continued to maintain a high ROP allocation at around 49%.

PORTFOLIO STATISTICS

	Mar 30, 2012	Apr 30, 2012
Weighted Ave. Duration	4.94	4.90
Volatility, Past One Year ⁴	3.11%	3.10%
Sharpe Ratio ⁵	2.19	2.16
Information Ratio ⁶	1.65	1.62
Weighted Ave. Yield (net ⁷)	1.76%	1.62%

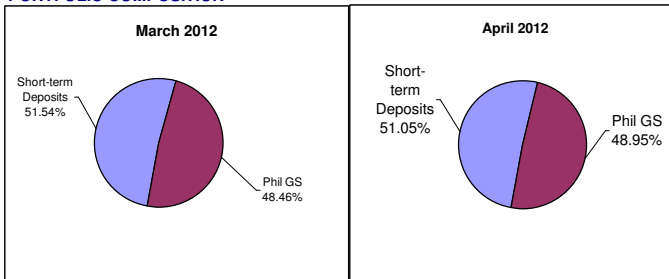
⁴ Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

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

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS¹⁰

Issuer / S&P Rating	Gross Yield	Maturity	% of Portfolio
Phil / BB-	5.500%	03/30/26	20.31%
Phil / BB-	4.000%	01/15/21	14.89%
Phil / BB-	5.000%	01/13/37	13.74%
TD-Other Bank	1.375%	05/09/12	10.27%
TD-Other Bank	1.900%	06/04/12	10.27%
TD-Other Bank	2.000%	07/16/12	7.71%
TD-Other Bank	2.000%	05/18/12	5.14%
TD-Other Bank	1.900%	05/20/12	5.14%
TD-Other Bank	1.900%	05/24/12	2.57%
TD-Other Bank	2.125%	06/06/12	2.57%

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

BEST PERFORMANCE (Past five years)

Inclusive Dates	Biggest Gain	No. of days to achieve
10/27/2008	3/5/2012	50.38%
		1,225

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.

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