

FINAL PROSPECTUS

Prudentiallife Fixed Income Fund, Inc.
(An Open-end Investment Company)

3rd Floor, PLPI Building
118 Gamboa St., Legazpi Village, Makati City
Telephone Nos.: +632-814-0402, +632-814-0095

The Fund's shares consisting of
Five Hundred Million (500,000,000) Common stock with a par value of PHP1.00 per share will
be offered over-the-counter at current net asset value per share.

ATR KimEng Asset Management, Inc.
Fund Manager and Principal Distributor
17/F Tower One & Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City, Philippines
Telephone Nos.: +632-848-1381 to 84

The Date of this Prospectus is 15 December 2011

This Registration Statement/Prospectus does not cover nor include future amendments hereto. Any future amendment/s thereto affecting investors' rights, such as but not limited to sales/redemption fees and investment objectives, which have already been approved by the Fund's Board of Directors and ratified by its stockholders but are still pending approval with the SEC, shall be fully disclosed to any prospective investor.

Shares of the Fund are not deposits or obligations of, or guaranteed or endorsed by, any financial institution, and are not insured by the Philippine Deposit Insurance Corporation. Investment in shares of the Fund involves risk.

This prospectus should be read carefully and retained for future reference.

No dealer, salesperson or other individual has been authorized to give any information or make any representation other than those contained in this Prospectus and, if given or made, such other information or representation must not be relied upon as having been authorized by the Fund or by the Distributor.

The proceeds from the sale of the securities shall be invested and reinvested in a portfolio of high quality debt instruments issued by the Philippine government and prime companies

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PROSPECTUS SUMMARY

Prudentiallife Fixed Income Fund, Inc. is a stock corporation registered last June 18, 2004 under SEC Registration No. CS200409089, with a diversified portfolio of high quality debt instruments issued by the Philippine government and prime Philippine companies designed to provide regular interest income and principal preservation.

The Fund originally had an authorized capital stock of Two Hundred Million Pesos (PHP200,000,000) in unclassified common shares with a par value of One Peso (PHP1.00) per share. Out of the original authorized capital stock, Fifty Million Pesos (PHP50,000,000) worth of shares have been subscribed and paid upon incorporation by the current shareholders for their initial subscriptions. The original proponents of the Fund who have subscribed and paid for the original capital of Fifty Million Pesos (PHP50,000,000) were not allowed to sell, transfer, convey, encumber or otherwise dispose of their shares within twelve (12) months from the registration of the Fund.

In November 2005, the authorized capital stock has been increased by Three Hundred Million Pesos (PHP300,000,000) worth of shares. Thus, giving the Fund a total of Five Hundred Million Pesos (PHP500,000,000) in authorized capital stock.

The said shares will be offered over-the-counter on a continuous basis at the current net asset value per share (NAVPS) through the Principal Distributor and other registered representatives and eligible securities dealers that have entered into an agreement with the Fund to sell shares. Upon redemption of any of these shares, the shares redeemed will again be offered over-the-counter.

These shares are the only products of the company and contribute all of its revenues. It has no other business and does not have any subsidiaries.

As of September 30, 2011, the Fund had a NAV of PHP270,225,891.38, with a total of 169,687,195.78 common shares issued and outstanding and a NAVPS of PHP1.5925. Given the NAVPS as of September 30, 2011, the estimated gross proceeds from the sale of the total authorized number of shares of 500,000,000 is expected to amount to PHP796,250,000.00 (500,000,000 x PHP1.5925) while the total estimated net proceeds from the sale of such shares is expected to amount to PHP793,345,000.00 [net of estimated expenses amounting to PHP2,905,000.00, consisting of legal fees (PHP350,000), documentary stamps(PHP2,500,000), printing and publication costs (PHP55,000)]. Estimated NAVPS after expenses is PHP1.5867.

In a special meeting held on June 22, 2011, the Fund's Board of Directors approved: (1) the change in investment manager from Deutsche Bank AG, Manila Branch – Trust Department to ATR KimEng Asset Management, Inc.; and (2) the change in principal distributor from Prudential Securities, Inc. to ATR KimEng Asset Management, Inc. On August 12, 2011, the Fund's shareholders approved the appointment of ATR KimEng Asset Management, Inc.

as the Fund's investment manager and principal distributor. This was later approved by the SEC on October 19, 2011.

For investors purchasing shares of the Fund, the minimum investment is PHP 5,000 with sales fee not to exceed 2% of the investment amount. The subsequent investment is PHP5,000. The minimum redemption amount is PHP500 subject to a redemption fee of 0.25% if redeemed within 90 days from date of share purchase.

The Fund will be valued using the marked to market basis in accordance with PAS 39. Thus, the Net Asset Value of the Fund will fluctuate with changes in the market value of the Fund's investments. Such changes in the market value may occur as a result of various factors including material changes in the Fund, general economic conditions or interest rate policy changes.

The proceeds from the sale of the securities shall be invested and reinvested in a portfolio of high-quality debt instruments issued by the Philippine government and prime Philippine companies which are rated AAA. The custodian bank shall hold all proceeds from the sale of shares/securities, including the original subscription/payments at the time of incorporation constituting the original paid in capital of the investment company.

Each shareholder has a right to any dividends declared by the Fund's Board of Directors. The basis of this declaration would be the unrestricted retained earnings of the Fund. Dividends so declared shall automatically be reinvested on behalf of the shareholder.

The Fund will pay the Fund Manager an annual fee equivalent to a maximum of 0.70% of the average daily net assets of the Fund. The Fund will pay the Principal Distributor an annual fee equivalent to 0.5% of the average daily net asset value of the Fund.

FINANCIAL HIGHLIGHTS

BALANCE SHEET

	For the Period		Fiscal Year		Fiscal Year	
	Ending September 30, 2011 (Interim)		Ending March 31, 2011 (Audited)		Ending March 31, 2010 (Audited)	
TOTAL ASSETS	PHP	273,390,493	PHP	280,368,600	PHP	344,700,741
TOTAL LIABILITIES	PHP	3,164,602	PHP	3,098,749	PHP	2,844,675
TOTAL EQUITY	PHP	270,225,891	PHP	277,269,851	PHP	341,856,066
Net Asset Value Per Share	PHP	1.5925	PHP	1.5327	PHP	1.5050

INCOME STATEMENT

	For the Period		Fiscal Year		Fiscal Year	
	Ending September 30, 2011 (Interim)		Ending March 31, 2011 (Audited)		Ending March 31, 2010 (Audited)	
TOTAL INVESTMENT INCOME	PHP	15,294,839	PHP	22,369,612	PHP	28,379,154
TOTAL OPERATING EXPENSES	PHP	3,070,110	PHP	12,488,756	PHP	18,124,842
NET INCOME FROM OPERATIONS	PHP	12,224,729	PHP	9,880,856	PHP	10,254,312
NET INCOME	PHP	10,352,150	PHP	5,524,434	PHP	4,695,981
Earnings Per Share	PHP	0.061	PHP	0.029	PHP	0.018

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

PRUDENTIALIFE FIXED INCOME FUND, INC.

By: **EULOGIO A. MENDOZA**
President

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2011 in _____, Philippines, affiant exhibiting to me his Passport No. XX4099450_issued by the Department of Foreign Affairs, Manila on July 6, 2009.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2011.

RISK DISCLOSURE STATEMENT

I. GENERAL RISK WARNING

- a. The price of securities can and does fluctuate, and any individual security may experience upward or downward movements. In extreme market scenario, there is the risk that losses may be incurred rather than profit made as a result of buying and selling of securities.
- b. Past performance is not a guide to future performance.
- c. There is an extra risk of losing money when securities are bought from smaller companies with limited resources. There may be a big difference between the buying price and the selling price of these securities.
- d. An investor deals in a range of investments each of which may carry a different level of risk.

II. PRUDENCE REQUIRED

This risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake his or her own research and study on the trading of securities before commencing any trading activity. He/she may request information on the securities and issuer thereof from the Commission which are available to the public.

III. PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities especially those high risk securities.

THIS REGISTRATION STATEMENT/PROSPECTUS DOES NOT COVER NOR INCLUDE FUTURE AMENDMENTS HERETO. ANY FUTURE AMENDMENT/S THERETO AFFECTING INVESTORS' RIGHTS, SUCH AS BUT NOT LIMITED TO SALES/REDEMPTION FEES AND INVESTMENT OBJECTIVES, WHICH HAVE ALREADY BEEN APPROVED BY THE FUND'S BOARD OF DIRECTORS AND RATIFIED BY ITS STOCKHOLDERS BUT ARE STILL PENDING APPROVAL WITH THE SEC, SHALL BE FULLY DISCLOSED TO ANY PROSPECTIVE INVESTOR.

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GLOSSARY

“R.A. 8799”	Securities Regulation Code
“BSP”	Bangko Sentral ng Pilipinas
“Banking Day”	Any of the days in a week, other than Saturday, Sunday or legal holidays, when the banks are not required or authorized to close in Makati City
“Dealers”	Eligible securities dealers that have entered into an agreement to sell shares with the Fund’s Principal Distributor
“Fund”	Prudentiallife Fixed Income Fund, Inc.
“PAS 39”	Philippine Accounting Standards – Financial Instruments Recognition and Measurement
“NAV”	Net asset value
“R.A. 2629”	Investment Company Act
“Registered Representative”	Principal Distributor’s registered representative legally qualified to sell the Fund’s shares
“Front-end-load” or “Entry load”	The sales commission charged on the buyer upon buying the shares
“Redemption fee”	Fee charged should the investment be redeemed within 90 days from date of share purchase
“SEC”	Securities and Exchange Commission

PRUDENTIALIFE FIXED INCOME FUND, INC.

THE FUND

Prudentiallife Fixed Income Fund, Inc. is a stock corporation registered last June 18, 2004 under SEC Registration No. CS200409089 with a diversified portfolio of high quality debt instruments issued by the Philippine government and prime Philippine companies designed to provide regular interest income and principal preservation.

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shares redeemed will again be offered over-the-counter. These shares are the only products of the company and contribute all of its revenues. It has no other business and does not have any subsidiaries.

In a special meeting held on June 22, 2011, the Fund's Board of Directors approved: (1) the change in investment manager from Deutsche Bank AG, Manila Branch – Trust Department to ATR KimEng Asset Management, Inc.; and (2) the change in principal distributor from Prudential Securities, Inc. to ATR KimEng Asset Management, Inc. On August 12, 2011, the Fund's shareholders approved the appointment of ATR KimEng Asset Management, Inc. as the Fund's investment manager and principal distributor. This was later approved by the SEC on October 19, 2011.

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An investor deals in a range of investment each of which may carry a different level of risk. The value of mutual funds is not guaranteed and will change from day to day according to the market value of the individual securities in the portfolio. These risks, including a disclosure of the procedures being taken to identify, assess and manage such will be discussed further under Risk Factors of this prospectus.

The Fund does not have employees and does not anticipate having employees within the next 12 months, other than its corporate officers disclosed herein.

It does not own, lease or intend to acquire real properties in the next twelve (12) months. Such real properties such as those used for day-to-day office operations are owned or leased by the Fund Manager. Therefore, there are no current or contemplated materials pending legal proceedings concerning the Fund's real properties, since the Fund does not have, lease or intend to have any such real properties.

There is no material pending legal proceeding to which the Fund or any of its affiliates is a party or which any of their properties are the subject.

The registrant will compete in the bond fund sector industry in the Philippines, which include mutual funds offered by various fund management companies and other investment products such as unit investment trust funds and time deposits offered by banks. The main competitors of the registrant in the bond fund sector of the mutual fund industry will be the ALFM Peso Bond Fund, Inc. (managed by BPI Investment Management), Sun Life Prosperity Bond Fund, Inc. (managed by Sun Life Asset Management) and Philam Bond Fund, Inc. (managed by Philam Asset Management). The principal methods of competition will be price, service and investment performance.

As of September 30, 2011, ALFM Peso Bond Fund's assets under management amounted to approximately Thirty-one Billion, Four Hundred Eight Million Pesos (PHP31,408,000,000). Furthermore, it then had about 13,528 accounts. Sun Life Prosperity Bond Fund's assets under management amounted to almost Four Billion, One Hundred Fifty-three Million Pesos (PHP4,153,000,000) and had about 3,021 accounts. On the other hand, Philam Bond Fund, Inc.'s assets under management, totaled almost Four Billion, Four Million Pesos (PHP4,004,000,000). It had about 6,937 accounts. The registrant believes that it can effectively compete in this sector given its expertise, track record and credibility of its Investment Manager, ATRAM, whose overall investment policies ensure that risks are managed in an optimal manner such that excessive risk is not taken in order to expose investors to potential significant losses.

The value of mutual funds is not guaranteed and will change from day to day according to the market value of the individual securities in the portfolio. Securities fluctuate in value for a number of reasons including economic conditions, interest rates, government regulations and taxation and corporate performance. Prospective investors should carefully consider the matters addressed under Risk Factors before making an investment decision.

CAPITALIZATION

The Fund has an authorized capital stock of Five Hundred Million Pesos (PHP500,000,000) in unclassified common shares with a par value of One Peso (PHP1.00) per share.

The Fund originally had an authorized capital stock of Two Hundred Million Pesos (PHP200,000,000) in unclassified common shares with a par value of One Peso (PHP1.00) per share. Out of the original authorized capital stock, Fifty Million Pesos (PHP50,000,000) worth of shares have been subscribed and paid upon incorporation by the current shareholders for their initial subscriptions. The original proponents of the Fund who have subscribed and paid for the original capital of Fifty Million Pesos (PHP50,000,000) were not allowed to sell, transfer, convey, encumber or otherwise dispose of their shares within twelve (12) months from the registration of the Fund.

At the time of incorporation, shares of the Fund were offered to and subscribed by the following:

	No. of Shares	Amount
Prudentialife Plans, Inc.	49,999,300	PHP49,999,300
Jose L. Santos	100	100
Francisco A. Alba	100	100
Jose Alberto T. Alba	100	100
Paul Joseph M. Garcia	100	100
Antonio P. Gatmaitan	100	100
Francisco T. Alba, Jr.	100	100
Raymund P. Navarro	100	100

In November 2005, the authorized capital stock was increased by Three Hundred Million Pesos (PHP300,000,000) worth of common shares. The said shares will be offered over-the-counter on a continuous basis. Upon redemption of any of these shares, the shares redeemed will again be offered over-the-counter.

MARKET PRICE AND DIVIDENDS ON REGISTRANT’S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

As of September 30, 2011, the Fund has 399 shareholders and 169,687,195.78 shares issued and outstanding common stock.

The shares of the Fund are traded over-the-counter. The Fund’s common stocks are available through the Principal Distributor’s registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund’s Principal Distributor, ATRAM.

Net Asset Value per Share Information:

<i>Quarter-end</i>	<i>High</i>	<i>Low</i>
December 2008	1.4640	1.3551
March 2009	1.4904	1.4523
June 2009	1.4967	1.4878
September 2009	1.5505	1.4940
December 2009	1.5077	1.5020
March 2010	1.5131	1.5059
June 2010	1.5174	1.5113
September 2010	1.5522	1.5164

Prudentialife Fixed Income Fund, Inc.
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<i>Quarter-end</i>	<i>High</i>	<i>Low</i>
December 2010	1.5900	1.5511
March 2011	1.5865	1.5024
June 2011	1.5719	1.5349
September 2011	1.6177	1.5719

* NAVPS is published daily through Business World, Manila Times, Manila Standard and Manila Tribute.

Each shareholder has a right to any dividend declared by the Fund's Board of Directors. The basis of this declaration would be the unrestricted retained earnings of the Fund. Dividends so declared shall automatically be reinvested on behalf of the shareholder. For the fiscal year ending March 31, 2011, there were no dividends declared by the registrant.

As of September 30, 2011, the top 20 shareholders of the Fund were the following:

Name	Class	No. of Shares	% of Total
Prudentialife Plans, Inc. - Provident Fund	Common	62,480,360.46	36.82%
BPI AMTG as trustee of Prudentialife Education Plans	Common	24,183,056.07	14.25%
BPI AMTG as trustee of Prudentialife Pension Plans	Common	22,833,877.39	13.46%
Prudentialife Plans, Inc. - Fidelity Fund	Common	13,748,181.44	8.10%
MBTC As Trustee Of Prudentialife Pension Plans, Inc.	Common	6,819,107.07	4.02%
Deutsche as trustee of Prudentialife Group Multi-Employer Retirement Plan	Common	5,296,511.93	3.12%
Bonds, Equities, Securities and Traders, Inc. Fao Various Clients	Common	4,680,290.15	2.76%
Bonds, Equities, Securities and Traders, Inc.	Common	3,016,487.57	1.78%
Deutsche Bank as Investment Manager of Prudentialife Plans, Inc. (IM - 077)	Common	2,610,454.87	1.54%
Philippine Central Conference Of The United Methodist Church	Common	1,850,328.91	1.09%
Prudential Life Plan Group, Inc.	Common	1,572,075.17	0.93%
Deutsche Bank AG Manila Trust Dept. For Various Trust Accounts	Common	1,543,906.04	0.91%
Ma. Cristina Fabella &/or Raul Fabella	Common	1,339,771.42	0.79%
Phils. Annual Conference Of The United Methodist Church	Common	1,148,930.06	0.68%
Prudentialife Plans., Inc. - GSIS	Common	933,672.54	0.55%
Deutsche Bank (as trustee of Prudentialife Plans, Inc.)	Common	905,000.00	0.53%
MetroBank (as Trustee Of PPPI)	Common	774,060.21	0.46%
Bonds, Equities, Securities and Traders, Inc. - Salary Deduction	Common	760,445.72	0.45%
Ma. Lourdes N. Santos &/or Ma. Carmela S. Mortiz	Common	647,122.32	0.38%
Felino De Castro Medina	Common	523,612.69	0.31%

Description of Securities

The Fund originally had an authorized capital stock of Two Hundred Million Pesos (PHP200,000,000) in unclassified common shares with a par value of One Peso (PHP1.00) per share. Out of the original authorized capital stock, Fifty Million Pesos (PHP50,000,000) worth of shares have been subscribed and paid upon incorporation by the current shareholders for their initial subscriptions.

Each share of stock of the Fund is a voting stock with voting rights equal to every other outstanding share of stock and subject to the following:

(1) Distribution of Dividends

Each shareholder has a right to any dividends declared by the Fund's Board of Directors. Dividends so declared shall automatically be reinvested on behalf of the shareholder. There are no current or future restrictions that would limit the ability to pay such dividends on the registrant's common equity.

(2) Denial of Pre-emptive Rights

No stockholder shall, because of his ownership of stock, have a pre-emptive or other right to purchase, subscribe for or take any part of any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the registrant.

(3) Right of Redemption

The holder of any share of the registrant upon its presentation to the Fund or to any of its duly authorized representatives is entitled to receive by way of redemption, approximately his proportionate share of the Fund's current net assets or the cash equivalent thereof.

There are no other material rights of common stockholders.

The only provision in the charter or by-laws that would delay, deter or prevent a change in control of the registrant would be the provision that would prevent control that would go against existing Philippine laws and constitution.

RISK FACTORS

An investor deals in a range of investment each of which may carry a different level of risk. The value of mutual funds is not guaranteed and will change from day to day according to the market value of the individual securities in the portfolio.

Securities fluctuate in value for a number of reasons including economic conditions, interest rates, government regulations and taxation and corporate performance. As a result, your investment may at any time be worth more or less than when you purchased it.

However, the Fund's manager, ATRAM, has a wealth of experience when it comes to managing investments. ATRAM has adopted risk management/control methods, which include portfolio monitoring, performance analysis, decentralized dealing, best execution trading, investments/policy constraints review and market monitoring. With the help of these methods, the fund manager would be able to identify, assess and manage these risks.

- **Liquidity Risk**

Liquidity risk is the risk that an investment may not find a ready buyer for its investments or that securities may have to be disposed at a substantial loss. In general, the Fund manages its investments, including cash, such that it can meet liabilities. One of the Fund's main liabilities is the servicing of redemption of shares. There is a possibility for an investor to experience losses due to the inability of the Fund to sell or convert assets into cash immediately or in instances where the conversion to cash is possible but at a loss. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market. Liquidity risk occurs when certain securities may be difficult or impossible to sell at a particular time. Even government securities which are the most liquid of fixed income securities may be subjected to liquidity risk particularly if a sizeable volume is involved. To reduce this risk, the Fund avoids investing in securities which do not have a ready market or stocks which have a small market capitalization. In addition, at least 10% of the Fund's NAV is maintained in liquid/semi-liquid assets.

- **Interest Rate Risk**

Interest rate risk refers to the volatility of bond prices arising from changes in the level of interest rates. If bonds are purchased and interest rates subsequently rise, then the price of the bond declines. If the Fund is not willing to sell at the lower level, then the Fund is stuck with the low interest rate and cannot participate in relatively higher rates prevailing in the market. To mitigate this risk, the fund manager carefully evaluates critical economic indicators to define the market outlook moving forward. Interest rates are affected by various factors including inflation, budget deficit, money supply, etc.

- **Credit/Default Risk**

Credit risk refers to the credit worthiness of the borrower or bond issuer. It looks at the issuer's ability to pay interest or coupon periodically and principal at maturity date. A decline in an issuer's credit rating reflects problems with profitability, solvency, leverage, liquidity, or management. The Fund may manage this risk by limiting bond investments to risk-free securities or government securities. Corporate bonds, on the other hand, may be restricted to investment grade or low risk papers.

- **Market Risk**

Price or market risk refers to the volatility of security prices in the bond or equity market. Prices decline whenever there are negative news flows regarding the Philippine socio-political landscape, economy, fiscal position, etc. Negative development on the listed corporate security may also dampen investor confidence. An increase in the number of sellers and the absence or lack of buyers could depress the price of the security. Lower prices, in turn, could result in unrealized losses. To manage the price risk, the Fund evaluates the fundamentals that affect security price.

- **Purchasing Power Risk**

Purchasing power risk is the risk of inflation – the risk that the value of your money in real terms will be less than the purchasing power of your original investment. This is particularly true when investing in fixed-income securities whose interest rates are in the range of the rate of inflation. The Fund may manage the risk by investing in government securities and high-quality corporate debt securities, with maturities in the medium term tenors to reduce the Fund's volatility.

- **Call Risk**

Call or prepayment risk is the possibility that a bond will be called away from the investors by the issuer before its maturity date. This usually happens when interest rates drop and the issuer has an opportunity to borrow money at a lower rate than the one currently being paid. As a consequence, the bondholder will not receive any more interest payments from the investment and may be forced to reinvest his or her money at lower rates. A way to manage this risk is for this Fund not to overly invest in callable bonds.

- **Management Risk**

Management risk is a type of risk associated with all actively managed forms of investments – investment management accounts, unit investment trusts and mutual funds. Investment decisions are made by portfolio managers who can and do make mistakes from time to time by selecting the wrong issues or misallocating the assets of the fund. These errors in judgment can, of course, result in a fund's underperformance or possibly a decline in value or loss. To mitigate this risk, the Fund will be managed by ATRAM, a seasoned asset manager with consistent performance record over a prolonged period of time.

- **Operational Risk**

Operational risk refers to risk of loss, both monetary and reputational, arising from inadequate internal processes, people, systems or from external events. For example, transactions of the Fund may not be completed due to failure to submit documents required by counterparties or due to adverse weather conditions. Another is the erroneous calculation of NAV resulting from wrong data entry into the system. The Fund's service providers have considerable experience in fulfilling their respective functions (i.e. as Investment Manager, Transfer Agent, Fund Accountant, Custodian) and have policies in place to manage operational risks. These include maker-checker structures, regular reconciliation of positions, maintaining back-up files of electronic data, and regular audits conducted by internal and external parties.

USE OF PROCEEDS

The proceeds from the sale of the securities shall be invested and reinvested in a portfolio of high-quality debt instruments issued by the Philippine government and prime Philippine companies which are rated AAA. The Fund's investment manager shall be guided by the Fund's investment policies and legal limitations on investment. In particular, the Fund shall not invest more than ten percent (10%) of its net asset value in any single enterprise. For purposes of liquidity, at least ten percent (10%) of the Fund's assets shall be invested in liquid/semi-liquid assets.

As of September 30, 2011, the Fund had a NAV of PHP270,225,891.38, with a total of 169,687,195.78 common shares issued and outstanding and a NAVPS of PHP1.5925. Given the NAVPS as of September 30, 2011, the estimated gross proceeds from the sale of the total authorized number of shares of 500,000,000 is expected to amount to PHP796,250,000.00 (500,000,000 x PHP1.5925) while the total estimated net proceeds from the sale of such shares is expected to amount to PHP793,345,000.00 [net of estimated expenses amounting to PHP2,905,000.00, consisting of legal fees (PHP350,000), documentary stamps(PHP2,500,000), printing and publication costs (PHP55,000)]. Estimated NAVPS after expenses is PHP1.5867.

No material amount of the proceeds is to be used to acquire assets or finance the acquisition of other businesses. The proceeds will not be used to discharge debt or reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned or advanced or otherwise. All proceeds from the sale of shares, including the original subscription payments shall be held by the custodian bank.

THE BOARD OF DIRECTORS AND OFFICERS

<i>NAME</i>	<i>AGE</i>	<i>POSITION</i>	<i>TERM</i>
Jose Alberto T. Alba	46	Board Chairman	June 2004 to present
Eulogio A. Mendoza	63	President and Director	June 2011 to present
Modesta P. Mammoad	59	Director	June 2011 to present
Gerald D. Baldivia	46	Director	June 2011 to present
Janine V. Sugay	43	Director	June 2011 to present
Eduardo A. Yotoko	67	Independent Director	November 2008 to present
Jose Tomas C. Syquia	41	Independent Director	June 2007 to present
Pamela P. Amores	39	Treasurer	June 2011 to present
Ma. Alicia G. Picazo-San Juan	40	Corporate Secretary	June 2011 to present
Lyne L. Arnaldo-Vega	34	Assistant Corporate Secretary	June 2011 to present
Manuel I. Briones	59	Compliance Officer	June 2011 to present

▪ **Jose Alberto T. Alba**

Chairman of the Board – June 2004 to present

Mr. Alba, Filipino, 46 years of age, is the Chairman of the Board of the Fund. He has also been the Chairman of the Board of Optima Balance Fund, Inc. since September 2006.

He is currently the President and Director of Prudentialife Plans, Inc., Prudentialife Healthcare, Inc. and La Funeraria Paz, Inc. He is also a Director of the following companies: Prudentialife Plan Group, Inc. (1987 – present), Prudentialife Financial Services, Inc. (1998 – present), PLPI Finance Inc. (1995-present), Prudentialife Securities, Inc. (1998-present), Prudentialife Information Systems, Inc. (1998-present), Intellimedia Corporation (1994-present), Prudentialife Memorial Park, Inc. (1999-present), Akean Resorts Corporation (1990-present) and Prudentialife Travel Services, Inc. (1997 - present).

Previously from 1987 to 2001, he was the Senior Vice-President, Treasurer, Director and Head of Corporate Planning of Prudentiallife Plans, Inc. He also used to work at Far East Bank and Trust Company as a Senior Analyst of the Credit and Investment Research Group from 1986 to 1987.

He is also the Fellow of the Financial Service Institute and an Associate of the Annuity Product Administration of Life Office Management Association, USA.

Mr. Alba graduated from Ateneo de Manila University with a degree in Bachelor of Science Management Engineering.

▪ **Eulogio A. Mendoza**

President and Director – June 2011 to present

Eulogio A. Mendoza, 63 years old, Filipino, is the President and a Director of the Fund. He has also been the President and a Director of Optima Balance Fund, Inc. since June 2011.

He is also Chairman of the Board and President of ATRKE Philippine Balanced Fund, Inc. since 2010. He is Chairman and President of the ATRKE Equity Opportunity Fund, Inc. and ATRKE Alpha Opportunity Fund, Inc. since 2004; Chairman and President of ATR KimEng AsiaPlus Recovery Fund, Inc. and ATR KimEng Total Return Bond Fund, Inc. since 2009. From 2003 up to present, he is concurrently the President and Chief Executive Officer of AsianLife and General Assurance Corporation, Co Vice-Chairman of AsianLife Financial Assurance Corporation, and a member of the Board of Directors of the Philippine Life Insurance Association (PLIA), the life insurance industry association of the country. He is also a Director of ATR KimEng Asset Management, Inc. He was formerly a member of the Board of Directors of PhilamCare Health Systems, Inc. (1989-1992), Philam Plans, Inc., The Pan Philippine Life Insurance Corp. (now Philippine Axa Life) (1992-1998) and a former President of PLIA (1994-1996). His prior work experience in the insurance industry includes his having been Vice-President of the Philippine American Life Insurance Company, Inc. (an AIG company)(1988-1992), President and CEO of the Pan Philippine Life Insurance Company (1992-1998), then GE Life Insurance Company (1998-2001) (now, AsianLife and General Assurance Corporation).

He earned the title Fellow, Life Management Institute (FLMI) from the Life Office Management Administration (LOMA). He obtained his Master of Arts in Business Administration from the Ateneo Graduate School of Business and both his Master of Arts in Philosophy (cum laude) and Bachelor of Science in Philosophy (cum laude) from the University of Santo Tomas.

▪ **Modesta P. Mammud**

Director – June 2011 to present

Modesta P. Mammud, 59 years old, Filipino, is a director of the Fund. She has also been a Director of Optima Balance Fund, Inc. since June 2011.

She is concurrently the Executive Vice-President and Chief Financial Officer of AsianLife and General Assurance Corporation, Treasurer and a member of the Board of Directors of AsianLife Financial Assurance Corporation (1999-present). She is a Director and Treasurer of ATRKE Alpha Opportunity Fund, Inc. (2005-present), ATRKE Equity Opportunity Fund, Inc. (Director: 2011-present; Treasurer: 2005-present), ATR KimEng AsiaPlus Recovery Fund, Inc. and ATR KimEng Total Return Bond Fund, Inc. (2009-present). She is also the Treasurer of the ATRKE Philippine Balanced Fund, Inc. (2011-present). She has over 20 years experience in financial management and operations. She has handled several positions within the GE affiliates (GE Philippines, GE Lighting in the Philippines and Indonesia and then GE Life Insurance Company) (1974-1995) and served as a member of the Finance Council of GE Companies in the Philippines.

She is a Certified Public Accountant. She obtained her MBA for Middle Managers from the Ateneo Graduate School of Business and Bachelor of Science in Commerce (magna cum laude) from Angeles University.

▪ **Gerald D. Baldivia**

Director – June 2011 to present

Gerald Baldivia, 46, Filipino, is a Director of the Fund. He has also been a Director of Optima Balance Fund, Inc. since June 2011.

He has also been a director of ATRKE Equity Opportunity Fund, Inc. since January 2010. He has held the same position in ATR KimEng AsiaPlus Recovery Fund, Inc. and ATR KimEng Total Return Bond Fund, Inc. since 2009. He was elected as Director of the ATRKE Alpha Opportunity Fund, Inc. in 2011. He has been an Executive Director at ATR KimEng Asset Management, Inc. since 2007, and is a member of its Investment Committee. From 2002 to 2006, he was an Investment Officer for the International Finance Corp. (a member of the World Bank Group), covering the Philippines, Thailand and Viet Nam. From 2000 to 2002, he was an Associate of the Research Department of SG Securities (Philippines), Inc., a unit of Société Générale. Earlier, he held various positions in ATR KimEng Securities, Inc., Peregrine Securities Philippines, Inc., the Trade and Political Risk Division of AIG (during which time he was based in New York City), and Far East Bank and Trust Company.

He is a Certified Investment Solicitor. He obtained an MBA in Finance and Marketing from the Columbia Business School in New York, USA and a Bachelor of Science in Business Administration (cum laude) from the University of the Philippines

▪ **Janine V. Sugay**

Director – June 2011 to present

Janine Sugay, 43, Filipino, is a Director of the Fund. She has also been a Director of Optima Balance Fund, Inc. since June 2011.

She is also the Head of Strategic Business Management of ATR KimEng Capital Partners Inc. since June 2011. She was the Head of Product and Marketing Services of ATR KimEng Capital Partners Inc. from December 2010 to May 2011. She has held the same position in ATR KimEng Asset Management, Inc. from March 2010 to December 2010. She was the Head of Product Development of ING Bank N.V. (Manila Branch)-Trust Department from 2006 to 2009 and a Product Development Officer of the same institution from October 2004 to December 2005. Prior to this, she was ING's Head of Portfolio Management (April 2002-October 2004) and Portfolio Officer (May 1998-March 2002) Earlier, she worked at Rizal Commercial Banking Corporation-Trust and Investments Division as Portfolio Manager (January 1997-May 1998) and Assistant Portfolio Manager (June 1994-December 1996). She completed academic units for Masters of Arts in Economics and Bachelor of Arts in Management Economics both at the Ateneo de Manila University.

▪ **Eduardo A. Yotoko**

Independent Director, November 2008 to present

Mr. Yotoko, Filipino, 67 years of age, is an Independent Director of the Fund starting November 2008. He has also been an Independent Director of Optima Balance Fund, Inc. since November 2008.

Mr. Yotoko is also the Independent Director of Prudentiallife Plans, Inc. and Viva Communications Inc. Other corporate directorships of Mr. Yotoko were the following: Chairman (1994-97) of First Asian Eagles Capital Corp.; Chairman (1993-97) of SKR Managers & Advisors (Hongkong) Limited; Director 1995-97) of Asianet Corporation.

His recent management and professional positions include the following: Chairman, Advisory Board (2000) of Ajonet Holdings, Inc.; President (1988-90) of Philippine Development Alternatives Foundation, Inc.

Mr. Yotoko graduated from the University of Pennsylvania (The Wharton School) in 1967 with Master of Arts in Applied Economics.

▪ **Jose Tomas C. Syquia**

Independent Director – June 2007 to present

Atty. Syquia, Filipino, 41 years of age, is an Independent Director of the Fund. He has also been an Independent Director of Optima Balance Fund, Inc. since June 2007. He is the Managing Partner of Syquia Pascual-Lopez & Santos Law Offices (2005-present).

He is also currently a legal consultant to the Department of Energy (Rural Solar Power Project) under contract with CON Analysis (2006-present), legal consultant to the Department of Budget Procurement Service, was a legal Consultant (2006-present), USAID (Presidential Anti-Graft Commission Project 4901-002-77-43-00), and a former consultant to the Insurance Commission. He is also a Supreme Court of Appeals Mediator (2006-present), and a lecturer in International Law (2006-present).

Prior to entering into the private practice of law, Atty. Syquia was the former Director of the Compliance and Enforcement Department of the Securities and Exchange Commission (2001-2004) and was responsible for ensuring the compliance of all market participants with Philippine regulations and governing legislation, and was a Resource Person for Congressional hearings on market enforcement.

He was also the State Counsel IV (SG 27), Department of Justice, Manila from February 1998-April 2001 prior to joining the Securities and Exchange Commission.

Atty. Syquia holds a Master of Laws in International Law from the University of Nottingham, UK, Certificates from the Hague Academy of International Law (1996 and 2001), a Juris Doctor from the Ateneo de Manila University (second honors), and a Bachelor of Arts & Letters major in Philosophy from the University of Santo Tomas (cum laude).

▪ **Pamela P. Amores**

Treasurer – June 2011 to present

Pamela P. Amores, Filipino, 39 years of age, is the Treasurer of the Fund. She has also been the Treasurer of Optima Balance Fund, Inc. since June 2011.

She is the Senior Assistant Vice-President of Corporate Planning of Prudentiallife Plans, Inc. since January 2009. She also concurrently manages the operations of Bonds, Equities, Securities and Traders, Inc. (BEST, Inc.), Prudentiallife Fixed Income Fund, Inc. and Optima Balance Fund, Inc.

Previously from 1997 to 2004, she held various positions in Prudentiallife Plans, Inc. such as Head of the Pension Loans and Benefit Department (1997 – 1998); Head of the Credit and Collection Department (1998 – 1999) and various concurrent positions with Prudentiallife's IT companies (1997 – 2000) – WorldTel Phils, Inc. and Multi-Info Systems, Inc.

Prior to her employment with Prudentiallife, She was employed by Bank of the Philippine Islands from 1992-1997.

Miss Amores graduated from the University of the Philippines with a Bachelor of Business Management in 1992 and a degree of Masters in Business Management from the Asian Institute of Management in 1996.

▪ **Ma. Alicia G. Picazo-San Juan**

Corporate Secretary – June 2011 to present

Ma. Alicia G. Picazo-San Juan, 40, Filipino, is the Corporate Secretary of the Fund. She has also been the Corporate Secretary of Optima Balance Fund, Inc. since June 2011.

She is a Partner at Picazo Buyco Fider Tan & Santos Law Office. She obtained her Bachelor of Laws (cum laude) from the University of the Philippines and a B.S. Management, major in Legal Management (magna cum laude), from the Ateneo de Manila University. She also serves as the Corporate Secretary for ATR KimEng Asset Management, Inc., ATR KimEng Total Return Bond Fund, Inc., ATR KimEng AsiaPlus Recovery Fund, Inc., ATRKE Equity Opportunity Fund, Inc., ATRKE Philippine Balanced Fund, Inc. and ATRKE Alpha Opportunity

Fund, Inc. She is a member of the University of the Philippines Women Lawyers' Circle and the Financial Executives Institute of the Philippines (FINEX).

- **Lyne L. Arnaldo-Vega**
Assistant Corporate Secretary – June 2011 to present

Lyne L. Arnaldo-Vega, 34, Filipino, is the Assistant Corporate Secretary of the Fund. She has also been the Assistant Corporate Secretary of Optima Balance Fund, Inc. since June 2011.

She is an Associate at Picazo Buyco Fider Tan & Santos Law Office. She also serves as the Assistant Corporate Secretary for ATRKE Equity Opportunity Fund, Inc., ATRKE Philippine Balanced Fund, Inc., ATRKE Alpha Opportunity Fund, Inc., ATR KimEng Total Return Bond Fund, Inc., and ATR KimEng AsiaPlus Recovery Fund, Inc. since 2010. Prior to her legal career, she was connected with Software Ventures International as a Systems Analyst and Programmer. She obtained her Bachelor of Laws from the University of the Philippines and Bachelor of Science in Business Administration (cum laude) also from the University of the Philippines.

- **Manuel I. Briones**
Compliance Officer – June 2011 to present

Manuel I. Briones, 59, Filipino, is the Compliance Officer of the Fund. He is also the Compliance Officer of Prudentiallife Fixed Income Fund, Inc. since June 2011.

He has been the Compliance Officer for ATRAM since 2009. He is concurrently the Compliance Officer for the following Funds: ATRKE Philippine Balanced Fund, Inc., ATRKE Equity Opportunity Fund, Inc. and ATRKE Alpha Opportunity Fund, Inc. (2009-present), ATR KimEng AsiaPlus Recovery Fund, Inc. and ATR KimEng Total Return Bond Fund, Inc. (2010- present). He joined ATRAM as Head of Operations in 1997 and became Executive Director for Operations in 2004. When he was appointed ATRAM's Compliance Officer with the same rank of Executive Director, he was required to relinquish his duties as Executive Officer for Operations and his Certified Investment Solicitor License. Earlier in his career, he worked for Citicorp Investment Philippines, where he held various positions, the last of which was Assistant Manager in the Credit Administration Department (1975-1985). He was later seconded to Citytrust Banking Corp. (1985-1992) as a result of Citibank NA's formation of a universal bank via merger of three of its local units (FNCB Finance, Citicorp and FEATI Bank). At Citytrust, he headed the Pre-Processing/Documentation Unit and the Accounting Unit of the Trust Banking Group, and was concurrently appointed Assistant Manager of Citytrust Securities Corp., a stock brokerage which he helped organize. He later moved to Asiatrue Development Bank as Trust Officer (1992-1995), and then to Insular Life Savings and Trust Company as Trust Operations Head (1995-1997). He was named one of the Ten Most Outstanding Employees of Makati by the Rotary Club of Makati in 1979. He holds an SEC license for Compliance Officers. He obtained his Bachelor of Commercial Science, major in Management, from Jose Rizal University.

None of the directors and officers are related to each other up to the fourth civil degree, whether by consanguinity or by affinity.

Significant Employees

The Fund has no significant employees or persons, who are not executive officers, who are expected by the Fund to make significant contributions to the business.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

(1) Title of Class	(2) Name and address of record owner and relationship with the issuer	(3) Name of beneficial owner and relationship with record owner	(4) Citizenship	(5) No. of Shares Held As of September 30, 2011	(6) Percent of Class As of September 30, 2011
Common Stock	Prudentiallife Plans, Inc.- Provident Fund 118 Gamboa St., PLPI Bldg., Gamboa St., Legaspi Village, Makati City Issuer's parent company	Prudentiallife Plans Inc. Mr. Jose Alberto T. Alba* President of Prudentiallife Plans, Inc. Retirement Fund of parent company	Filipino	62,480,360.46	36.82%
Common Stock	BPI AMTG as trustee of Prudentiallife Plans, Inc. BPI Bldg., Ayala Avenue, cor. Paseo de Roxas, Makati City Trustee bank of issuer's parent company	Prudentiallife Plans Inc. 118 Gamboa St., Legaspi Village, Makati City Mr. Jose Alberto T. Alba* President. Trust Fund of Parent Company	Filipino	47,016,933.46	27.71%
Common Stock	Prudentiallife Plans Inc.- Fidelity Fund 118 Gamboa St., Legaspi Village, Makati City Issuer's parent company	Prudentiallife Plans Inc. Mr. Jose Alberto T. Alba* President of Prudentiallife Plans, Inc. Trust Fund of Parent Company	Filipino	13,748,181.44	8.10%

*will exercise the voting powers over the shares of Prudentiallife Plans, Inc. in the stockholders' meeting

SECURITY OWNERSHIP OF MANAGEMENT

(1) Title of Class	(2) Name of beneficial owner	(3) Amount and nature of beneficial ownership	(4) Citizenship	(5) Percent of Class as of September 30, 2011
Common Stock	Eulogio A. Mendoza Director/President	100 Nominal	Filipino	0.000059%
Common Stock	Modesta P. Mammoad Director	100 Nominal	Filipino	0.000059%
Common Stock	Jose Alberto T. Alba Chairman	100 Nominal	Filipino	0.000059%
Common Stock	Gerald D. Baldivia Director	100 Nominal	Filipino	0.000059%
Common Stock	Jose Tomas C. Syquia Independent Director	100 Nominal 1,760.13 Direct	Filipino	0.001096%
Common Stock	Eduardo A. Yotoko Independent Director	100 Nominal	Filipino	0.000059%
Common Stock	Janine V. Sugay Director	100 Nominal	Filipino	0.000059%
Common Stock	Pamela P. Amores Treasurer	0	Filipino	0.000000%

COMPENSATION OF DIRECTORS

The Fund officially started operations in January 3, 2005. From January 3, 2005 to the fiscal year ending March 2011, no compensation was awarded to, earned by, paid to or estimated to be paid to, directly or indirectly to the named executive officers, directors and in the aggregate to all officers and directors as a group.

The Fund pays its Directors a per diem of PHP5,000.00 per Board Meeting. The Fund has paid a total of PHP23,500 for the fiscal year ending March 31, 2011. For the fiscal year 2011-2012, the total estimated per diem is PHP140,000. For the FY ended March 2010, no per diems have been allocated or paid to the Directors for attending meetings of the Board.

The members of the Board who are not officers and/or employees of the Fund will receive remuneration for their attendance in regular or special meetings of the Board of Directors at such rate as the Board may prescribe for every meeting of the Board of Directors at which he or she is present. Such remuneration may be adjusted in the future as may be warranted by existing fund levels and other factors.

There are no other arrangements, including consulting contracts, pursuant to which any director of the Fund is to be compensated, directly or indirectly, during the ensuing year for any service provided by a director.

There are no employment contracts between the Fund and the executive officers.

Under the Corporation Code of the Philippines, shareholders of the Fund representing at least a majority of the Fund's outstanding capital stock may grant directors compensation other than per diems, which shall in no case exceed ten percent (10%) of the net income before tax of the Fund during the preceding year.

The Board is responsible for conducting all business of the Fund. It shall exercise general supervision over the duties performed by the Investment Manager, Distributor, Administrator, Transfer Agent and Custodian of the Fund.

INTEREST OF NAMED EXPERTS OR COUNSEL

The Direct or Indirect Interest of named experts and independent counsel does not exceed PHP500,000.

INVOLVEMENT IN CERTAIN LOCAL PROCEEDINGS

No director, nominee for election as a director, executive officer, principal distributor or control person of the registrant has been involved in the last five (5) years in any bankruptcy petition either at the time of the bankruptcy or within two years prior to that time, subject to any conviction by final judgment in a past or pending criminal proceeding, domestic or foreign, excluding traffic violations and any other minor offenses, or to any order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities and found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body or a domestic or foreign Exchange or other organized trading market or self regulatory organization to have violated a securities or commodities law or regulation.

SHAREHOLDERS' MEETINGS

The Fund shall hold an annual general meeting for shareholders on any day of April of each year. These meetings shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located. Notices for regular or special meetings of shareholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each shareholder of record at his last known address. Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum.

CORPORATE GOVERNANCE

Evaluation System

The company has established an Evaluation System that rates the compliance of the company in the following areas:

1. Board of Directors
2. Management
3. Organizational and Procedural Controls
4. Independent Audit Mechanism
5. Disclosure and Transparency
6. Shareholders' Benefits
7. Compliance System and Others

Measures Undertaken to Fully Comply with Adopted Leading Practices

To insure adherence to corporate principles and best practices, the Chairman of the Board appointed Manuel I. Briones as Compliance Officer of the company on June 29, 2011. Mr. Briones shall have direct reporting responsibilities to the Chairman of the Board.

The Compliance Officer shall perform the following duties:

- Monitor compliance with the provisions and requirements of the Corporate Manual;
- Appear before the Securities and Exchange Commission upon summon on similar matters that need to be clarified by the same
- Determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board.
- Issue a certification every January 30th of the year on the extent of the corporation's compliance with this Manual for the completed year, explaining the reason/s of the latter's deviation from the same; and
- Identify, monitor and control compliance risks.

Deviations from Corporate Manual

During the fiscal year ending March 31, 2011, the company has complied with the required practices and principles contained in the Manual on Corporate Governance and has substantially complied with the provisions of Section 54 of the Securities Regulation Code.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There was no transaction during the last two years, or proposed transactions, to which the registrant was or is to be a party, or in which any of the following persons had or is to have a direct or indirect material interest:

- (a) Any director or executive officer of the registrant;
- (b) Any nominee for election as a director;
- (c) Any security holder named in response to Security Ownership of Certain Record and Beneficial Owners and Management
- (d) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the persons in letters (a), (b) or (c) above.

INVOLVEMENT OF MANAGEMENT OR DIRECTORS IN COMPANIES WITH WHICH THE FUND WILL BE DEALING

Mr. Jose Alberto T. Alba, the Chairman of the Board of the Fund, is also the President and Director of Prudentiallife Plans, Inc., a major shareholder of the Fund and Director of Bonds, Equities, Securities and Traders, Inc. (B.E.S.T., Inc.), a selling agent of the Fund. Ms. Pamela P. Amores, the Treasurer of the Fund, is also Senior

Assistant Vice-President of Prudentiallife Plans, Inc., a major shareholder of the Fund and B.E.S.T., Inc., a selling agent of the Fund. Mr. Eulogio A. Mendoza, the President and a Director of the Fund, is also a Director of ATR KimEng Asset Management, Inc. (ATRAM). He is also the Co Vice-Chairman of Asianlife Financial Assurance Corp. (ALFA), an affiliate of ATRAM. Mr. Gerald D. Baldivia is a Director of the Fund and an Executive Director of ATRAM. Ms. Modesta P. Mammoad is a Director of the Fund and also a Director of ALFA, an affiliate of ATRAM. Ms. Janine V. Sugay is a Director of the Fund and also the Head of Strategic Business Management of ATR KimEng Capital Partners, Inc., an affiliate of ATRAM. Mr. Manuel N. Tordesillas is the President of ALFA and a Director of ATRAM.

RECENT SALES OF UNREGISTERED SECURITIES

Within the past three (3) years, there were no sales of unregistered securities.

MANAGEMENT'S DISCUSSION AND ANALYSIS / PLAN OF OPERATIONS

The Fund carefully monitors economic indicators that affect the direction of domestic interest rates such as the progress of fiscal reforms, portfolio inflows, budget deficit, inflation, and monetary policy. All of these indicators combined contribute to the rise and fall of the Net Asset Value of the Fund.

2011 (Period end September)

The Fund

Investor concerns over contagion effects from the European debt crisis and worries over US/global economic slowdown resulted in steep corrections in both bond and equities markets. Consequently, peso yields soared by 50-80bps.

The 5-year yield jumped 94bps to 5.5442% during the month. The peso, meanwhile, depreciated close to 5% to PHP44.065 per USD from PHP41.97 per USD on August 1.

Global concerns left domestic macro news largely unnoticed. Inflation eased to 4.7% in August from 5.1% in July. OFW remittances likewise remained stable at a 6.1% growth in July. Forex reserves also surged to a new high of USD75.6 billion, ahead of the full-year target of USD75 billion.

The Prudentiallife Fixed Income Fund gained 0.66% during 9M11. The Fund underperformed the benchmark HSBC ALBI Overall index which gained 5.95%. The Fund was penalized for its relatively short duration against the benchmark.

Financial Operations

As of September 30, 2011, the Fund's total asset was recorded at PHP273.39 million, a decrease of PHP16.36 million from PHP289.75 million as of September 30, 2010 and slight decrease from PHP280.37 million as at March 31, 2011. The decrease primarily came from the decline of financial assets at fair value through profit or loss.

Significant changes (more than 5%) in asset accounts are as follows:

- Securities at Fair Value through Profit or Loss (designated at initial recognition) decreased by PHP41.55 million from PHP231.61 million as of September 30, 2010 to PHP190.06 million as of September 30, 2011. Compared to March 2011, investments in fixed income significantly went down by PHP42.11 million which was invested in money market.
- Cash & Cash Equivalents increased by PHP27.72 million from PHP53.31 as of September 30, 2010 to PHP81.03 million and increased by PHP36.25 million from PHP44.78 million as of March 31, 2011.

- Accrued Interest Receivable decreased by PHP2.53 million to PHP2.30 million compared to September 30, 2010 and decreased by PHP1.12 million from PHP3.42 million as of March 31, 2011.

The total liabilities decreased by PHP0.01 million from PHP3.18 million as of September 30, 2010 but increased by PHP0.07 million from PHP3.10 million as of March 31, 2011.

The Fund's equity/net asset value stood at PHP270.23 million as of September 30, 2011, PHP286.57 million as of September 30, 2010, and PHP277.27 million as of March 31, 2011. The increase in capital accounts was due to unrealized and realized gains on mark to market valuation of FVPL investments brought about by the positive financial market for fixed income instrument for the quarter.

Financial Assets at FVPL, cash and cash equivalents, and accrued interest and dividend receivable comparison:

September 30, 2011				
	Cash and Cash Equivalents	Financial Assets at FVPL	Accrued Interest Receivable	Total
Government	68,500,000	180,026,575	2,005,055	250,531,630
Corporate		10,037,546	292,867	10,330,413
Banks	12,527,828	-	622	12,528,450
	81,027,828	190,064,121	2,298,544	273,390,493
March 31, 2011				
	Cash and Cash Equivalents	Financial Assets at FVPL	Accrued Interest Receivable	Total
Government	40,500,000	218,796,011	3,080,854	262,376,865
Corporate		10,298,522	292,867	10,591,389
Banks	4,275,182	3,083,186	41,978	7,400,346
	44,775,182	232,177,719	3,415,698	280,368,600
September 30, 2010				
	Cash and Cash Equivalents	Financial Assets at FVPL	Accrued Interest Receivable	Total
Government	46,500,000	208,622,232	4,348,518	259,470,750
Corporate		13,704,979	166,458	13,871,437
Banks	6,811,812	9,282,901	311,488	16,406,201
	53,311,812	231,610,112	4,826,464	289,748,388

Operating Revenues and Expenses

	Period end Sept 30, 2011	Period end Sept 30, 2010
Total Income	15,294,839	12,882,019
Total Expenses	3,070,110	3,533,233
Net Investment Income (after tax)	10,352,150	7,196,477
Earnings per Share	0.0610	0.0356

Results of Operations

The net income of the Fund for the period ended September, 2011 was PHP10.35 million. This was up by 43.85% or PHP3.16 million compared to PHP7.20 million net income for the same period last year attributed mainly to gains in mark to market valuation of investment securities and disposal of investments. The net income posted for the 2nd quarter was PHP3.61 million compared to PHP6.17 million in the same quarter last year, a decrease of 41.50%.

Major changes in nominal accounts are as follows:

- Interest decreased by PHP1.40 million to PHP9.66 million for the period ended September 30, 2011 from PHP11.06 million for the same period last year. Likewise, interest decreased by PHP0.77 million to PHP4.72 million for quarter ended September 30, 2011 from PHP5.49 million in the same quarter last year attributed mainly to lower interest from fixed income securities in the portfolio.
- For the period ended September 30, 2011, trading and investment securities registered realized gains of PHP0.13 million compared to a realized PHP0.56 million loss for the same period last year. Realized loss for 2nd quarter was PHP0.70 million compared to PHP0.48 million realized loss in the same quarter last year.
- Unrealized gains for the period ended September 30, 2011 was PHP5.51 million which was up by 130% from PHP2.38 million in the same period last year. Mark to market gain adjustments from valuation posted at PHP2.02 million this quarter compared to PHP4.17 million in the same quarter last year.
- Total Operating expenses for the six months ended September 30, 2011 went down by 13.11% from PHP3.53 million to PHP3.07 million. Similarly, the figure for the quarter alone was down by PHP0.41 million, from PHP1.93 million as of September 30, 2010 to PHP1.52 million this quarter accounted for mainly by decrease in professional fees, taxes and licenses, miscellaneous fees, and net asset value which is the basis of the various fees computation.
- Provision for income tax amounted to PHP1.87 million for the period ended September 30, 2011 which was down by 13% from PHP2.15 million. In the same way, provision for income tax for the quarter was PHP0.91 million and PHP1.07 million for the quarter ended September 30, 2011 and 2010, respectively.

Changes in Net Assets

Summary of the Fund's transactions for the second quarter of fiscal year 2012:

Total amount received from sale of shares	3,665,648
Total amount of redemption	19,683,506

Issued and Outstanding Shares

Balance, June 30, 2011	179,806,934
Add: Shares sold during the quarter	2,296,866
Less: Shares redeemed during the quarter	12,416,604
Balance, September 30, 2011	169,687,196

Top 5 Key Indicators

The Fund has identified the following Key Performance Indicators affecting its current operations.

KPI	Formula	Sep 2011	Sep 2010
<i>Size</i>			
1. Asset Growth	$\frac{\text{Present Net asset Value} - \text{Past Net Asset Value}}{\text{Past Net Asset Value}}$	-2.54%	-16.17%
2. Ytd Return on Investment	$\frac{\text{NAV per share (current)} - \text{NAV per share (end period year ago)}}{\text{NAV per share (end period year ago)}}$	3.90%	3.11%
<i>Profitability</i>			
3. Return on Equity (ROE)	Net income / Ave equity at beg & end period	3.78%	2.29%
4. Return on Assets (ROA)	Net income / Ave total assets at beg & end period	3.74%	2.27%

Liquidity

5. Current Ratio

Current Assets / Current Liabilities

26.33x

18.29x

- Assets under management slightly decreased by 2.54% from PHP277.27 million as of March 31, 2011 to PHP270.23 million in September 30, 2011.
- Return on Investment year-to-date posted 3.90% as of September 30, 2011 from 3.11% of the same period last year.
- Return on Equity went up to 3.78% in September 2011 from 2.29% which was recorded for the same period last year.
- Similarly, Return on Assets was 3.74% during the period compared to 2.27% in September 2010.
- Current ratio went down to 26.33x compared to the 18.29x registered in September 2010. The Fund has sufficient resources to meet obligations.

Fiscal Year ended March 2011

The Fund

There was much volatility during the first three month of the year. Investor concerns focused on higher inflation rate on the back of surging global commodity prices. Wheat, rice, grains, oil, gold, and copper prices surged early in the year. Asia-Pacific ex-Japan was most at risk given its robust economic expansion and its insatiable requirement for more food, oil, and metals.

Headline inflation accelerated to 4.3% in February 2011 from 2.8% in October 2010. Higher inflation expectations, in turn, resulted in further monetary tightening across the region. China, India, Thailand, and Indonesia raised their benchmark rates and/or their reserve requirement to send a strong signal to the market.

Philippine Peso yields inched higher by as much as 120 basis points during the first two months of the year. Investors worried that the Monetary Board was “behind the curve”. Eventually, the overnight rate was raised by 25 basis points on March 24, 2011. The reversal of its accommodative stance boosted investor confidence and resulted in a bond rally by quarter end.

Anticipating the rate hike, foreign investors returned to position in both Philippine bonds and equities in early March. Following a dismal performance during the first two months of the year, the Philippine Stock Index (PSEi) surged 7.7% to 4,055 in March as foreign outflows abated.

Operating Revenues and Expenses

	End March	
	2011	2010
Total Income	22,369,612	18,626,478
Total Expenses	12,488,756	8,372,166
Net Income Attributable to Unitholders	5,524,434	4,695,981

The net income of the Fund for the period ended March 31, 2011 was PHP5.52 million. This was up by 17.64% compared to PHP4.70 million net income for the same period last year attributable mainly to significant decrease in realized losses (from disposal)/unrealized losses (from mark to market valuation of investments securities).

Major changes in nominal accounts are as follows:

- Interest decreased by PHP6.01 million to PHP22.37 million for the period ended March 31, 2011 from PHP28.38 million for the same period last year attributed mainly to lower prevailing market interest rates and significant decrease in fixed income securities in the portfolio.

- For the period ended March 31, 2011, trading and investment securities registered realized loss of PHP2.71 million and PHP3.17 million unrealized gains from valuation.
- Total operating expenses went down by PHP373.46K, from PHP10.25 million as of March 31, 2010 to PHP9.88 million as of March 31, 2011 million due to lower trustee fees and management fees charged during the period as a result of the lower Net Asset Value.
- Provision for income tax amounted to PHP4.36 million and PHP5.56 million for the period ended March 31, 2011 and 2010, respectively.

Financial Condition and Liquidity

	March	
	2011	2010
Total Assets	280,368,600	344,700,741
Total Liabilities	3,098,749	2,844,675
Net Assets Attributable to Unitholders	277,269,851	341,856,066
Outstanding No. of Shareholders	180,898,183	227,146,880
Net Asset Value per Share	1.5327	1.5050

As of March 31, 2011, the Fund's total assets reached to PHP280.37 million, a net decrease of PHP64.33 million from PHP344.70 million as of March 31, 2010. The net decrease was mainly attributable to withdrawals of investments by the shareholders.

Significant changes (more than 5%) in asset accounts are as follows:

- Securities at Fair Value through Profit or Loss (designated at initial recognition) increased by PHP90.43 million from PHP141.75 million as of March 31, 2010 to PHP232.18 million as of March 31, 2011 was accounted for by net acquisitions of investments in fixed income securities funded from matured money market.
- Cash & Cash Equivalents decreased by PHP152.93 million from PHP197.71 as of March 31, 2010 to PHP44.78 million as of March 31, 2011. The decline was due to net decrease of term deposits and special deposit accounts and payments for fixed income securities purchases and net redemptions of various shareholders.
- Accrued Interest Receivable decreased by PHP1.83 million to PHP3.42 million as of March 31, 2011 compared to PHP5.25 million as of March 31, 2010.

The total liabilities increased by PHP254.07K to PHP3.10 million as of March 31, 2011 from PHP2.84 million as of March 31, 2010.

The Fund's equity/net asset value stood at PHP277.27 million as of March 31, 2011 versus PHP341.86 million as of March 31, 2010. The net decrease in capital accounts was due to combination of higher profit from operations and significant withdrawals of investments by the shareholders of the Fund.

Changes in Net Assets

Subscriptions into the Fund were recorded by crediting capital stock at par value and additional paid-in capital (APIC) for the amount received in excess of the par value. In the same way, redemptions are recorded by debiting the said accounts. The capital stock transactions were reclassified using this accounting method.

Subscriptions into and redemptions from the Fund are as follows:

Summary of the Fund's Transactions for the fiscal year ending March 31, 2011:

Total amount received from sale of shares	86,903,322
Total amount of redemption	156,927,484

Issued and Outstanding Shares

Balance, March 31, 2010	227,146,880
Add: Shares sold during the year	57,578,973
Less: Shares redeemed during the year	103,827,669
Less: Reclassification from deposits for capital stock subscription	-
Balance, March 31, 2011	180,898,183

Top 5 Key Indicators

Aside from the Top 5 Economic Indicators mentioned above, the Fund has identified the following Key Performance Indicators affecting its current operations:

KPI	Formula	Mar 2011	Mar 2010
<i>Size</i>			
1. Asset Growth	$\frac{(\text{Present Net asset Value} - \text{Past Net Asset Value})}{\text{Past Net Asset Value}}$	-18.89%	-16.66%
2. Ytd Return on Investment	$\frac{\text{NAV per share (current)} - \text{NAV per share (end period year ago)}}{\text{NAV per share (end period year ago)}}$	1.84%	1.52%
<i>Profitability</i>			
3. Return on Equity (ROE)	Net income / Ave equity at beg & end period	1.78%	1.25%
4. Return on Assets (ROA)	Net income / Ave total assets at beg & end period	1.78%	1.24%
<i>Liquidity</i>			
5. Current Ratio	Current Assets / Current Liabilities	15.55X	71.33X

- Assets under management decreased by 18.89% from PHP341.86 million as of March 31, 2011 to PHP277.27 million as of March 31, 2010. Net changes were attributed mainly to the combination net redemptions by shareholder of the Fund and positive results of operation for the period.
- Return on Investment year-to-date posted 1.84% as of March 31, 2011 from 1.52% of the same period last year. This was due to decrease in net asset value per share.
- Due to fair value changes of financial instruments, Return on Equity went up to 1.78% in March 31, 2011 from 1.25% recorded for the same period last year.
- Similarly, Return on Assets was 1.78% during the period compared to 1.24% in March 31, 2010.
- Current ratio went down to 15.55x compared to the 71.33x registered in March 2010. The Fund has sufficient resources to meet its current obligations.

**Outlook for the next quarter
(Trends, events, uncertainties)**

Market uncertainties provide a window to build our fixed income position. Entering 2012, the outlook on the local bond market is quite positive. A worsening of the global economic outlook is likely to ease inflationary pressures. As economic expansion slows, monetary and fiscal policy could become more accommodative. In addition, sustained fiscal consolidation could drive peso yields lower in the near-term. This would be positive for both bonds and stocks. The Fund would position on the longer 10- and 20-year notes, lengthening its duration.

Criteria used to determine whether the market for financial instrument is active or Inactive (PAS 39 – Financial Instruments).

A financial instrument is regarded as quoted in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory, and those prices reflect actual and regularly occurring market transactions on an arm's length basis.

Characteristic of an inactive market include a significant decline in the volume and level of trading activity, the available prices vary significantly over time or among market participants or the prices are not current. However, these factors alone do not necessarily mean that the market is no longer active and determining that a market is inactive requires judgment.

As of September 30, 2011, the Fund's financial instruments under FVPL designated at initial recognition were all traded in an active market (as defined above). The securities under "Financial Assets at FVPL" are being traded in the secondary market, mainly through the financial institutions.

Per SRC Rule 68 and SEC Memorandum Circular No.3 – Guidelines in the Implementation of PFRS 9 (Financial Instruments Recognition and Measurement), the Fund has not yet decided whether or not to early adopt PFRS 9 (2009) or PFRS 9 (2010) for its 2011 financial reporting and therefore, the interim financial statements do not reflect the impact of the said standard.

The Fund is currently evaluating the impact of the possible early adoption of either PFRS 9 (2009) or PFRS 9 (2010) in its financial statements.

In case of early adoption of PFRS 9 (2009), the following financial statement accounts could possibly be affected:

- a. Available-for-sale (AFS) Securities
- b. Accounts receivable
- c. Unrealized gain(loss) on available-for-sale securities
- d. Retained earnings

In accordance with PAS 39, the Fund is valued using the marked-to-market method.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are likely to result in the Fund's liquidity increasing or decreasing in any material way. The registrant can currently satisfy its cash requirements. It will not have to raise additional funds in the next twelve (12) months. The Fund is not in default of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

The Fund does not have employees and does not anticipate having employees within the next 12 months, other than its corporate officers disclosed herein.

There are no events that will trigger direct or contingent financial obligation that is material to the company including any default or acceleration of an obligation.

There are no known trends, events or uncertainties that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations.

There are no material off-balance sheet transactions, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures.

There were no other significant elements of income or loss that arose from the Fund's continuing operations.

The Investment Company Rule (ICA Rule 35-1) prescribes that the minimum subscribed and paid-in capital upon incorporation should be PHP50 million. SEC may allow lower capitalization for new funds to be managed by the same fund manager upon request.

INVESTMENT OBJECTIVE, POLICY AND LEGAL LIMITATIONS

INVESTMENT OBJECTIVE

The Fund is designed to provide regular interest income and principal preservation through investments in government and high-quality corporate debt securities aggregating below-average or low risk.

INVESTMENT POLICY

The Fund will invest only in high-quality fixed-income securities issued by the Philippine government and prime Philippine companies which are rated AAA.

LEGAL LIMITATIONS ON INVESTMENT

1. The Fund will invest its assets in a variety of industries. It shall not invest more than ten percent (10%) of its net asset value in any single enterprise except obligations of the Philippine Government and its instrumentalities. Neither shall the total investment of the Fund exceed ten percent (10%) of the outstanding securities of any one investee company.
2. For purposes of liquidity, at least ten percent (10%) of the Fund's assets shall be invested in liquid/semi-liquid assets such as:
 - a. treasury notes or bills, Certificates of Indebtedness issued by the Bangko Sentral ng Pilipinas which are short-term and other government securities or bonds and such other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Republic of the Philippines and
 - b. savings or time deposits with government-owned banks or commercial banks, provided that in no case shall any such savings or time deposit accounts be accepted or allowed under a "bearer" or "numbered" account or other similar arrangement.

An investment company shall not change its investment objective without prior approval of its majority shareholders.

3. Until the SEC provides otherwise, the Fund shall not short-sell securities or invest in any of the following:
 - a. margin purchases of securities (investment in partly paid shares are excluded),
 - b. commodity futures contracts;
 - c. precious metals and
 - d. unlimited liability investments
4. The Fund shall not invest in real estate properties and developments unless allowed under applicable laws, if any.
5. The Fund shall not incur any further debt or borrowings, unless at the time of its incurrence or immediately thereafter, there is an asset coverage of at least three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall within three days thereafter, reduce the amount of its borrowings to such an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).
6. The Fund shall not make loans to other persons. However, it shall engage in legally permissible lending operations to corporations considered by its Board of Directors to be financially solid and sound.

7. The Fund shall not purchase from or sell to any of its officers or directors or the officers or directors of its Investment Manager or Principal Distributor or firms of which any of them are members any security other than the Fund's own capital stock.
8. The Fund shall not participate in any underwriting or selling group in connection with the public distribution of securities except its own capital stock.
9. The total operational expenses of the Fund shall not exceed ten percent (10%) of its total investment fund or total net worth as shown in the Fund's most recent audited financial statements.
10. For investors purchasing shares of the Fund, the minimum investment is PHP5,000. The subsequent investment is PHP5,000.
11. The Fund shall not issue senior securities.

PLAN OF DISTRIBUTION

ATR KimEng Asset Management, Inc. ("ATRAM") serves as Principal Distributor of the shares of the Fund in accordance with a Principal Distributorship Agreement. The shares of the Fund will be offered continuously for sale by the Principal Distributor and other eligible sales agents and securities dealers that have signed a Distribution Agreement, either directly with the Fund or with the Principal Distributor. The Principal Distributor may utilize various media channels for promotional purposes. Possible promotional tools include advertisements in newspapers and in the Principal Distributor's website, press releases, email announcements, and marketing events.

The Annual Distribution Fee to be charged by the Principal Distributor and/or eligible sales agents or securities dealers to the investor will amount to not more than five tenths of a percent per annum (0.5% p.a.) of the average daily net asset value of the Fund. These fees are meant to compensate for expenses associated with the distribution of shares. Said expenses would include compensation for licensed agents or other licensed persons for providing distribution services or assistance; the preparation, production and dissemination of Fund prospectuses and other marketing or advertising materials and vehicles.

The Fund, and/or the Principal Distributor acting on the Fund's behalf, will enter into separate Distribution Agreements with selected institutional partners having established distribution platforms. The Fund or the Principal Distributor will pay Annual Distribution Fees, which will vary per institutional partner, depending on outstanding net assets under management, but subject to the maximum of five tenths of a percent per annum (0.5% p.a.) rate mentioned in the preceding paragraph.

Lastly, investors in the Fund have an option to avail of the bundled products that have a tie-up with the Fund. These products are the Optima Protect and Bundled Optima.

SALES, REDEMPTION OF SHARES AND COMPUTATION OF NET ASSET VALUE

PURCHASE OF SHARES

Shares of the Fund are offered for sale over the counter on a continuous basis at the net asset value through registered representatives and dealers. The shares are not listed in an organized exchange market hence, there is no public trading market for these shares. For investors purchasing shares of the Fund, the minimum investment is PHP5,000. The subsequent investment is PHP5,000. Sales fee of not to exceed 2% of the investment amount shall be charged to the investor.

Any person at least 18 years of age may purchase the shares provided that no such purchase is contrary to the best interests of the other shareholders or would otherwise disrupt the management of the Fund. Prospective investors will fill out new account applications. The original proponents of the Fund who have subscribed and paid

for the original capital of Fifty Million Pesos (PHP50,000,000) were not allowed to sell, transfer, convey, encumber or otherwise dispose of their shares within twelve (12) months from the registration of the Fund.

Corporate applicants must submit the following documentary requirements, in order to purchase shares: a duly certified copy of the SEC registration, the articles of incorporation and by-laws, a duly signed board resolution certified by the corporate secretary authorizing the said purchase, a list of all the authorized signatories, a certification from the corporate secretary indicating the percentage of holdings of the stockholders by nationality, a list of principal stockholders owning at least 2% of the capital stock and a list of the beneficial owners, if any.

The Principal Distributor may request for other documents which it may deem necessary depending on the type of account being opened.

Any order for shares may be rejected by the Principal Distributor of the Fund. The SEC, the Fund or the Principal Distributor may suspend the continuous offering of shares to the general public at any time in response to conditions in the securities markets or otherwise and may thereafter resume such offering from time to time. Neither the Principal Distributor nor the eligible agents are permitted to withhold placing orders to benefit themselves by a price change.

The dealers and registered representatives through ATRAM shall forward the new account applications and/or order tickets to purchase shares of the Fund to the Transfer Agent on the same banking day they are received. Completed subscriptions received by ATRAM and its authorized selling agents by 12:00 noon on a banking day will be processed within the same banking day at the net asset value per share determined at the close of business on that day. If received after 12:00 noon, subscriptions will be processed at the net asset value per share determined at the close of business on the next banking day.

The Fund or any entity acting on its behalf may require evidence verifying the identity of a prospective purchaser of shares and the source of the relevant funds in compliance with the Anti-Money Laundering Act of 2001 (Republic Act No. 9160), its amendments (Republic Act No. 9194), and its implementing Rules and Regulations.

SALES PRICE

The Sales Price will be calculated on the basis of the applicable NAV and Entry Load. The Sales Price per share will be calculated using the following formula:

$$\text{Sales Price per share} = \text{Applicable NAV} (1 + \text{Entry Load where the Entry Load is not more than 2\% of the investment amount})$$

ATRAM reserves the right to reject any specific subscription or to restrict purchases by a particular investor, for example, when such purchase is contrary to the best interests of the other shareholders or would otherwise disrupt the management of the Fund. This decision will be made within two (2) business days after receipt of the subscription and in the event of a rejection, the subscription amount will be returned in the form of a local cheque within one (1) business day after the said decision was made to the investor without interest.

The Transfer Agent must receive payment for the subscription at the same banking day as the buy order is placed. The investor's account will be credited for the subscription only when the payment is in the form of bank credit or a local cheque that has cleared through the banking system. If payment is made by way of a cheque drawn on a bank (or a bank branch) located outside Metro Manila (or drawn on banks located outside designated local clearing areas of the Bangko Sentral ng Pilipinas or drawn on banks located outside the Philippines), the subscription will not be processed into the investor's account, until the cheque has finally cleared through the banking system. All shares shall be sold on cash basis. Installment sales are expressly prohibited.

A non-transferable Registry Confirmation will be issued by the Transfer Agent in favor of the investors which shall be recorded in the electronic registry of the Transfer Agent without the issuance of other evidences of certificates. Issuance of the Registry Confirmation shall be for the account of the Fund. However, a fee of PHP200 per Registry Confirmation shall be collected from the Investor per re-issuance of replacement Registry Confirmation either to replace lost Registry Confirmation or split original Registry Confirmation subject to presentation of other

required documents.. Shares are recorded on the electronic registry by the Transfer Agent, and shareholders have the same rights of ownership as if certificates had been issued to them.

Investors have an option to avail of the company’s bundled products – the Optima Protect and Bundled Optima.

The Optima Protect is a tie-up between Prudentiallife Fixed Income Fund Inc. (PFIFI) and PLPI Financials and Insurance Brokers, Inc. (PFIBI). It is a group renewable term insurance that offers accidental death and disablement benefits. PFIBI will provide for the term insurance coverage. Upon the annual renewal of insurance coverage, the premium will be automatically deducted from the proceeds of the investor’s Prudentiallife Fixed Income Fund investment. Below is the table of insurance premium for different investment ranges:

Optima Investment	PHP10,000 to PHP19,999	PHP20,000 to PHP39,999	PHP40,000 to PHP59,999	PHP60,000 to PHP79,999	PHP80,000 to PHP99,999	PHP100,000 and Above
Annual Premium of Member Renewable Term Insurance	PHP738	PHP1,476	PHP2,952	PHP4,428	PHP5,904	PHP7,380
Accidental Death and Disablement Benefit	PHP100,000	PHP200,000	PHP400,000	PHP600,000	PHP800,000	PHP1,000,000
Total Coverage	PHP150,000	PHP300,000	PHP600,000	PHP900,000	PHP1,200,000	PHP1,500,000
	PHP250,000	PHP500,000	PHP1,000,000	PHP1,500,000	PHP2,000,000	PHP2,500,000

The Bundled Optima is a tie-up between PFIFI and Prudentiallife Plans, Inc. and this is for investors who want to avail of Prudentiallife’s pre-need products in which the outstanding investment or income, if any, from the PFIFI will be used to pay for the regular installments. In the event that the outstanding investment in PFIFI is not sufficient to cover the installment payments, the investors shall be responsible for paying the installments directly to Prudentiallife Plans, Inc. The pre-need products applicable for the Bundled Optima are the Prudentiallife Pension Plans, Life Plans and Education Plans.

The amount of investment depends on the maturity value of the plan. Below is a sample computation for the Bundled Optima:

Optima Fund Details		Pre-Need Plan Details		Insurance Benefits:	
Optima Fund:	Fixed Income Fund	Pre-Need Plan:	Life Plan		Full Payment Guarantee Waiver of Installment Due to Disability Accidental Death & Dismemberment Family Assistance Fund Dual Protection Benefit Money Back Benefit
Holding Period:	90 days	Term:	5		
Currency:	PHP	Mode:	Annual		
Projected Annualized Rate:	6.00%*	Regular Installment	16,598		
Amount of Investment	100,000	Money Back Benefit	82,990		
PROJECTED INVESTMENT VALUE (less pre-need installment)		* Returns are NET of taxes. The rates of return illustrated on the table are based on the specified date, and are not indicative of future performance. These rates are <i>not guaranteed, it may go up or down.</i> Investment or participation in the fund is not a bank deposit, nor an obligation of, nor issued, nor insured by Prudentiallife, its affiliates or subsidiaries. Investment or participation in the fund is subject to risk and is not insured by the Philippine Deposit Insurance Corporation (PDIC). Losses, if any, shall be for the account and risk of the Trustor/Participants. Past performance is not indicative of future performance. Shares in the fund, when redeemed, may be worth more or less than the original contribution amount.			
Year 1	86,638.00				
Year 3	61,103.06				
Year 5	32,412.01				
Year 10	43,374.58				
Year 15	58,044.97				
Year 20	77,677.26				
End of Term**	160,667.26				

** Includes Money Back Benefit of PHP82,990.00 received at the end of the 20th year.

Under the Bundled Optima, investors also have the option in investing the maturity benefit of their Pension Plans to Prudentiallife Fixed Income Fund on Maturity Date. The amount of investment depends on the Maturity Value of the plan on Maturity Date.

Only the Optima Protect and the Bundled Optima have tie-ups with Prudentiallife Fixed Income Fund.

REDEMPTION OF SHARES

The minimum redemption amount is PHP500.00.

For those who availed of the Optima Protect and Bundled Optima, investors will be asked to sign a form, which authorizes automatic redemption from his investment – the amount of which equals the premium payment of the term insurance or the regular installment of the pre-need plan.

Shares are redeemable at any time at their net asset value less any applicable sales charges, exit load and taxes, if any. A shareholder may request redemption of his shares by delivering a Registry Confirmation with the Redemption Form with any registered representative or dealer. The Redemption Form must be properly accomplished and signed by the investor with the shares to be redeemed indicated in the form.

For redemption, the price is the net asset value per share at the close of business on the day the Redemption Form is received by any registered representative or dealer on or before 12:00 noon. After 12:00 noon, the order ticket is deemed to have been received the following business day, and the redemption price will be the net asset value per share determined at the close of business on the next banking day.

Payments for shares so redeemed, less any sales charges, exit load and taxes, if any, will be made by the Fund within seven (7) banking days from receipt of the request for redemption. Payment upon redemption will be made by issuing a cheque payable to the registered shareholder.

In case the shares are held in the names of more than one shareholder, where mode of holding is specified as "Joint", the Redemption Form will have to be signed by all the joint holders. However, in cases of holding specified as "and/or" any of the shareholders will have the authority to sign the Redemption Ticket, without it being necessary for all the shareholders to sign.

The Fund may suspend redemption or postpone the date of payment for a redemption (i) for any period when cash clearing is suspended by the Philippine Clearing House Corporation or Bangko Sentral ng Pilipinas or (ii) with the consent of the SEC.

RIGHT TO LIMIT REDEMPTION

The SEC may, whenever necessary or appropriate in the public interest or for the protection of investors, suspend the redemption of securities of the Fund. or limit the total number of shares which may be redeemed on any banking day. Any shares which by virtue of this limitation are not redeemed on a particular banking day will be carried forward for redemption to the next banking day, in the order of receipt. Redemptions so carried forward will be priced on the basis of the redemption price of the banking day on which such redemption is made.

REDEMPTION PRICE

The Redemption Price will be calculated on the basis of the applicable NAV less sales charges, exit load and taxes, if any. Shares redeemed within the 90-day holding period, is subject to an early redemption fee of 0.25%.

The Redemption price per share will be calculated using the following formula:

Redemption Price per share = applicable NAV (1- sales charges, exit load & taxes, if any)

PAYMENT OF REDEMPTION

The redemption price will be paid by check and payments will be made in favor of the registered shareholder with bank account number furnished to the Fund. Redemption checks will be sent to the shareholder's address (or, if there is more than one shareholder on record, the address of the first-named shareholder). In order to protect the interest of the shareholders from fraudulent encashment of checks, it is mandatory for investors to mention in their Application/Redemption request, their bank name, branch and account number. The Fund shall not be liable for any loss arising out of fraudulent encashment of checks.

COMPUTATION OF THE NET ASSET VALUE

The net asset value of each share of the Fund (NAVPS) as of the close of business on any day shall be the quotient obtained by dividing the value of the assets of the Fund less the liabilities (such liabilities being exclusive of capital stock and surplus) by the total number of shares outstanding at such close, all determined and computed as follows:

- a. The assets of the Fund shall be deemed to include (i) all cash on hand, on deposit or on call, (ii) all bills and notes and accounts receivable, (iii) all shares of stock and subscription rights and other securities owned or contracted for the Fund other than its own capital stock, (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to stockholders of record on a date on or before the date as of which the net asset is being determined, (v) all interest accrued on any interest-bearing securities owned by the Fund, (vi) all real properties or interest therein and (vii) all other property of every kind and nature, including prepaid expenses.
- b. The liabilities of the Fund shall be deemed to include (i) all bills and notes and accounts payable, (ii) all administrative expenses payable and/or accrued (including management fees), (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid dividend declared upon the Fund's stock and payable to shareholders of record on or before the day on which the value of the Fund's shares are being determined, (iv) all reserves authorized or approved by the Board of Directors for taxes or contingencies and (v) all other liabilities of the fund of whatsoever kind and nature except liabilities represented by the outstanding capital stock and surplus of the Fund.

Investment companies shall compute and post their NAVPS on a daily basis and shall publish such daily prices in at least 2 newspapers of general circulation in the Philippines and post them daily in a conspicuous place at the principal office of the company as well as in all of its branches or correspondent offices which are designated redemption centers.

The net asset value per share computation shall be made in accordance with the valuation method indicated in the prospectus and shall be applied consistently. Any change in the net asset value per share calculation or valuation method shall be subject to approval by the Commission. Except as the Commission shall, from time to time prescribe, the net asset value shall be calculated by adding (A) the aggregate value of the portfolio securities and other assets, (B) the cash on hand, (C) any dividends on stock trading ex-dividend, (D) any accrued interest on portfolio securities, and subtracting (E) taxes and other charges against the fund not previously deducted, (F) accrued expenses and fees, and (G) cash held for distribution to securities holders on a prior date.

TAXATION

Investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding and redeeming shares of the Fund. Tax rulings and other investment factors are subject to rapid change.

STATEMENTS OF ACCOUNT

Statements of account shall be sent to shareholders on a quarterly basis.

MANAGEMENT OF THE FUND

THE INVESTMENT MANAGER

ATR KimEng Asset Management, Inc. ("ATRAM"), a corporation duly organized and existing under the Philippine laws, is the Investment Manager of the Fund. ATRAM, with Principal office at the 17/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, 1200 Makati City, is a fund management company organized in 1995 and duly registered with the SEC as an investment adviser of, at present, four other investment companies.

In order to carry out the investment objective and policies of the Fund, it has entered into an Investment Management Agreement with ATRAM to manage and administer the assets of the Fund. Through the Investment Management Agreement, the guidelines for the management of the resources and operations of the Fund are set.

As investment manager, ATRAM is primarily responsible for the management, investment and reinvestment of the Fund's portfolio. The scope of the Investment Manager's responsibility covers economic/market research and analysis, investment review and evaluation, securities selection, accreditation and selection of counterparties, brokers and dealers as well as actual trade execution, all in accordance with the Fund's objective and policies.

The Fund agreed to pay to ATRAM, as compensation for its investment management services an annual fee equivalent to not more than 70/100 percent (0.70%) per annum of the average daily net asset value of the Fund.

DIRECTORS AND OFFICERS OF THE INVESTMENT MANAGER

Ramon B. Arnaiz, 65, Filipino, is the Chairman of the Board of Directors of ATRAM and is a member of its Investment Committee. He is concurrently the Chairman of the Boards of ATR KimEng Financial Corporation (ATRKE Financial), ATR KimEng Capital Partners, Inc. (ATRKE Capital), AsianLife and General Assurance Corporation (ALGA), AsianLife Financial Assurance Corporation (ALFA), ATR KimEng Fixed Income (ATRKE FI) and ATR Holdings. He is Vice Chairman of Tullett Prebon Philippines and is a director of ATR KimEng Land Corporation (ATRKE Land). He also serves as director and/or Chairman in other unlisted companies. He has over 30 years of experience in securities brokerage in the Philippines and abroad, having worked in the Madrid and London offices of Merrill Lynch, Pierce Fenner and Smith International and was a past Governor of the Makati Stock Exchange. Mr. Arnaiz is a graduate of De La Salle University and earned his MBA from the University of Santa Clara in California. He also completed the Harvard Business School's Owner/President Management Program.

Manuel N. Tordesillas, 58, Filipino, is a Board Director of ATRAM. He is concurrently the President of ATRKE Financial, ATRKE Capital, ATR KimEng AMG Holdings, Inc., ATR Holdings, and ALFA, where he also sits in their respective Boards as a director. He has nearly 35 years of international and local investment banking experience, spending 11 years in Hong Kong where he worked for Citicorp International Limited and Peregrine Capital Limited just prior to returning to the country in 1995. He is also Chairman of the Board of ATRKE Land. He also serves as director and Vice Chairman of ALGA. Mr. Tordesillas is likewise a director of ATRKE FI and Tullett Prebon Philippines. He is currently the President of MET Holdings, Inc., Vice President of the Investment Houses Association of the Philippines, and member of the Board of Advisors of De La Salle University College of Business and Economics. Previously, he served as Chairman of Rockwell Residential Towers Condominium Corporation, President of the Harvard Business School Association of the Philippines and member of Committee on Trustees of International School of Manila. He obtained his MBA from Harvard University and his BS in Industrial Management Engineering from De La Salle University.

Michael V. Ferrer, 44, Filipino, is a Board Director of ATRAM, as well as its President and Managing Director, and a member of its Investment Committee. Prior to ATRAM, he spent 15 years with ING, rising to the position of Country Manager and Chief Executive Officer for ING Investment Management's Philippines operation after gaining experience in portfolio management, corporate banking, risk management, sales and marketing functions. Following his Philippine assignments, he was made Country Manager for ING's fund management subsidiary in Taiwan, where he integrated ING's local operations with an acquired asset management business. He then moved on to Hong Kong to become ING's Regional General Manager for South Asia, developing the group's investment management distribution capabilities spanning the Pacific through the Middle East. Before his career at ING, he worked at a private equity fund, and helped established

an outsourcing venture engaged in engineering design. He obtained a Bachelor of Economics degree (magna cum laude) from the University of the Philippines with the distinction of ranking second in his graduating class.

Phillip Frederick S. Hagedorn, 43, Spanish, is a Board Director of ATRAM, its Executive Director for Investments, and Chairman of its Investment Committee and previously as its President. Before joining ATRAM, he served as a Director and Vice President at ATR KimEng Securities, Inc., handling domestic and international institutional clients. Previously he was Vice President, Director, and Head of Sales at Anscor Hagedorn Securities, Inc., where he built a nationwide branch network to serve retail investors. He is a Directors of Phelps Dodge Philippines and ATR KimEng Insurance Brokers, Inc. He is a past President of the Rotary Club of Makati West, and a former Trustee of the Fund Managers Association of the Philippines. He obtained his BS in Marketing from Boston College in 1989. He is a Certified Investment Solicitor.

Ma. Victoria C. Viñas, 57, Filipino, is an Independent Board Director of ATRAM. She is concurrently an Independent Director of ATRKE Financial and ATRKE Capital. Ms. Viñas is a consultant for several retirement funds. She is a Director and President of Anita Realty & Development Corporation, and a Director of Quorum International, Inc. (Toby's Sports); Sports Resources, Inc.; and TSF Systems, Inc. She is also Chairperson of RCW Foundation, Inc.; a Trustee of Kaisahang Buhay Foundation and University of Regina Carmeli; and a member of the Finance and Investment Committees of De La Salle Philippines, Inc., De La Salle Brothers, Inc. and La Salle Greenhills. She serves as an Independent Director for ATRKE Financial. Earlier, she was Senior Vice President at San Miguel Corp., handling its corporate finance and retirement funds, and before that she was Senior Vice President at AB Capital and Investment Corp. and Senior Assistant Treasurer at Bancor Development Corp. She received a BA in Economics (cum laude) from Maryknoll College and attended post-graduate courses at the University of Pennsylvania's Wharton School and the University of California - Berkley.

Ernest L. Cu, 50, Filipino, is an Independent Board Director of ATRAM. He is concurrently an Independent Director of ATRKE Financial, ATRKE Capital, ALGA and ALFA. He is the President and CEO of Globe Telecom, Inc. and is also a member of its Board of Directors. He sits as a Director of Systems Technology Institute, Inc. and other unlisted companies and is a Trustee of the De La Salle College of St. Benilde. He is a member of the American Chamber of Commerce and the Makati Business Club. Mr. Cu was a former President and CEO of SPI and was cited as "Entrepreneur of the Year - Philippine Edition 2003" in the Information and Communications Technology Category. He earned his graduate degree from Northwestern University's Kellogg Graduate School of Management and his Bachelor's degree from De La Salle University.

Eulogio A. Mendoza, 63, Filipino has been a Board Director of ATRAM since 2005. He is also the Board Chairman and President of the Fund. Since 2003 he has been President and Chief Executive Officer of ALGA, and is also a member of ALGA's Board of Directors. He is Co Vice-Chairman of ALFA, a majority-owned subsidiary of ALGA. He is also Chairman of the Board and President of ATRKE Philippine Balanced Fund, Inc. (2010 to present) ATRKE Alpha Opportunity Fund, Inc. (2005 to present), ATR Kim Eng AsiaPlus Recovery Fund, Inc. (2009 to present) and ATR KimEng Total Return Bond Fund, Inc. (2009 to present). He is likewise President of the Prudential Fixed Income Fund, Inc. and Optima Balance Fund, Inc. beginning 2011. Since 2003 he has been a member of the Board of Directors of the Philippine Life Insurance Association ("PLIA"), the country's life insurance industry association, and was PLIA President in 1994-1996. Previously, he was a member of the Boards of Directors of various units of American International Group ("AIG") such as PhilamCare Health Systems, Inc. (1989-1992) and Philam Plans, Inc., and of the Board of Directors of The Pan Philippine Life Insurance Corp. (now Philippine Axa Life) (1992-1998). His prior work experience in the insurance industry includes his having been Vice-President at Philippine American Life Insurance Company, Inc. (also an AIG company) (1988-1992), President and Chief Executive Officer of the Pan Philippine Life Insurance Company (1992-1998), and then President and Chief Executive Officer of GE Life Insurance Company (1998-2001) (now ALGA). He earned the title Fellow, Life Management Institute (FLMI) from the Life Office Management Administration (LOMA). He obtained his MBA from the Ateneo Graduate School of Business and both his Master of Arts in Philosophy (cum laude) and Bachelor of Science in Philosophy (cum laude) from the University of Santo Tomas.

Lilia C. Clemente, 70, American, is a Board Director of ATRAM. She is Chairman of Clemente Capital, Inc. ("CCI"), a New York-based investment manager, and of Clemente Capital (Asia), an investment advisory firm. She has been managing international and U.S. investments for more than 30 years. Before establishing her own firm in 1986, she was First Vice President and Chief Investment Officer-International Investments of Mitchell Hutchins Asset Management, Inc., a subsidiary of Paine Webber, Inc. Previously, she was Director of Investment Research and Assistant Treasurer at the Ford Foundation, and an investment analyst with CNA Financial Corp. She is a member of the Asian Securities Industry Institute, a Director of the U.S. Securities Industry Association, and a member of the Board of Directors of the China Securities Industry Institute. She earned a Master's in Economics at the University of Chicago, after completing studies at the University of the Philippines. She is one of the principals who organized AAMI in 1995.

Leopoldo M. Clemente, Jr., 72, American, is a Board Director of ATRAM. He is Chief Investment Officer of Clemente Fund Management (Asia) Ltd., and also President and Chief Investment Officer of CCI. He presently serves as an investment consultant to the Carnegie Mellon University's technology incubator fund. He has over 30 years' worth of investment analysis and portfolio management experience. Prior to joining CCI in 1987, he served as Vice President and Portfolio Manager for Van Eck Management, Inc., where he managed the World Trends Fund, an open-end mutual fund. Before that, he was Vice President, Portfolio Manager and member of the Investment Policy Committee at Eberstadt Asset Management, Inc., handling that firm's global exposure and managing Eberstadt International Fund L.P. Earlier, he was an investment research officer at Marine Midland Bank, and before that a securities analyst at Merrill Lynch, specializing in the office equipment, computer, metals and mining industries. He received his MBA from Northwestern University, USA after completing studies at the University of the Philippines. He is one of the principals who organized ATRAM in 1995.

Renato L. Leveriza, Jr., 60, is a Board Director of ATRAM. He is also a director of ATRKE Financial since 1995 and is currently the company's Executive Vice President. He joined the Company in 1990, when it was still known as Philtread, as Vice President & Chief Financial Officer. He also serves as Director and President of ATRKE Land. He sits as a director of ATRKE Capital, where he is also the Chairman of the Trust Committee. Mr. Leveriza is currently the Chairman of the Business Education Committee of the Finex Research and Development Foundation. He is likewise a member of the Management Association of the Philippines and of the Makati Business Club. Mr. Leveriza is a graduate of De La Salle University with a BS degree in Chemical Engineering and earned his Master's degree in Business Management from the Asian Institute of Management.

Deanno J. Basas, 39, Filipino, is a Board Director of ATRAM. He is the Trust Officer of ATR KimEng Capital Partners, Inc. - Trust Department. He has 16 years' worth of experience in Treasury Trading and Asset Management, both in Manila and Hong Kong. In 2008 to 2010, he headed the FX Swaps and Interest Rate Derivatives Desk of ING Bank N.V., Manila Branch, where he was responsible for market-making and proprietary trading in FX swap and interest rate derivative products. Previous to that post, he was a Trader at the Global Rates and Foreign Exchange Divisions of Wachovia Bank N.A., Hong Kong, where he performed treasury functions with the management of the Hong Kong branch balance sheet. He was also involved in the development of the bank's Asian FX and interest rate markets. He held various positions at ING Bank from 1995-2005: Foreign exchange trader (ING Manila), Trader - Asian FX, Fixed Income and Derivatives Desk (ING Bank London N.V., Hong Kong), Deputy Chief Investment Officer and Fixed Income Portfolio Manager (ING Bank N.V., Manila Branch Trust Department). He obtained a Bachelor of Science degree (cum laude) in Business Administration and Accountancy from the University of the Philippines.

Nilaida S. Enriquez, 54, Filipino, is Treasurer for ATRAM. She has been Director and Treasurer of ATRKE Financial since 2003, and is Head of Operations for ATRKE Capital and ATRKE Securities. She joined ATRKE Securities in 1989 and is concurrently Treasurer of ATRKE Capital. She is a Director of ATRKE Securities, ALGA and ALFA. Before joining ATRKE Securities, she was Controller at General Credit Corp, and served as Controller at the Resource and Finance Group of Companies. She received an undergraduate degree from the University of the East and has earned MBA units at the Ateneo Graduate School of Business. She is a Certified Public Accountant.

Manuel I. Briones, 59, Filipino, has been the Compliance Officer for ATRAM since 2009. He is concurrently the Compliance Officer for the Fund and for the following funds: ATRKE Philippine Balanced Fund, Inc. (since 2009), ATRKE Alpha Opportunity Fund, Inc. (since 2009), ATR KimEng Total Return Bond Fund, Inc. (since 2009) ATR KimEng AsiaPlus Recovery Fund, Inc. (since 2009), Prudentiallife Fixed Income Fund, Inc. (since 2011) and Optima Balance Fund, Inc. (since 2011). He joined ATRAM as Head of Operations in 1997 and became Executive Director for Operations in 2004. When he was appointed ATRAM's Compliance Officer, he was required to relinquish his duties as Executive Officer for Operations and his Certified Investment Solicitor License. Earlier in his career, he worked for Citicorp Investment Philippines, where he held various positions, the last of which was Assistant Manager in the Credit Administration Department (1975-1985). He was later seconded to Citytrust Banking Corp. (1985-1992) as a result of Citibank NA's formation of a universal bank via merger of three of its local units (FNCB Finance, Citicorp and FEATI Bank). At Citytrust, he headed the Pre-Processing/Documentation Unit and the Accounting Unit of the Trust Banking Group, and was concurrently appointed Assistant Manager of Citytrust Securities Corp., a stock brokerage which he helped organize. He later moved to Asiatrust Development Bank as Trust Officer (1992-1995), and then to Insular Life Savings and Trust Company as Trust Operations Head (1995-1997). He was named one of the Ten Most Outstanding Employees of Makati by the Rotary Club of Makati in 1979. He holds an SEC license for Compliance Officers. He obtained his Bachelor of Commercial Science, major in Management, from Jose Rizal University.

Ma. Alicia G. Picazo-San Juan, 40, Filipino, is also the Corporate Secretary of ATRAM. She is a partner at Picazo Buyco Fider Tan & Santos Law Office. She obtained her Bachelor of Laws (cum laude) from the University of the Philippines and B.S. Management, major in Legal Management (magna cum laude) from the Ateneo de Manila University. She also serves as the Corporate Secretary for ATRKE Philippine Balanced Fund, Inc., ATRKE Alpha Opportunity Fund, Inc., ATRKE Equity Opportunity Fund, Inc., ATR KimEng Total Return Bond Fund, Inc., ATR KimEng AsiaPlus Recovery Fund, Inc., Prudentiallife Fixed Income Fund, Inc. and Optima Balance Fund, Inc. She is a member of the University of the Philippines Women Lawyers' Circle and the Financial Executives Institute of the Philippines (FINEX).

FUND ACCOUNTING

Deutsche Bank AG Manila Branch (Domestic Custody Services) will provide fund accounting and share price accounting for the Fund.

INDEPENDENT AUDITOR

Sycip Gorres Velayo and Company serves as external auditor for the Fund. Total audit fees billed to the registrant for its annual financial statements for the last two (2) fiscal years were as follows:

Type of Fee	Year	Amount
Annual Audit Fees	2009	₱ 65,000.00
Annual Audit Fees	2010	₱ 71,500.00
Annual Audit Fees	2011	₱ 71,500.00

There were no other related services provided by the external auditor for tax accounting, compliance, advice and planning except for the above.

TRANSFER AGENT

Deutsche Bank AG Manila Branch (Domestic Custody Services) will serve as the Fund's Transfer Agent. Transfer Agent services include, but are not limited to: account registration and preparation of the Board of Directors Meetings and Annual Shareholders Meetings.

In consideration of the services to be rendered by the Transfer Agent, the Fund shall pay the Transfer Agent such amount as may be agreed upon in the Transfer Agent Agreement between the Fund and Deutsche Bank AG Manila Branch. Fees will begin to accrue on the first day of the Fund's operation of the initial sales period.

CUSTODIAN

Citibank N.A. will serve as custodian for the assets of the Fund. The custodian bank's duties include receipt of securities, identification and segregation of assets, registration of assets, accomplishment of reports and records, and custody of investments and fees. All proceeds from the sale of shares/securities, including the original subscription/payments at the time of incorporation constituting the paid-up capital of the investment company, shall be held by the custodian.

In consideration of the services to be rendered by the custodian, the Fund shall pay the custodian fees with the terms of the fees schedule previously agreed upon by the custodian and the Fund.

This Registration Statement/Prospectus does not cover nor include future amendments hereto. Any future amendment/s thereto affecting investors' rights, such as but not limited to sales/redemption fees and investment objectives, which have already been approved by the Fund's Board of Directors and ratified by its stockholders but are still pending approval with the SEC, shall be fully disclosed to any prospective investor.

CORPORATE NAME

Prudentiallife Fixed Income Fund, Inc.
3rd Floor, PLPI Building, 118 Gamboa St.,
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INVESTMENT MANAGER AND PRINCIPAL DISTRIBUTOR

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17th Floor Tower One & Exchange Plaza
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Facsimile No.: +632-841-0315

FUND ACCOUNTANT AND TRANSFER AGENT

Deutsche Bank AG
23rd Floor, Ayala Tower One & Exchange Plaza
Ayala Avenue, Makati City

CUSTODIAN

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Citibank Tower, Citibank Plaza
8741 Paseo De Roxas, Makati City

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