

BPI Balanced Fund

July 31, 2010

BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP 495 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	11.54%	7.06%
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%

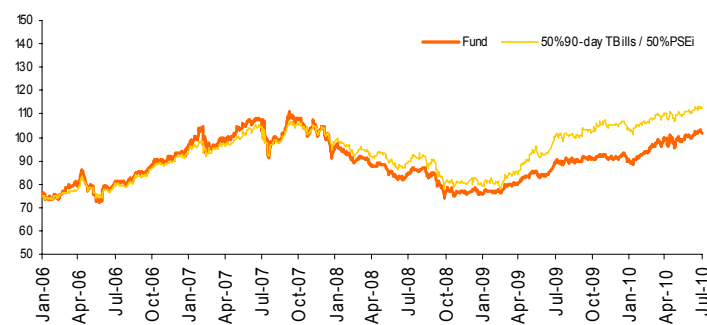
Returns are net of fees. Past Performance is not an indication of future returns.
 *50% 90-d TBills / 50% PSEi. Prior to 2009, benchmark was 50% 1-Year Tbills / 50% PSEi
 PSEi is a barometer of stock price movements in the Philippine Stock Exchange.

Fund Manager's Report

Philippine equities posted a 1.6% month-on-month gain in July, reaching a 2-year high index level of 3,472 intra-month. Local investors remained upbeat on Philippine stocks, contributing to roughly 63% of turnover despite foreign investors turning net sellers for the month. Favorable macroeconomic newsflow helped support the index above the 3,400 level, as benign inflation, healthy remittances and robust exports showed signs of a resilient economy. As a result, we saw cyclical issues such as Ayala Land (ALI) and Megaworld (MEG) gain 8.3% and 5.6%, respectively. Consumer-related companies like Jollibee and Universal Robina Corporation outperformed as well; while Aboitiz Power (AP), the PSEi's second best performer year-to-date, rose 8.9% on expectations of strong second quarter earnings

In the near-term, we still see more upside for local shares, especially with second quarter earnings set for release next month. We expect results to come in better-than-expected, thus providing support for further run-ups as we upgrade our yearend index target to 3,700. As such, we continue to favor the conglomerates, property, and utilities sectors as we expect them to post better-than-market earnings growth.

Net Asset Value Per Unit

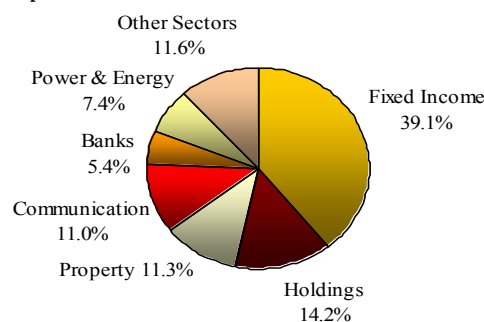


Net Asset Value, end-of-period **PHP 550.81 Million**
NAV Per Unit (NAVpu) **PHP 102.06**
Par Value **Php 100.00**

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

Company	% of Fund
Philippine Long Distance Tel. Company	9.4
Universal Robina Corporation	3.7
Aboitiz Power Corporation	3.1
Megaworld Property & Holdings	3.0
Ayala Land, Inc.	2.9
Banco de Oro Universal Bank	2.8
Robinsons Land Corporation	2.6
SM Prime Holdings Corporation	2.4
JG Summit Holdings Inc	2.1
SM Investments Corporation	2.1

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

Risk Characteristics

Risk Measures

	Jul 31, 2010	Low	High	Average
Volatility, Past 360 Days	6.16%	6.15%	10.57%	8.27%
Information Ratio, Past 360 Days	0.31			

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.

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 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.