

INVESTMENT OBJECTIVE

The Fund aims for capital preservation and income generation by investing in short to medium - term bonds and other similar fixed income securities.

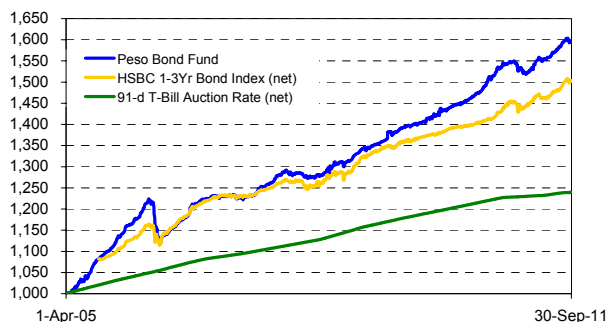
CLIENT SUITABILITY

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 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 approved by the Trustee's Trust Committee as suitable for the Fund.

NAVPU vs. Benchmark & Alternative Investment



FUND PERFORMANCE (Absolute Return, net of tax and fees)

| Period | BDOPBF ¹ | Benchmark ² | Risk-Free Rate ³ |
|------------------|---------------------|------------------------|-----------------------------|
| One Month Ago | 0.01% | 0.16% | 0.04% |
| Three Months Ago | 2.06% | 2.08% | 0.35% |
| Year to Date | 3.24% | 3.64% | 0.86% |
| One Year Ago | 5.47% | 6.17% | 1.34% |
| Three Years Ago | 22.38% | 17.09% | 8.69% |
| Five Years Ago | 36.04% | 27.59% | 15.94% |
| Since Inception | 59.97% | 50.47% | 24.05% |

¹ Past performance is not indicative of future performance.
² The Fund's benchmark is the HSBC 1-3 Yr Bond Index, commencing Aug. 31, 2005.
³ 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

| | Jun 30, 2011 | Sep 30, 2011 |
|---|--------------|--------------|
| Weighted Ave. Duration | 2.87 | 2.86 |
| Volatility, Past One Year ⁴ | 2.10% | 2.07% |
| Sharpe Ratio ⁵ | 2.31 | 1.99 |
| Information Ratio ⁶ | 0.7 | -0.31 |
| Weighted Ave. Yield (net ⁷) | 3.47% | 3.29% |

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 level of 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 |
|-----------------|--------------|------------------------|
| 9/27/2006 | 36.63% | 1,812 days |

MAXIMUM DRAWDOWN AND RECOVERY IN NAVpus⁸ (Past five years)

| Maximum Drawdown Period | Biggest Loss | Recovery Period (days) |
|-------------------------|--------------|------------------------|
| 1/4/2011 | -2.08% | 51 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.

SPECIAL REIMBURSABLE EXPENSES

| Nature of Expense | Name of Third Party | Expense Ratio ⁹ |
|------------------------|-------------------------------|----------------------------|
| Custodianship | Standard Chartered/Deutsche B | 0.0041% |
| Financial Info Service | Bloomberg/Reuters | 0.0019% |
| Audit Fees | Punongbayan & Araullo | 0.0000% |

⁹ Ratio of expense to the quarter's average daily NAV of the Fund valued at Php 3.052 Billion.

OTHER FUND FACTS

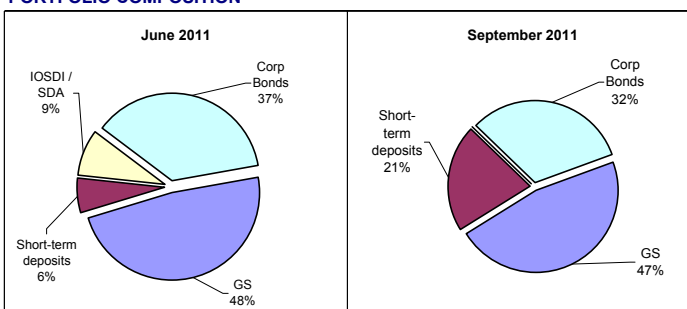
| | |
|------------------------------------|--|
| Bloomberg Ticker | BDOPBF <Index> |
| Fund Type | Intermediate-Term Bond Fund |
| Inception Date | April 1, 2005 |
| Net Asset Value (NAV) | Php 3.318 Billion |
| NAV per unit (NAVPU) ¹⁰ | Php1,598.1266 |
| Par Value | Php 1,000.00 |
| Minimum Investment | 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 (TF) | 0.75% p.a. |
| TF as Expense Ratio | 0.1868% |
| Custodian | Standard Chartered Bank |
| Dealing Period | Up to 12:00 nn. of any banking day |
| Settlement Period | One (1) banking day after notice of redemption is received |

¹⁰ The NAVPU of the Fund shall be computed every trading day at 7 p.m.

FUND MANAGER'S STRATEGY

The third quarter opened on a positive note as the Bureau of Treasury successfully concluded its sixth bond exchange program in July. Around P292.5 billion of shorter-dated debt was swapped for P323.4 billion worth of 10- and 20-year securities. Towards the middle of the quarter, yields again reached all-time-lows as the yield of the 364-day Tbill auction fell below 1% for the first time and the 7-year securities at 4.7785% was just 9 points away from the 30-day SDA rate of 4.6875%. However, because of global risk concerns over the US' and Europe's fiscal condition, the positive trend reversed in September, pushing the yield curve up by 50 points from the low. Since the PBF portfolio is actively traded, the Fund was able to post a 3.24% absolute return year-to-date.

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS¹¹

| Issue | Coupon Rate | Maturity | % of Portfolio |
|----------------------|-------------|----------|----------------|
| TD - OWN BANK | 4.7500% | 10/11/11 | 8.17% |
| TD - OTHER BANKS | 4.8000% | 10/10/11 | 8.05% |
| EDC Bond 2015 | 8.6418% | 06/04/15 | 7.87% |
| Ayala Land Bond 2013 | 8.7500% | 08/14/13 | 6.13% |
| FXTN | 7.0000% | 03/31/17 | 5.55% |
| RTB | 6.6250% | 08/19/17 | 5.33% |
| TD - OWN BANK | 4.7500% | 10/11/11 | 4.83% |
| RTB | 5.8750% | 08/19/15 | 3.63% |
| Megaworld Bond 2015 | 8.4600% | 05/18/15 | 3.59% |
| JG Summit Bond 2014 | 8.2500% | 11/20/14 | 3.49% |

¹¹ The complete list of portfolio holdings is available upon request