

**INVESTMENT OBJECTIVE**

The Fund aims to provide a professionally managed portfolio seeking primarily capital growth and secondarily, income and the preservation of principal and maintenance of liquidity as consistent with prudent investment management by investing in equity securities and other fixed income securities, when warranted.

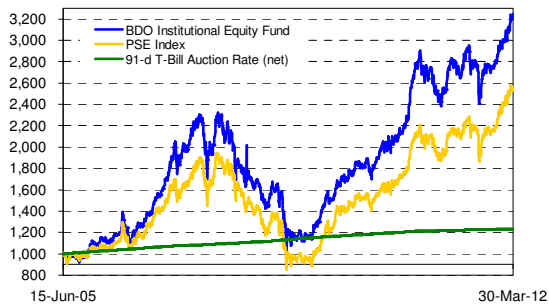
**CLIENT SUITABILITY**

The Fund is suitable for individuals, partnership, institutional and corporate investors with aggressive risk profiles and who seek potentially higher return through stock market investments but are also aware 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 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**



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

Period	BDOEQTY <sup>1</sup>	Benchmark <sup>2</sup>	Risk-Free Rate <sup>3</sup>
One Month Ago	5.70%	4.29%	0.15%
Three Months Ago	15.81%	16.83%	0.38%
Year to Date	15.81%	16.83%	0.38%
One Year Ago	25.04%	25.96%	1.25%
Three Years Ago	160.05%	157.16%	7.02%
Five Years Ago	67.65%	59.44%	14.61%
Since Inception	224.47%	156.36%	23.35%

<sup>1</sup> Past performance is not indicative of future performance.

<sup>2</sup> The Fund's benchmark is the PSEI.

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

**PORTFOLIO STATISTICS**

	Dec 29, 2011	Mar 30, 2012
Volatility, Past One Year <sup>4</sup>	17.50%	16.76%
Sharpe Ratio <sup>5</sup>	0.05	1.42
Information Ratio <sup>6</sup>	-0.38	-0.17

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

<sup>5</sup> 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.

<sup>6</sup> 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.

**BEST PERFORMANCE (Past five years)**

Inclusive Dates	Biggest Gain	No. of days to achieve
10/28/2008 - 3/30/2012	214.49%	1249

**MAXIMUM DRAWDOWN AND RECOVERY IN NAVpus<sup>7</sup> (Past five years)**

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)
10/15/2007 - 10/28/2008	-55.57%	674

<sup>7</sup> 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**

	Dec 29, 2011	Mar 30, 2012
Equity securities	95.33%	93.08%
Government securities	0.00%	0.00%
Corp bonds	0.00%	0.00%
Short-term deposits <sup>8</sup>	4.67%	6.92%
IOSDI <sup>9</sup>	0.00%	0.00%

<sup>8</sup> Includes BSP Special Deposit Account (SDA)

<sup>9</sup> Investment in other securities and debt instruments

**SPECIAL REIMBURSABLE EXPENSES**

Nature of Expense	Name of Third Party	Expense Ratio <sup>10</sup>
Custodianship	Deutsche Bank AG Manila	0.0024%
Financial Info Service	Bloomberg/Reuters	0.0013%
Audit Fees	Punongbayan & Araullo	0.0011%

<sup>10</sup> Ratio of expense to the quarter's average daily NAV of the Fund valued at PHP 4,929 Billion.

**DISCLAIMER:** The views expressed in this Update by BDO-Trust are strictly for information purposes only. The UITFs are not deposit accounts but trust products. Participations in UITFs do not guarantee a rate of return and are not covered by the Philippine Deposit Insurance Corporation (PDIC). BDO UITFs are likewise not guaranteed by BDO. Investments or participations in the UITFs are subject to risks and possible losses of principal. The value of the investments can go up or down and, upon redemption, may be worth more or worth less than the original amounts invested. BDO-Trust is not liable for such losses, which are for the sole account of the participants/trustors. Thus, it is important that the investors always consider if these Funds are aligned with their financial goals, investment horizon and risk appetite. The UITFs are charged for custodianship fees, financial service providers' fees and third-party audit fees whose sum total does not exceed 0.10% of each of the Funds' volumes. For more information, kindly call (02) 878-4255.

**OTHER FUND FACTS**

Bloomberg Ticker	BDOEQTY <Index>
Fund Type	Equity Fund
Inception Date	June 15, 2005
Net Asset Value (NAV)	Php 5.435 Billion
NAV per unit (NAVPU) <sup>11</sup>	Php3,244.7377
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 (TF)	1.00% p.a.
TF as Expense Ratio	0.2500%
Availability	For trust accounts with full management discretion
Custodian	Standard Chartered Bank Philippine Depository & Trust Corp.
Dealing Period	Up to 12:00 nn. of any banking day
Settlement Period	Five (5) banking days after notice of redemption is received

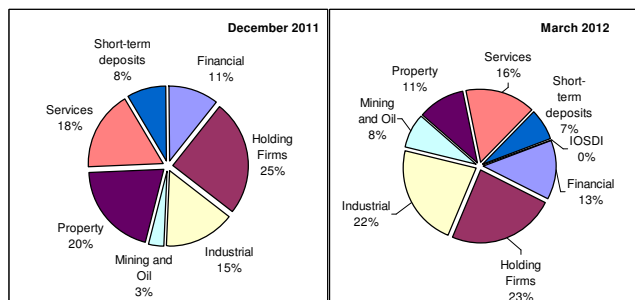
<sup>11</sup> The NAVPU of the Fund shall be computed every trading day at 7:00 p.m.

**FUND MANAGER'S STRATEGY**

The first quarter of 2012 was clearly driven by optimism on the local equity market as foreign inflows came to push the market into all time highs --something which we have not seen since before the 2008 crash. Optimism over the implementation of the PPP, coupled with declining interest rates, high domestic and foreign liquidity were the key drivers for the market run we saw in 1Q 2012 as the PSEI gained by 16.83% for the period. External concerns (such as a US recession and Euro debt crisis) which dampened the market in 2011 have eased off as recent figures from the US market validate the view that the US is on the verge of a recovery, albeit on a slow pace. At the same time, recent talks of cooperation amongst European leaders to address the ongoing Euro debt crisis has also bolstered the "risk on" strategy being implemented by global investors. While the market may enter into a near term consolidation, this is viewed as just a correction within the bull trend which began in the 4th Quarter of 2011. The Fund Manager believes that any short-term weakness at market support levels should be taken as an opportunity to reposit

outlook remains positive over the long term.

**PORTFOLIO COMPOSITION - BY SECTOR**



**TOP TEN HOLDINGS<sup>12</sup>**

Company Name	Ticker	Last Price	% of Portfolio
		Mar 30, 2012	
PLDT Co	TEL	2,700.00	8.04%
DMCI Hldgs	DMC	54.00	6.70%
SM Investments	SM	660.00	6.32%
Ayala Land	ALI	20.75	6.07%
Megawide	MWIDE	14.78	5.45%
Banco de Oro	BDO	66.20	5.30%
Metro Bank	MBT	87.35	5.08%
ICTSI	ICT	65.50	4.97%
Alliance Global	AGI	12.60	4.76%
Jollibee Foods	JFC	117.00	3.54%

<sup>12</sup> The complete list of portfolio holdings is available upon request.