

**BPI BALANCED FUND**

January 31, 2009

Investment Objective

To achieve investment returns from a diversified portfolio of equities and fixed-income instruments.

Fund Performance

Absolute Returns	Fund	Benchmark*
Year-to-date	-0.34%	-1.06%
Past 360 Days	-20.43%	-19.87%
Full Year 2008	-26.80%	-22.30%
Full Year 2007	11.42%	12.54%
Full Year 2006	26.31%	24.19%
Full Year 2005	12.61%	11.22%

Returns are net of fees. Past Performance is not an indication of future returns.

*50% 90-d TBills / 50% PSEi. Prior to 2009, benchmark was 50% 1-Year TBills / 50% PSEi

PSEi is a barometer of stock price movements in the Philippine Stock Exchange.

Fund Facts

Structure	Unit Investment Trust Fund
Fund Type	Balanced Fund
Base Currency	Philippine Peso
Net Asset Value	PHP 461.98 Million
NAV Per Unit (NAVpu)	PHP 75.81
Par Value	PHP 100.00
Minimum Investment	PHP 50,000.00
Minimum Additional	PHP 10,000.00
Minimum Holding Period	90 days
Early Redemption Fee	0.50%
Management Fee	1.50% p.a.
Valuation Methodology	Mark-to-Market
Trustee	Bank of the Philippine Islands
Available Thru	Bank of the Philippine Islands Branches
Custodian	HSBC
Dealing	Daily up to 12 noon
Bloomberg Ticker	BPIEQBL

Risk Characteristics**Risk Measures**

	Past 12 Months			
	Jan 31, 2009	Lo	Hi	Average
Volatility, Past 360 Days	9.54%	7.29%	17.96%	13.21%
Information Ratio, Past 360 Days	-0.06			

Volatility measures the fluctuations in NAVpu. The higher the number, the higher the potential gain or loss. Information ratio evaluates reward-to-risk efficiency relative to the benchmark. The higher the number, the higher the reward per unit of risk.

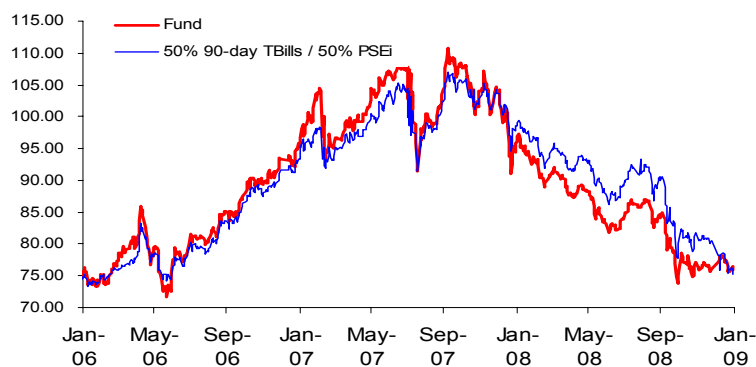
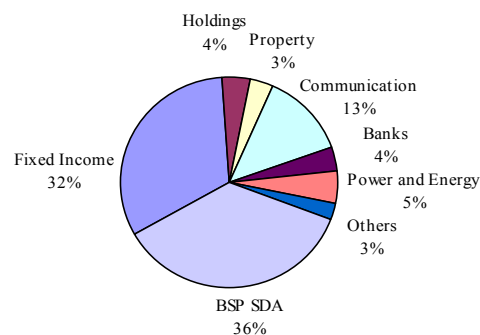
Risk Disclosure

The Fund is suitable for investors who take medium- to long-term views. As a marked-to-market UITF, the Fund's net asset value, and total return may fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original amount of investment.

Fund Manager's Report

Philippine shares gained as much as 7% at the start of the month before succumbing to profit-taking activities. Year-to-date, the local stock composite index declined by 2.55% as negative developments abroad raised worries over a deepening global recession, which caused investors to shy away from riskier assets. All the PSE sub-indices, except for industrial, recorded negative performance with the banking and property sectors declining at least 4%. On the other hand, the local bourse managed to outperform Asia ex-Japan's 8% drop on the back of better-than-expected 4Q08 GDP figures and continued efforts exerted by the Philippine government to restore market confidence. The Monetary Board decided to cut the overnight borrowing rate by 50 basis points to 5.0%.

Though current valuations look attractive, we remain cautious on the equities market as the global economy remains fragile. With these, we shall maintain our underweight strategy on equities while keeping an active trading portfolio to take advantage of bear market rallies.

Net Asset Value Per Unit**Portfolio Composition****Top 10 Equity Holdings**

	% of Fund
Phil. Long Distance Tel. Company	10.56%
Globe Telecom Inc.	2.50%
Ayala Corporation	2.40%
Bank of the Philippine Islands	2.12%
PNOC Energy Development Corporation	2.05%
Aboitiz Power Corporation	1.79%
Metropolitan Bank and Trust	1.42%
SM Investments Corporation	1.36%
Ayala Land, Inc.	1.29%
Manila Water Company	1.17%

Any prospective investment shall be limited to the type of investments described in the Declaration of Trust for the Fund.

BPI Balanced Fund is a Unit Investment Trust Fund (UITF) and not a bank deposit product. It is not guaranteed by BPI nor by the Philippine Deposit Insurance Corporation (PDIC). Any income or loss shall be for the account of the investor. For the purpose of lodging, clearing, settlement, and delivery of securities in the Fund, the Trustee is authorized to avail of the services of third party institutions such as but not limited to custodians which the Trustee may change or replace without prior notice to or approval from investors. The Trustee will not be responsible for any loss or damage suffered by the Fund as a result of the third parties' willful default, gross negligence, or evident bad faith. Investors are advised to read the Declaration of Trust of the Fund, which may be obtained from the office of the Trustee, before deciding to invest. For inquiries, please call: (632) 845-5080, (632) 845-5087 or (632) 816-9053, email bpi_trust@bpi.com.ph or visit www.bpiexpressonline.com.