

**Quarterly Investment Disclosure Statement - 30 September 2013**

**Short Description**

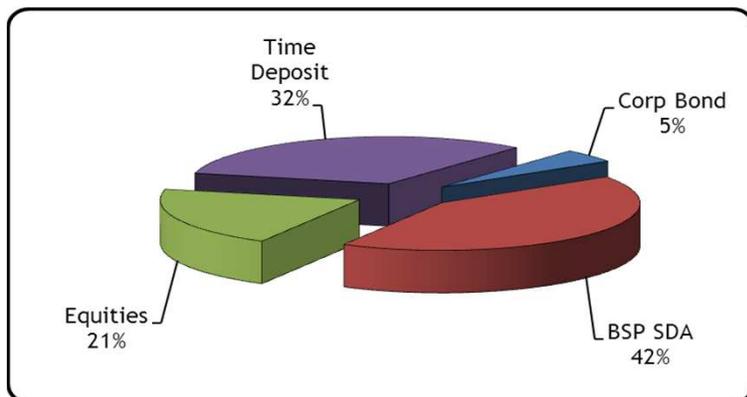
Sterling Balanced Fund ("Fund") aims to achieve long term capital and income growth as the Fund will be invested in a combination of select equities or stocks and fixed-income securities over a medium to long term investment period. Investing will try to strike a balance of 60-40 on both securities, 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 9,385,142.85  
Net Asset Value Per Unit Php 98.49979

**Outstanding Investments**



**Market Update and Outlook**

The local equities market ended the quarter on the low end having been affected by the growing concern over the possible US government shutdown and Debt concern issues.

Investor confidence remains strong as there are indications of a possible investment upgrade ratings in the coming days however, current US economic / political concerns continues to overshadow the positive outlook thus having a short term negative impact in the market.

The Philippine Stock Exchange continues to push for growth as it tries to regain the index to the 7000 levels by year end which was lost in the previous months.

**Investment Strategy**

Sterling Trust will continue to focus on the top performing issues on the PSEI with consideration to the technical and fundamental performance and diversification of industries and ownership, We will also be on the look out for source out better opportunities with higher returns to compensate for the eventual phase out of Special Deposit Account of BSP this coming November.

Focus will be to tap on short-term corporate bond offerings and other banks special time deposits facilities in compliance with the Funds mandate on 60/40 portfolio distribution.

Participation / Redemption Conditions	
<b>Transaction Hours</b>	9:00 AM to 11:30 AM Daily. Participation received after the cut-off shall be value dated the next banking day
<b>Allowed Fund for Participation</b>	Cleared Fund Only
<b>Documentation Deliverables</b>	
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)
<b>Redemption Conditions</b>	
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 0.00
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.