

BPI Balanced Fund

June 30, 2010

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	10.57%	6.03%
2009	20.28%	33.32%
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

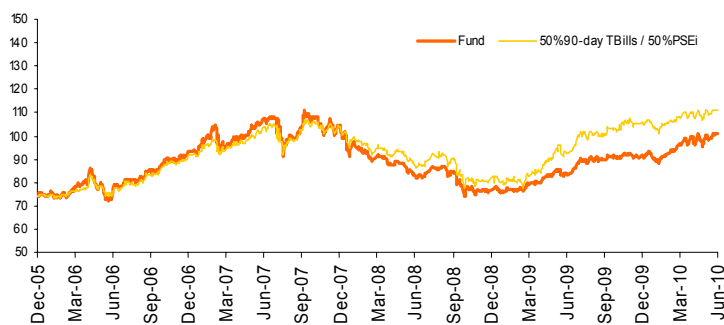
PSEi is a barometer of stock price movements in the Philippine Stock Exchange.

Fund Manager's Report

The PSE index gained 3% in June and ended at its intra-year high of 3,372 as investor sentiment remained positive on the back of encouraging domestic macroeconomic fundamentals. Gross Domestic Product jumped 7.3% during the first quarter, beating market expectation of 4.4%. As a result, the government upgraded its full-year GDP growth forecast to 5-6%, from its previous estimate of 2.6-3.6%. OFW remittances grew 5.4% during the first four months of the year, boosting demand for consumer and property stocks. Top gainers for the month were Universal Robina Corporation (+19%) and Megaworld Corporation (+10%) as these are beneficiaries of higher remittances. Banking stocks (Metrobank +9.6%, Banco De Oro +10.3%) also posted double-digit gains on expectations of higher loans growth during the second half of the year.

For the remainder of the year, we expect the PSE index to hit 3,500 to 3,600 level as local stocks may be up for a honeymoon stage with the entry of the new administration. However, the local bourse may experience short-term weakness as investors remain wary on developments in the Eurozone. Given these, we are inclined to take profit on stocks that have outperformed the market and already reached their fair value, but remain watchful for undervalued stocks that may be included in the portfolio.

Net Asset Value Per Unit



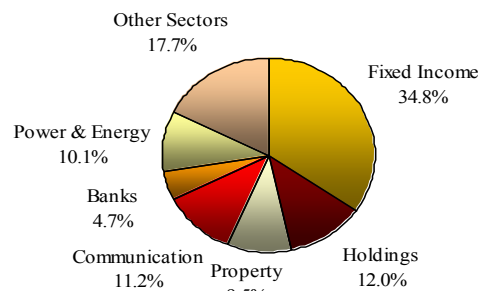
Net Asset Value, end-of-period
NAV Per Unit (NAVpu)
Par Value

PHP 546.93 Million
PHP 101.17
Php 100.00

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.

Portfolio Composition



Top 10 Equity Holdings

	% of Fund
Philippine Long Distance Tel. Company	8.1
Aboitiz Power Corporation	4.3
Banco de Oro Universal Bank	2.8
Ayala Land, Inc.	2.7
SM Prime Holdings Corporation	2.7
PNOC Energy Development Corporation	2.4
Robinsons Land Corporation	2.4
Alliance Global Group Inc	2.0
Universal Robina Corporation	2.0
SM Investments Corporation	2.0

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

Risk Characteristics

Risk Measures	Jun 30, 2010	Past 12 Months		Average
		Low	High	
Volatility, Past 360 Days	6.15%	6.15%	10.89%	8.66%
Information Ratio, Past 360 Days	0.05			

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.

Fund Facts

Structure	Unit Investment Trust Fund
Fund Type	Balanced Fund
Client Suitability	The fund is suitable for investors with an aggressive risk profile.
Base Currency	Philippine Peso
Minimum Investment	PHP 50,000.00
Minimum Additional	PHP 10,000.00
Minimum Holding Period	90 calendar days
Early Redemption Fee	0.50%
Trust Fees	1.50% per annum 0.37% per quarter ¹
Custodianship Fees ²	0.001%
External Audit Fees ³	0.02%
Valuation Methodology	Mark-to-Market
Trustee	Bank of the Philippine Islands
Available Thru	Bank of the Philippine Islands Branches
Custodian	HSBC
External Auditor	Isla Lipana & Co.
Dealing	Daily up to 12 noon
Bloomberg Ticker	BPIEQBL

¹Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.

²Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.

³External Audit fees as a percentage of end-year 2008 NAV.