



About Philam Life

The Philippine American Life and General Insurance Company is the largest life insurance company in the Philippines and the market leader for over 60 years. Philam Life offers an extensive line of products in the industry that provides solutions to various financial needs including income protection, retirement, education, investment, health, personal accident, group life and credit life. Philam Life has the most extensive network of offices and sales agencies nationwide.

Philam Life is part of the AIA Group Limited (AIA), the largest independent publicly listed pan-Asian life insurance group in the world.



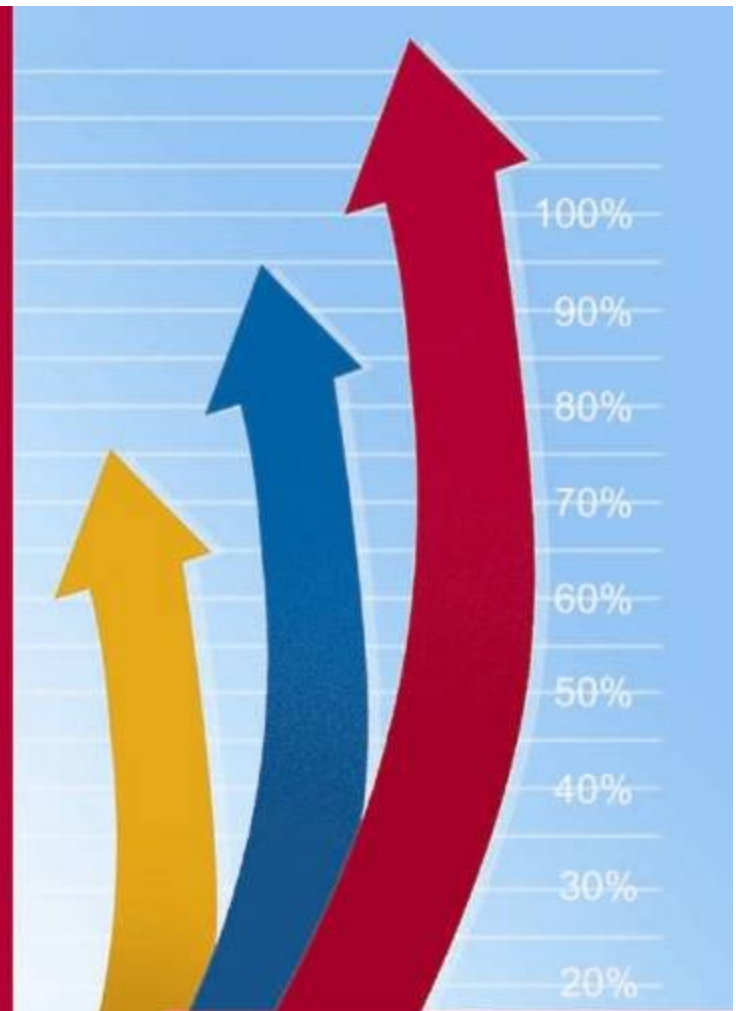
About AIA Group

AIA Group Limited and its subsidiaries (collectively "the AIA Group" or "the Group") comprise the largest independent publicly listed pan-Asian life insurance group in the world. It has wholly-owned main operating subsidiaries or branches in 14 markets in Asia Pacific - Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau and Brunei and a 26% joint venture shareholding in India.

The Group traces its origins in Asia back more than 90 years. It is a market leader in the Asia Pacific region (ex Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It has total assets of US\$107.9 billion (as at 30th November 2010).

The AIA Group meets the savings and protection needs of individuals by offering a comprehensive suite of products and services including retirement planning, life insurance and accident and health insurance. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of more than 260,000 agents and over 21,000 employees across Asia Pacific, AIA serves the holders of over 23 million individual policies and over 10 million participating members of group policies.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code '1299'.



Variable Life Funds Performance Report Full Year 2010

PHILAMLIFE.COM



May 2011

Dear Valued Policyholder,

The year 2010 was marked by strong economic growth and a positive investment environment. The Philippines had its highest GDP growth in 34 years at 7.3% boosted by aggressive election spending in Q1, positive market sentiment coming from peaceful presidential elections in May, and a bullish stock market in the second semester that broke the 4,000-point barrier for the first time in history last September, peaking at 4,413.42 points in November.

Within this macroeconomic environment, we are pleased to inform you of the strong performance of Philam Life's Variable Universal Life (VUL) funds in 2010. As of December 31, 2010, the year-to-date (YTD) returns stood at 10.46% for Philam Life Fixed Income Fund (PHP), 49.15% for Philam Life Equity Fund (PHP), 41.93% for Philam Life Balanced Fund (PHP), 9.55% for Philam Life Dollar Bond Fund (USD), and 6.33% for Philam Life Global Bond Fund (USD). These results, as well as those for 2009, are shown in the attached VUL Fund Performance Report.

The year 2010 was also a good year for Philam Life, as we posted growth in almost all aspects of our business. Total Premium Income reached P11.35 billion, a 3% increase from previous year while New Business sales was at P2.49 billion, a robust 72% increase versus last year. Meanwhile, Total Assets increased by 12.8% to P155.57 billion while Investment Income grew by 4% to P11.25 billion.

We also take pride in being part of the AIA Group, the largest independent publicly listed pan-Asian life insurance group in the world with a broad footprint spanning 15 markets in Asia Pacific. The AIA Group posted US\$ 2.7 billion in net profit, jumping by 54% year on year in terms of International Financing Reporting Standards (IFRS), according to the Group's 2010 audited consolidated financial results ending November 30 last year.

Through an extensive network of more than 260,000 agents and over 21,000 employees across Asia Pacific, AIA serves the holders of over 23 million individual policies and over 10 million participating members of group policies.

We value your trust and uphold our commitment to serving your needs with utmost dedication.

Should you require additional information, please do not hesitate to call us at (+632) 528-2000 or email us at philamlife@aia.com. You may also visit our website at philamlife.com or go to any Philam Life branch office nationwide for assistance.

Yours faithfully,


TREVOR BULL
President & CEO
Philam Life

MARKET REVIEW

LOCAL FIXED INCOME AND EQUITY MARKETS

Economic recovery was the Asian theme for 2010 as the region exhibited spectacular growth, proving its resilience from the risks that still abound in the Western world. A boost in export demand and investments supported Asia's outperformance. Locally, the Philippine economy was able to ride Asia's momentum by registering a stellar 7.40% year on year (YoY) real GDP growth, the highest in 24 years. This was mainly supported by election spending, robust OFW remittances and a rebound in exports for electronic components. Philippine debt together with other equity market (EM) issues initially struggled over concerns on debt-troubled European economies such as Portugal, Ireland, Greece and Spain. Fortunately, favorable fundamentals supported asset prices, aided by renewed investor confidence brought about by a successful change in government. The new administration's commitment to battle corruption and boost tax collection efficiencies, sustained revenues and subdued spending resulted to lower fiscal risks for the rest of the year. This led to the government's outperformance of its budget deficit, which stood at PHP 314.4 billion on yearend versus the PHP 320 billion target. A positive economic backdrop amid a low inflation environment made the Philippines worthy of a credit upgrade from BB- to BB by Standard & Poor's Ratings Services.

Local political risks and the European fiscal crisis were the predominant contributors to the volatilities in the Philippine peso and dollar bond markets for the first half of the year. Peso debt yields peaked as the May national elections approached. The 7-year peso bond reached 7.7135% in late April while the 10-year reached 8.3942% in early May. Meanwhile, doubts on the feasibility of Greece's austerity program heightened global risk aversion in May. The 7-year ROP bond rose to 5.406% in early May while the 10-year ROP rose to 5.866%. The relatively peaceful elections and sustained positive local and regional fundamentals renewed investor confidence in Philippine debt during the second half of the year. Taking advantage of the peso appreciation, foreign investor demand made the debut of the 10-year Global Peso Notes in October a highly successful one. Flush liquidity also supported the rally in bond markets. The government's bond exchange program to lengthen peso and dollar debt also attracted local and foreign investor interest, sending bond yields to the year's lowest levels. The 7-year ROP hit a low of 2.913% in early November while the 10-year ROP hit a low of 3.597%. Meanwhile, the local bond yield curve steepened in November as the BSP controlled the rapid appreciation of the local currency by not rolling over its swap maturities. This caused short-term interest rates to fall sharply. The 7-year peso bond fell to 5.0692% in the same month while the 10-year bond fell to 5.7327%. In December, the government's move to create liquidity in the long end of the curve by introducing a 25-year peso bond benchmark was welcomed by different investor profiles. On the contrary, ROP bonds succumbed to bouts of risk aversion on the back of growing geo-political concerns in Korea and signs of an improving US economy.

A low inflation environment bolstered the economy's growth in 2010. The consumer price index settled at 3.8% YoY in 2010, at the low end of the government's 3.5% to 5.5% target range. Despite expectations of a negative farm output growth brought about by the El Niño phenomenon, higher rice and corn production in the last

quarter of the year tempered price increase pressures. The benign inflation supported the BSP's accommodative monetary policy that kept overnight borrowing and lending rates at a record low of 4% and 6%, respectively, throughout the year.

The sustained growth in OFW remittances continued to provide strong support to domestic demand, with the remittance level for the year accounting for close to 10% of the country's GDP. Cumulative remittance flows of USD 18.8 billion were recorded, posting a stronger-than-expected 8.2% YoY growth. This contributed to a record high Gross International Reserves level of USD 62.1 billion at the end of 2010, rising 40.5% YoY. Meanwhile, domestic liquidity grew an average 9.7% YoY, indicating that monetary conditions remained consistent with the stronger underlying momentum of the economy.

The Philippine equity market surged in 2010 and recorded a 37.6% gain to close the year at 4,201.14. The market actually posted a new all-time record high of 4,397.30 in November, beating the previous record set in October 2007, as investors turned more positive on emerging markets, particularly in Asia, and shied away from more developed markets. Positive economic and corporate developments on the local front, led by strong GDP growth numbers and OFW remittances, and benign inflation rate, also helped boost the market. Thus, average trading volume increased to USD 95 million in 2010, from USD 70 million in 2009. The year was also capped by the market debut of Cebu Pacific, the country's leading low cost carrier and the largest Philippine IPO to date, and Nickel Asia, the country's largest nickel producer.

The market was generally lackluster in the first quarter of the year with investors turning cautious on the back of fears of a failure in the national elections and debt concerns on the PIIGS (Portugal, Ireland, Italy, Greece and Spain) markets. As election-related fears proved to be unfounded with the success of the country's first automated elections in May, combined with the strong corporate earnings growth momentum, market sentiment started to turn positive towards the end of the first half of the year. By September, the average trading volumes have risen 75% to USD 138 million, from USD 79 million in the 1st half of 2010, with net foreign buying being recorded at USD 362 million, and total foreign transactions accounting for 40% of total volumes. Moreover, with the significant increase in domestic liquidity, local corporates also aggressively tapped both the debt and equity markets to finance their expansion plans.

GLOBAL FIXED INCOME MARKET

The year 2010 saw a marked improvement in investor risk appetite – equities and High-Yield (HY) credits outperformed US Treasuries (USTs) and High Grade (HG) bonds. The ultra low rate environment in the G3 (US, Japan and European Union), coupled by strong economic recovery in the emerging markets (EMs) have provided a favorable backdrop for investors in search of yield. Inflation was benign and monetary policy remained generally accommodative, at least during the early part of the year.

By the second half of 2010, the US economic outlook brightened on the back of sustained corporate earnings and a modest rebound in the jobs market, providing further impetus for more risk-taking. The US Federal Reserve's decision to extend (and expand) its Quantitative Easing Strategy (QE2) augured well for credits

as benchmark rates fell to all-time lows and new issues flood the market. But after reaching record lows in October 2010, UST yields rose steadily in 4th quarter of 2010 due to sovereign default concerns in peripheral Europe and inflation risk in the EM. Still, USTs managed to post positive return of 5.8% for all of 2010. The 10-year UST dropped 54bps YoY to end the year at 3.294%.

However, there were also a number of issues that rattled markets last year, foremost of which was the sovereign debt crisis in peripheral Europe particularly in the so-called PIIGS. The crisis prompted a series of negative credit rating action in PIIGS, including the downgrade of Greece's sovereign rating to junk. Eventually, a massive bailout package was approved for Greece in 2nd quarter of 2010. In response to the worsening debt crisis, the European Financial Stability Facility (EFSF) was created by the 27 member states of the European Union (EU) on May 2010, whose mandate is to provide financial assistance to Eurozone states in economic difficulty.

Asia, on the other hand, continued to de-couple from the developed world on the back of robust domestic demand. Unlike in the US and Europe, Asian economies have recovered fast from the global financial crisis with the region tracking growth of at least 8.6% as per Asian Development Bank's (ADB) estimates. Overall growth is being fueled by the strong performance of East Asian economies, primarily the People's Republic of China (PRC). In Southeast Asia, growth in the Philippines and Thailand likewise accelerated, and Indonesia's credit profile continued to improve leading to several positive ratings action by international credit rating agencies. However, inflation risk emerged in 2nd half of 2010 prompting Asian policymakers to switch to a tighter monetary policy stance.

For 2010, the Citi US Broad Investment-Grade (USBIG) HG Corps index managed to post a 9.1% gain, although this pales in comparison to the 18.4% gain posted by the index in 2009 and the 14.3% return posted by the Citi HY index during the year. Gains likewise varied among different rating classes due to investors' search for yield. The BBB/BB (+14.62%) and BBB (+10.18%) delivered double-digit annual returns, while the AAA/AA and single-A class posted lower returns of 5.99% and 8.55%, respectively. In Asia, the JP Morgan Asia Credit Index (JACI) HG Corps recorded an 8.5% yearly return, also way below the 19.4% gain made by the JACI HY Corps. On a spread basis, the USBIG HG Corps index spread narrowed YoY by 14bps by the end of the year to 149, which was 74bps tighter compared to the 223bps (-32bps YoY) index spread of the JACI HG Corps during the same period.

In the EM space, the JP Morgan Emerging Market Bond Index (EMBI+) posted an annual return of 11.8%, even surpassing gains made by the Dow Jones Industrial Average (DJIA) (+11.0%) for the year. Driven by higher yields and de-coupling of Asian economic growth from the US and Europe, EM Asia outperformed its EM counterparts with a 13.0% gain vs. EM Latam's 11.8% and EM E. Europe's 10.9%. In terms of spreads, EM Asian spreads tightened by almost 40bps YoY to 165, while EM Latam and E. Europe spreads narrowed by 22bps and 20bps, respectively. EM Asian spreads are now tighter by 141bps vs EM Latam and 25bps vs EM E. Europe.

After recording five consecutive months of gains, the market succumbed to profit-taking in November on the back of increasing geopolitical tensions in the Korean peninsula and a renewal of Euro debt concerns. However, the market posted a strong rebound in December, partly on the back of increased flows following the Morgan Stanley Capital International (MSCI) index rebalancing that took effect at end-November and as the government unveiled its USD 7 billion Public-Private Partnership (PPP) program that aims to promote investments in key infrastructure projects.

FUND MANAGERS

Philam Life's variable life funds are managed by Philam Life's team of investment professionals who have over 20 years of experience and expertise in the field of fund management. As of December 31, 2010, total assets per Philam Life audited financial statement reached over PHP 155 billion. Philam Life combines its expertise with the strength of its senior management to manage portfolios effectively in order to achieve favorable returns.

PineBridge Investments Asia Limited-Philippine Branch ("The Philippine Branch") acts as an Investment Adviser for the equity portfolio. The Philippine Branch is a member company of PineBridge Investments.

PineBridge Investments is a group of international companies acquired by Pacific Century Group from American International Group, Inc. in March 2010. PineBridge companies provide investment advice and market asset management products and services to clients around the world. PineBridge Investments is a service mark proprietary to PineBridge Investments IP Holding Company Limited. Services and products are provided by one or more affiliates of PineBridge Investments. Certain middle and back office functions incidental to the services and products provided by PineBridge Investments and its affiliates may be outsourced to third parties.

Financial Statement

As of December 31, 2010

STATEMENT OF ASSETS AND LIABILITIES (as of December 31, 2010)

Philam Life Peso Variable Funds

In PHP

	Philam Life Fixed Income Fund	Philam Life Equity Fund	Philam Life Balanced Fund
ASSETS			
Cash and cash equivalents	101,000,000	434,265,478	118,500,000
Financial assets at FVTPL*	757,767,844	2,747,948,726	1,504,990,610
Loans and receivables	268,955,555	-	169,244,444
Accrued income	16,846,919	1,636,096	5,144,723
Other Assets -net	-	29,492,065	19,513,754
	1,144,570,318	3,213,342,365	1,817,393,531
LIABILITIES			
Accounts payable and accrued expense	2,012,130	25,022,628	11,410,395
Other Liabilities -net	9,171,494	-	-
	11,183,624	25,022,628	11,410,395
Net Asset Value (NAV)	1,133,386,694	3,188,319,737	1,805,983,136

Philam Life Dollar Variable Funds

In USD

	Philam Life Dollar Bond Fund	Philam Life Global Bond Fund	Principal-Protected Fund 1
ASSETS			
Cash and cash equivalents	4,552,698	909,039	-
Financial assets at FVTPL*	41,032,619	8,690,245	10,179,553
Loans and receivables	-	-	-
Accrued income	548,041	131,600	-
Other Assets -net	63,706	19,452	-
	46,197,064	9,750,336	10,179,553
LIABILITIES			
Accounts payable and accrued expense	81,452	17,760	-
Other Liabilities -net	195	43	-
	81,647	17,803	-
Net Asset Value (NAV)	46,115,417	9,732,533	10,179,553

	Principal-Protected Fund 2	Principal-Protected Emerging Markets Fund	High-Water Mark Fund 2019
ASSETS			
Financial assets at FVTPL*	5,488,385	6,816,656	4,752,370
	5,488,385	6,816,656	4,752,370
Net Asset Value (NAV)	5,488,385	6,816,656	4,752,370

* Fair Value Through Profit or Loss

Philam Life Fixed Income Fund

Fund Inception Date: November 10, 2004

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	10.46%
One Year Return (as of Dec 31, 2009)	7.45%
One Year Return (as of Dec 31, 2008)	-1.92%
One Year Return (as of Dec 31, 2007)	1.11%
One Year Return (as of Dec 31, 2006)	17.88%
Return since Inception (as of Dec 31, 2010)	61.59%

* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in PHP thousands)*	902,172
Weighted Duration (in years)	6.30
Weighted Tenor/Maturity (in years)	10.22
Weighted Average YTM	6.77%

* NAV is net of 2% fund management charge, transaction costs, and audit fees.
** Based on Audited Financial Statement

PORTFOLIO MIX* (as of Dec 31, 2010)

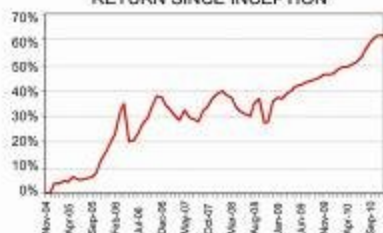
Cash & Cash Equivalents	8.96%
Government Securities	65.95%
Corporate Securities	25.09%

* Excluding accrued income

FIXED INCOME SECURITIES - Top 20 (as of Dec 31, 2010)

Issue	Maturity	% of Portfolio
Phil FXTN	12/16/2035	12.86%
Phil FXTN	2/19/2019	7.45%
PLDT FRCN	2/20/2019	6.21%
Phil FXTN	1/27/2016	6.19%
Phil FXTN	8/23/2017	5.92%
Ayala Corp FRCN	2/15/2018	5.75%
SM Prime FRCN	4/14/2019	4.35%
Phil FXTN	10/20/2025	4.21%
Phil FXTN	9/4/2016	4.12%
Smart Comm FRCN	12/13/2013	3.91%
Phil FXTN	1/19/2026	3.78%
Phil FXTN	8/19/2020	3.64%
Phil FXTN	5/27/2030	3.28%
Phil FXTN	2/20/2023	3.23%
Phil FXTN	5/29/2023	2.45%
Phil FXTN	4/27/2016	2.29%
Phil FXTN	11/11/2024	2.03%
Phil FXTN	12/7/2026	1.86%
URC FRCN	3/27/2014	1.86%
SM Inv FRCN	1/4/2018	1.77%

RETURN SINCE INCEPTION*



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life Fixed Income Fund (PFIF) is a PHP-denominated investment fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (Philam Life). It is an investment option for the variable life policyholder with a preference for investing in high-quality interest-bearing debt instruments that present low to moderate levels of risk. The investment objective of the Philam Life Fixed Income Fund is to provide stable income over the medium- to long-term, and preserve capital by investing primarily in PHP-denominated fixed-income securities issued by the government and reputable corporate issuers.

Philam Life Equity Fund

Fund Inception Date: November 10, 2004

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	49.15%
One Year Return (as of Dec 31, 2009)	41.47%
One Year Return (as of Dec 31, 2008)	-36.97%
One Year Return (as of Dec 31, 2007)	19.56%
One Year Return (as of Dec 31, 2006)	40.97%
Return since Inception (as of Dec 31, 2010)	154.99%

* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in PHP thousands)*	1,376,776**
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* NAV is net of 2% fund management charge, transaction costs, and audit fees.
** Based on Audited Financial Statement

PORTFOLIO MIX* (as of Dec 31, 2010)

Cash & Cash Equivalents	13.65%
Common Stocks	86.35%

* Excluding accrued income

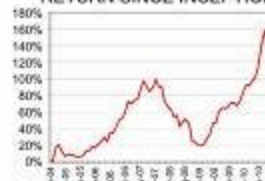
COMMON STOCKS - Top 20 (as of Dec 31, 2010)

Sector	% of Portfolio
SM Investments Corporation	9.02%
Alliance Global Group Inc	7.99%
Ayala Land Inc	7.25%
Phil Long Distance Tel Co	7.02%
SM Prime Holdings Inc	5.56%
Intl Container Terminal Services	5.42%
Banco De Oro - EPCI Inc	5.06%
Aboliz Power Corporation Limited	5.06%
DMCI Holdings Inc	4.42%
Energy Development Corporation	3.51%
Metropolitan Bank and Trust Company	3.43%
Bank of the Philippine Islands	3.33%
Megaworld Corporation	2.99%
Ayala Corporation	2.66%
Universal Robina Corporation	1.77%
Nickel Asia Corporation	1.49%
Metro Pacific Investments Co	1.33%
Manila Electric Company	1.29%
Robinsons Land Corporation	0.91%
Manila Water Company	0.84%

COMMON STOCKS BY SECTOR (as of Dec 31, 2010)

Issue	% of Portfolio
Holding Firms	26.05%
Property	17.89%
Industrial	14.42%
Services	13.93%
Financials	11.83%
Mining & Oil	2.24%

RETURN SINCE INCEPTION*



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life Equity Fund (PEF) is a PHP-denominated investment fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (Philam Life). This investment option is for the variable life policyholder with an investment objective of capital appreciation over a long-term investment horizon, and the risk appetite for the stock market. The investment objective of the Philam Life Equity Fund is to achieve capital growth by investing in an efficient and diversified portfolio of predominantly growth companies while including appropriate value stocks.

Philam Life Balanced Fund

Fund Inception Date: May 22, 2007

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	41.93%
One Year Return (as of Dec 31, 2009)	34.07%
One Year Return (as of Dec 31, 2008)	-30.39%
Return since Inception (as of Dec 31, 2010)	33.88%

* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in PHP thousands)*	923,070**
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* NAV is net of 2% fund management charge, transaction costs, and audit fees.

** Based on Audited Financial Statement

PORTFOLIO MIX* (as of Dec 31, 2010)

Cash & Cash Equivalents	6.61%
Government Securities	6.90%
Corporate Securities	9.44%
Common Stocks	77.05%

* Excluding accrued income

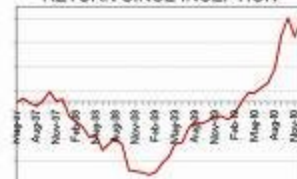
COMMON STOCKS - Top 20 (as of Dec 31, 2010)

Issue	% of Portfolio
SM Investments Corporation	8.13%
Alliance Global Group Inc	7.18%
Phil Long Distance Tel Co	6.26%
Ayala Land Inc	6.26%
SM Prime Holdings Inc	5.07%
Intl Container Terminal Services Inc	4.91%
Aboitiz Power Corp Limited	4.69%
Banco de Oro - EPCI Inc	4.32%
DMCI Holdings Inc	4.02%
Energy Development Corporation	3.17%
Metropolitan Bank and Trust Company	3.05%
Bank of the Philippine Islands	2.97%
Megaworld Corporation	2.67%
Ayala Corporation	2.44%
Universal Robina Corporation	1.41%
Nickel Asia Corporation	1.30%
Metro Pacific Investments Co	1.20%
Manila Electric Company	1.01%
Robinsons Land Corporation	0.81%
Manila Water Company	0.76%

FIXED INCOME SECURITIES (as of Dec 31, 2010)

Issue	Maturity	% of Portfolio
Ayala Corp FRCN	2/15/2018	3.90%
Phil FXTN	2/20/2023	2.03%
Phil FXTN	8/23/2017	1.86%
SM Inv FRCN	1/4/2018	1.67%
PLDT FRCN	2/20/2019	1.67%
Smart Comm FRCN	12/13/2013	1.64%
Phil FXTN	2/19/2019	1.25%
Phil FXTN	9/24/2014	0.84%
Phil FXTN	10/20/2025	0.69%
SM Prime FRCN	4/14/2019	0.33%
Phil FXTN	5/29/2023	0.23%
URC FRCN	3/27/2014	0.22%

RETURN SINCE INCEPTION*



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life Balanced Fund (PBAL) is a PHP-denominated investment fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (Philam Life). This investment option is for the variable life policyholder with an investment objective of long-term capital appreciation by investing primarily in PHP-denominated equities, equity-related securities and debt securities.

Philam Life Dollar Bond Fund

Fund Inception Date: July 12, 2005

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	9.55%
One Year Return (as of Dec 31, 2009)	15.29%
One Year Return (as of Dec 31, 2008)	-2.43%
One Year Return (as of Dec 31, 2007)	5.53%
One Year Return (as of Dec 31, 2006)	17.43%
Return since Inception (as of Dec 31, 2010)	73.33%

* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in USD thousands)*	39,704**
Weighted Duration (in years)	6.92
Weighted Tenor/Maturity (in years)	9.91
Weighted Average YTM	4.25%

* NAV is net of 2% fund management charge, transaction costs, and audit fees.

** Based on Audited Financial Statement

PORTFOLIO MIX* (as of Dec 31, 2010)

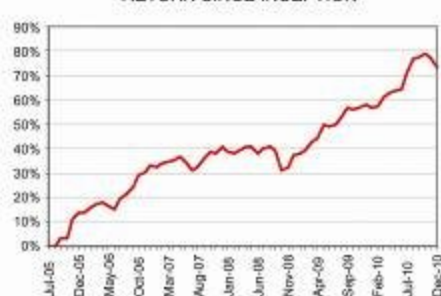
Cash & Cash Equivalents	9.99%
Philippine Sovereign Securities	90.01%

* Excluding accrued income

PHILIPPINE SOVEREIGN SECURITIES (as of Dec 31, 2010)

Issue	Maturity	% of Portfolio
ROP	6/17/2019	28.33%
ROP	1/15/2021	28.12%
ROP	1/20/2020	14.23%
ROP	1/14/2031	7.65%
ROP	2/2/2030	7.28%
ROP	10/21/2024	2.22%
ROP	3/17/2015	1.88%
ROP	3/16/2025	0.30%

RETURN SINCE INCEPTION*



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life Dollar Bond Fund (PALDBF) is a USD-denominated investment fund created for dollar variable life insurance contracts issued by The Philippine American Life and General Insurance Company (Philam Life). The Philam Life Dollar Bond Fund is an investment option for the dollar variable life policyholder with a preference for investing in Philippine government and corporate fixed-income securities. The Fund aims to provide income growth while maintaining moderate liquidity over the medium- to long-term investment horizon.

Philam Life Global Bond Fund

Fund Inception Date: July 12, 2005

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	6.33%
One Year Return (as of Dec 31, 2009)	9.08%
One Year Return (as of Dec 31, 2008)	-4.96%
One Year Return (as of Dec 31, 2007)	3.49%
One Year Return (as of Dec 31, 2006)	11.20%
Return since Inception (as of Dec 31, 2010)	35.01%

* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in USD thousands)*	9,404
Weighted Duration (in years)	6.13
Weighted Tenor/Maturity (in years)	9.70
Weighted Average YTM	4.17%

* NAV is net of 2% fund management charge, transaction costs, and audit fees.
** Based on Audited Financial Statement.

PORTFOLIO MIX* (as of Dec 31, 2010)

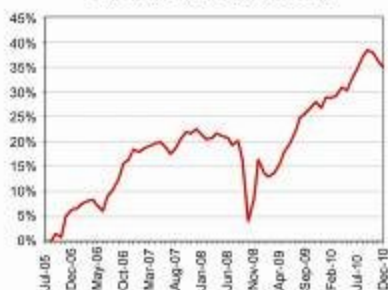
Cash & Cash Equivalents	9.47%
Foreign Corporate Securities	90.53%

* Excluding accrued income

FOREIGN SECURITIES - Top 10 (as of Dec 31, 2010)

Issuer	Maturity	% of Portfolio
Hutchison Whampoa	2/13/2013	7.96%
Tenaga Nasional	11/1/2025	6.34%
Merrill Lynch	4/25/2018	5.10%
PTT Public Co	8/3/2035	4.84%
ICICI Bank Ltd	10/3/2012	4.73%
Hutchison Whampoa	1/24/2014	4.01%
Citigroup	4/11/2013	4.00%
Hutchison Whampoa	11/24/2033	3.86%
ICICI Bank Ltd	11/16/2020	3.63%
IBM Corporation	9/14/2017	2.38%

RETURN SINCE INCEPTION*



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life Global Bond Fund (PALGBF) is a USD-denominated investment fund created specifically for dollar variable life insurance contracts issued by The Philippine American Life and General Insurance Company (Philam Life). The Philam Life Global Bond Fund is an investment option for the dollar variable life policyholder with a preference for investing in high-quality, investment-grade fixed-income securities with low to moderate levels of risk over a medium- to long-term investment horizon. The Fund aims to preserve capital and provide stable income growth over the medium- to long-term.

Philam Life Principal-Protected Fund (or Winning Edge Tranche 1)

Fund Inception Date: June 3, 2008

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	5.47%
One Year Return (as of Dec 31, 2009)	-3.34%
Return since Inception (as of Dec 31, 2010)	0.03%

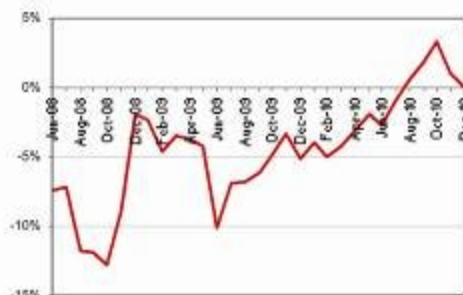
* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in PHP thousands)*	902,172
Remaining Life (in years)	7.43

* NAV is net of 2.5% administrative charge
** Based on Audited Financial Statement.

RETURN SINCE INCEPTION*



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life Principal-Protected Fund is a USD-denominated single-asset fund invested in an index-linked note. It is issued by a third party investment-grade bank and has full principal protection at maturity. The Fund is created for the purpose of delivering the benefits payable under the plan. Fund performance will be a function of the actual performance of the Standard and Poor's (S&P) 500 and S&P BRIC (Brazil Russia India China) 40 indices, to which the note is linked.

**Philam Life Principal-Protected Fund 2
(or Winning Edge Tranche 2)**

Fund Inception Date: July 17, 2006

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	5.67%
One Year Return (as of Dec 31, 2009)	-1.64%
Return since Inception (as of Dec 31, 2010)	2.09%

* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in PHP thousands)*	902,172
Remaining Life (in years)	7.55

* NAV is net of 2.5% administrative charge
** Based on Audited Financial Statement

**Philam Life Principal-Protected Emerging Markets Fund
(or Winning Edge Tranche 3)**

Fund Inception Date: September 17, 2006

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	7.59%
One Year Return (as of Dec 31, 2009)	7.65%
Return since Inception (as of Dec 31, 2010)	0.95%

* Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in PHP thousands)*	902,172
Remaining Life (in years)	2.72

* NAV is net of 2.5% administrative charge
** Based on Audited Financial Statement



* Fund returns are calculated based on Net Asset Value per Unit



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life Principal-Protected Fund 2 is a USD-denominated single-asset fund invested in an index-linked note. It is issued by a third party investment-grade bank and has full principal protection at maturity. The Fund is created for the purpose of delivering the benefits payable under the plan. Fund performance will be a function of the actual performance of the Standard and Poor's (S&P) 500 and S&P BRIC (Brazil Russia India China) 40 indices, to which the note is linked.

The Philam Life Principal-Protected Emerging Markets Fund is a USD-denominated single-asset fund invested in a structured note linked to emerging markets indices (Standard and Poor's BRIC (Brazil Russia India China) 40 and EEM (Exchange Traded Index Fund)). It is issued by a third party investment-grade bank and has full principal protection at maturity. The Fund is created for the purpose of delivering the benefits payable under the plan. Fund performance will be a function of the actual performance of the indices to which the note is linked.

Philam Life High-Water Mark Fund 2019 (Prime Yield)

Fund Inception Date: May 13, 2009

FUND PERFORMANCE*

One Year Return (as of Dec 31, 2010)	1.96%
Return since Inception (as of Dec 31, 2010)	18.14%

* Fund returns are calculated based on Net Asset Value per Unit.
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS (as of Dec 31, 2010)

Net Asset Value (NAV in PHP thousands)*	902,172
Remaining Life (in years)	8.37

* NAV is net of 2.2% administrative charge
** Based on Audited Financial Statement

PORTFOLIO MIX* (as of Dec 31, 2010)

Mutual Fund	% of Portfolio
Aberdeen Global World Equity Fund	35.00%
Aberdeen Global EM Equity Fund	7.50%
BlackRock Global Funds - Global SmallCap Fund	7.50%
Parvest US Dollar Bond Fund	16.00%
Pimco Total Return Bond Fund	16.00%
MFS Meridian EM Debt Fund	8.00%
PIMCO Funds Glb Investors – Glb Real Return Fund	10.00%

DISCLOSURE STATEMENT

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Opinions: Opinions expressed in this document may be subject to change without notice. We are not soliciting or recommending any action based on this material.

Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. The investment risks vary between different types of instruments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio, the loss on realization or cancellation may be very high (including total loss of investment), as the value of such an investment may fall suddenly and substantially.

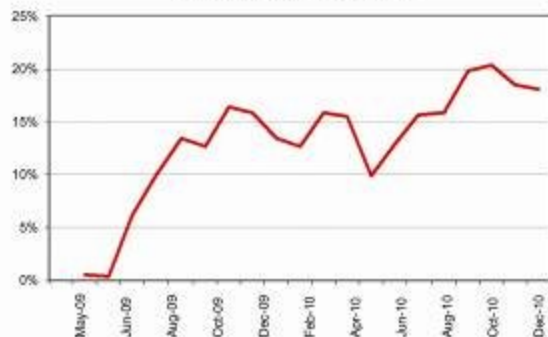
In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved.

Unless otherwise noted, all information contained herein is sourced with Philam Life internal data.

The content included herein has been shared with various in-house departments within the member companies of Philam Life, in the ordinary course of completion. All Philam Life member companies comply with the confidentiality requirements of their respective jurisdictions.

Parts of this presentation may be based on information received from sources we consider reliable. We do not represent that all of this information is accurate or complete, however, and it may not be relied upon as such.

RETURN SINCE INCEPTION*



* Fund returns are calculated based on Net Asset Value per Unit

The Philam Life High-Water Mark (HWM) Fund 2019 is placed in a structured note issued by a third party investment-grade bank. The note carries a balanced mix of mutual funds with exposure to a broad spectrum of asset classes and markets. In terms of asset classes, the note is invested in equities, bonds, and inflation-hedged fixed income instruments. In terms of markets, the note is invested in assets representative of global and emerging economies to take advantage of both diversification and growth opportunities. The note also has a deposit component to pay for the product's HWM Guarantee.