

Quarterly Investment Disclosure Statement - 30 June 2014

Short Description

Sterling Balanced Fund ("Fund") aims to achieve long term capital and income growth as the Fund will be invested in a combination of select equities or stocks and fixed-income securities over a medium to long term investment period. Investing will try to strike a balance of 60-40 on both securities, subject to the approval by the Trust Committee.

It is suited for professionals, corporations, high-salaried OFWs, and other individuals or corporations who are aware of the opportunity for high yields that stock market investments may provide but also understand the higher risk involving volatility of returns and even possible loss of investment in return for the potential higher long term results.

The Fund aims to achieve a rate of return based on the applicable Three-Year PDST-R2 rate plus 0.25% to 1% (gross of fees) or HSBC Philippines Total Return Bond Index for the fixed income investments; and One-Year return in the Philippine Stock Exchange Index (PSEI) for the equities investments.

Net Asset Value, end of quarter

Php 5,464,144.89

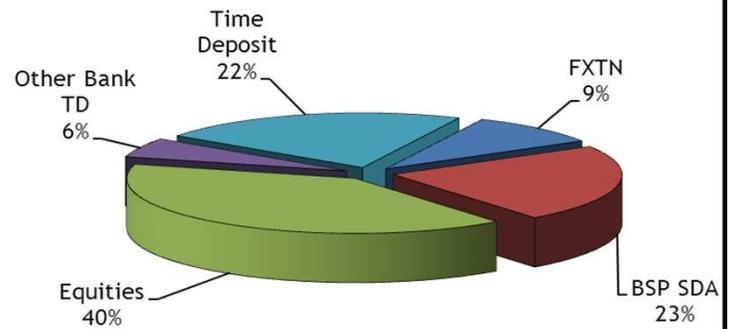
Net Asset Value Per Unit

Php 101.08784

SBF NAVPU May 20, 2013 to June 30, 2014



Outstanding Investments



Market Update and Outlook

The local equities market fared lower due to slight profit taking activities of some market players on the last day of the second quarter. Said movement took advantage of the window dressing activities of some blue chip corporations to lighten up their quarter-end figures.

The Monetary Board, in anticipation to a higher inflation numbers, has made some rate adjustments particularly on the BSP's SDA facility by increasing it to 25 bps. Higher inflation is being expected due to food price hikes brought about by last year's calamities and fuel price increase due to the ongoing turmoil in the middle east and eastern Europe.

Investors remain very optimistic on the Philippine Market, having achieved its highest credit rating in history from the previous BBB- to BBB (S&P) brought about by the Aquino administration's economic reforms that would be sustainable in the years to come.

Investment Strategy

The inflationary environment and projected slower than expected growth provides some negative sentiment on investors. Thus, the fund shall remain defensive in terms of positioning in the bond market. On the Equities portion, the release of the inflation data as well as the 2Q14 earnings results shall be the basis of the fund's strategy. Should the PSEi breach the 7,000 level, this will be an opportunity to take in gains on stock positions.

Participation / Redemption Conditions	
Transaction Hours	9:00 AM to 11:30 AM Daily. Participation received after the cut-off shall be value dated the next banking day
Allowed Fund for Participation	Cleared Fund Only
Documentation Deliverables	
Prior to Acceptance of Participation	Client Suitability Assessment Form
Upon Acceptance of Participation	Participating Trust Agreement, Risk Disclosure Statement
One Banking Day After Acceptance of Participation	Confirmation of Participation (COP)
Redemption Conditions	
Notice of Redemption	Three Days Notice Is Required
Documentation Required for Redemption	Confirmation of Participation
Allowed Redemption	Full Redemption Per COP. No partial redemption is allowed in one (1) COP
Penalty on Early Redemption	0.50% of the Net Proceeds
Mode of Payment	Credit to Account, Cash/Peso Notes, Manager's Check, RTGS
Administrative Details	
Trust Fee	1.25% per annum
Minimum Investment	Php 100,000.00
Holding Period	Thirty (30) Calendar Days

Special Expenses		
Nature of Expenses	Name of Third Party	Amount Per Quarter
Custodianship Fees	Phil Depository & Trust Corp	Php 2,899.27
External Audit Fees	Sycip Gorres & Velayo	Php 0.00

The UIT Fund is NOT a DEPOSIT and not insured by PDIC. Due to the nature of the investments, yield and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the UIT Fund, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the UIT Fund, when redeemed, may be worth more or be worth less than his/her initial investments/contributions. Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence.