



GOOD NEWS!

THE INVESTOR-GET-INVESTOR PROMO IS EXTENDED UNTIL SEPTEMBER 30, 2009! HURRY, GET EXCLUSIVE GIFTS FOR EVERY SUCCESSFUL REFERRAL MADE IN THE BPI PREMIUM BOND FUND! PLEASE READ PROMO MECHANICS OR GO TO YOUR NEAREST BPI BRANCH FOR MORE DETAILS!



BPI Asset Management

Put Your Trust In Our Name

BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP 410 Billion in total assets under management.

BPI BALANCED FUND

July 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	17.33%	26.17%
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 523.57 Million
NAV Per Unit (NAVpu)	PHP 89.25
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			
	Jul 31, 2009	Lo	Hi	Average
Volatility, Past 360 Days	10.89%	7.29%	14.41%	10.01%
Information Ratio, Past 360 Days	-0.10			

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.

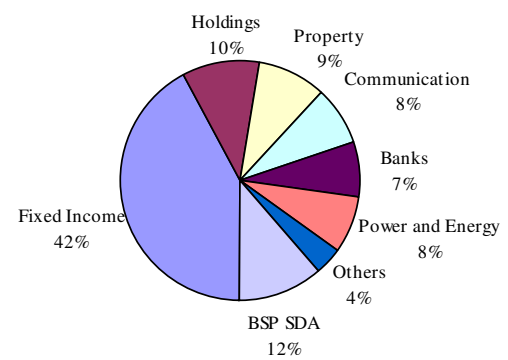
Fund Manager's Report

Local stocks had another strong performance in July, with the PSE index gaining 15% and closing near the 2,800 level. Market sentiment remained positive as foreign inflows and encouraging macro news brought the index to an intra-year high of 2,842. Foreign players were net buyers for the second consecutive month focusing on telecommunication and utility stocks while local players continued to accumulate high-beta stocks, such as property and banking issues. Local newsflow was favorable with OFW remittances up almost 4% year-on year in May and inflation hitting 1.5% in June, compared to the previous month's 3.3% inflation. This benign inflation scenario prompted the BSP to cut rates by another 25 basis points to 4%, from 6% at the start of the year. With this, the interest rate sensitive property sector gained more than 20% month-on-month and was one of the best performing sectors in July. Moving forward, we expect the PSE index to take a breather as most of the stocks are now trading at overbought levels. Profit-taking may ensue as local shares have gained an average of 50% this year. In the interim, we shall continue on increasing the Fund's exposure in companies that show sustainable earnings and on stocks trading at a discount from their fair value.

Net Asset Value Per Unit



Portfolio Composition



Top 10 Equity Holdings

	% of Fund
Philippine Long Distance Tel. Company	5.8
Ayala Corporation	5.3
PNOC Energy Development Corporation	3.4
SM Investments Corporation	3.3
First Philippine Holdings Corporation	3.3
Metropolitan Bank and Trust Company	3.1
SM Prime Holdings Corporation	2.7
Ayala Land, Inc.	2.0
Banco de Oro Universal Bank	2.0
Bank of the Philippine Islands	2.0

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 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.