

INVESTMENT OBJECTIVE

The Fund aims to achieve capital appreciation over the medium-term by investing primarily in equities and to some extent in fixed-income securities, the allocation of which shall be determined by the Trustee depending on market conditions.

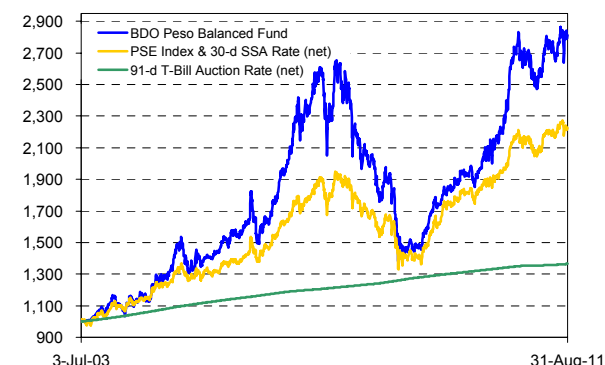
CLIENT SUITABILITY

The Fund is suitable for risk-taking individual and corporate investors who are aware of the opportunity for high yields that stock market investments may provide but are also knowledgeable 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	BDOPBAL <Index>
Fund Type	Balanced Fund
Inception Date	July 3, 2003
Net Asset Value (NAV)	Php 1.495 Billion
NAV per unit (NAVPU) ¹⁰	Php2,812.4342
Par Value	Php 1,000.00
Minimum Investment	Php10,000.00
Minimum Additional	Php10,000.00
Minimum Holding Period	30 calendar days
Early Redemption Fee	0.50% of Original Participation Amount
Trust Fee	1.00% p.a.
Custodian	Standard Chartered Bank
	Philippine Depository & Trust Corp.
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	BDOPBAL ¹	Benchmark ²	Risk-Free Rate ³
One Month Ago	-0.02%	-1.57%	0.14%
Three Months Ago	2.44%	1.60%	0.49%
Year to Date	3.77%	2.69%	0.83%
One Year Ago	19.97%	11.97%	1.58%
Three Years Ago	47.65%	34.70%	9.09%
Five Years Ago	71.68%	51.78%	16.27%
Since Inception	181.24%	122.62%	36.42%

¹ Past performance is not indicative of future performance.

² The Fund's benchmark is the average of the PSEI and the Bloomberg Ave. 30-day Special Savings rate.

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

FUND MANAGER'S REPORT

For the month of August, the yields across the curve went lower despite the higher-than-expected inflation numbers for July (at 5.1%) relative to the sharp decline in global crude oil prices. Meanwhile, expectations of a slowing US economy and renewed concerns over the debt crisis in Europe triggered a global sell off in equity markets worldwide thus resulting in an unexpected volatility and risk aversion for the month. Despite this, the equity market was resilient as the PSEI only declined by 3.4% versus its regional and global counterparts which declined by as much as 7%-10%. The Fund Manager believes that the fixed income market will continue to remain positive particularly in the longer tenors as inflation expectations have eased off. Meanwhile, the equity market is expected to remain volatile in the near term as investors continue to sort out issues on whether the US economy is poised for a possible recession or whether the recent weak data would further imply monetary easing/stimulus by the US Federal Reserve. Moving forward, the PSEI is expected to range between 4,100 to 4,350 over the near term 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.

PORTFOLIO STATISTICS

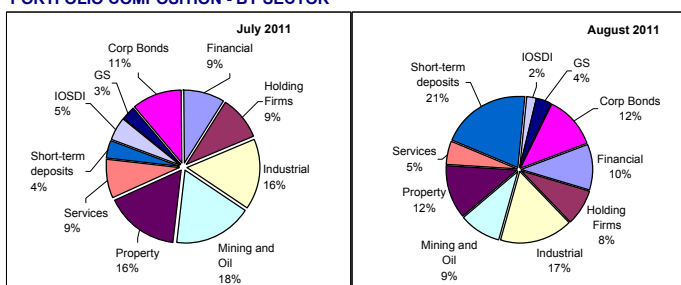
	Jul 29, 2011	Aug 31, 2011
Volatility, Past One Year ⁴	13.59%	14.25%
Sharpe Ratio ⁵	1.98	1.29
Information Ratio ⁶	1.61	1.05

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	
10/27/2008	7/20/2011	107.33%	996

MAXIMUM DRAWDOWN AND RECOVERY IN NAVPU⁷ (Past five years)

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)	
10/15/2007	10/27/2008	-47.97%	700

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	76.58%	61.65%
Government securities	3.19%	3.54%
Corp bonds	10.99%	12.02%
Short-term deposits ⁸	4.07%	20.47%
IOSDI ⁹	5.17%	2.32%

⁸ Includes BSP Special Deposit Account (SDA)

⁹ Investment in other securities and debt instruments

TOP TEN HOLDINGS¹¹

Equities

Company Name	Ticker	Last Price Aug 31, 2011	% of Portfolio
San Miguel	SMC	124.80	4.87%
Metro Bank	MBT	73.00	4.55%
Banco de Oro	BDO	58.75	4.26%
DMCI Hldgs	DMC	40.25	4.17%
SM Investments	SM	540.00	3.37%
Energy Dev't.	EDC	6.25	3.14%

Fixed Income

Issue	Coupon Rate	Maturity	% of Portfolio
CORP BOND	8.46%	5/18/2015	7.12%
SDA	4.69%	9/19/2011	6.65%
CORP BOND	8.50%	7/14/2014	4.07%
FXTN	6.25%	1/27/2014	3.54%

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