



**BPI BALANCED FUND**  
February 28, 2009

*BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP 360 Billion in total assets under management.*

**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	1.05%	0.39%
2008	-26.80%	-22.30%
2007	11.42%	12.54%
2006	26.31%	24.19%
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 461.94 Million
NAV Per Unit (NAVpu)	PHP 76.87
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			
	Feb 28, 2009	Lo	Hi	Average
Volatility, Past 360 Days	10.07%	7.29%	16.97%	12.56%
Information Ratio, Past 360 Days	0.03			

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**

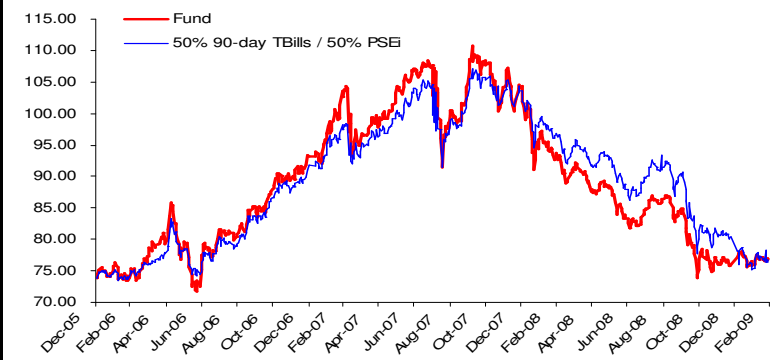
The Fund is suitable for investors who take medium- to long-term views. As a marked-to-market UITF, the Fund's net asset value, and total return may fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original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

**Fund Manager's Report**

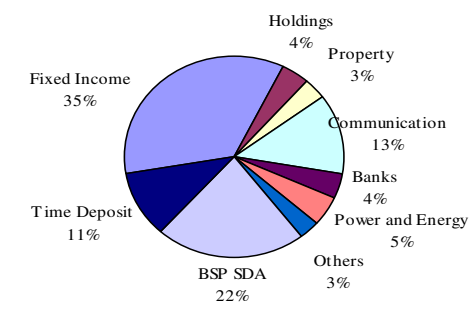
The PSEi recovered January's losses, gaining 2.6% to end the month at 1,872.22. This was the largest monthly gain for the index since August 2008, before the rapid deterioration in global financial markets. Leading the index higher were Lopez-owned companies, with Meralco as the best performer up 51%, fueled by speculation of an ownership battle between the Lopez and San Miguel groups. The Philippine market proved resilient despite deteriorating economic indicators in December: exports plunged a record -40% year-on-year; OFW remittances at US\$1.4Bn grew at the slowest pace of 0.8% year-on-year in almost 3 years; and deployment of overseas Filipino workers fell 5.8% from a year ago.

Though current valuations look attractive, we remain cautious on the equities market as most global equity markets face headwinds, led by the US market which fell to 12 year lows. 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	10.48%
Ayala Corporation	2.65%
Bank of the Philippine Islands	2.35%
Globe Telecom Inc.	2.05%
PNOC Energy Development Corporation	2.02%
Aboitiz Power Corporation	1.90%
Ayala Land, Inc.	1.54%
SM Investments Corporation	1.37%
Metropolitan Bank and Trust	1.29%
SM Prime Holdings	0.84%

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