

## BPI Balanced Fund

November 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	29.97%	16.22%
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%

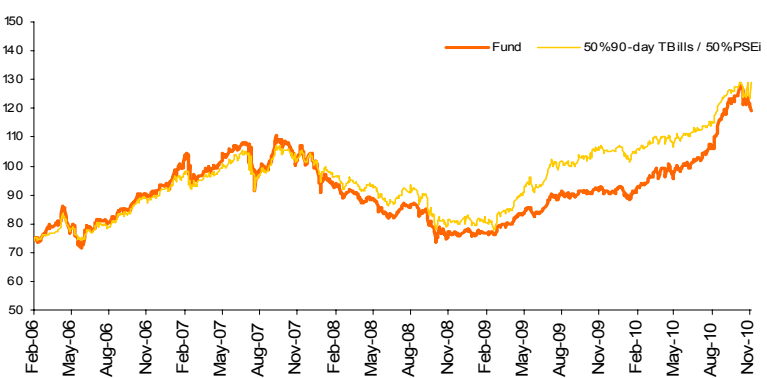
Returns are net of fees. Past Performance is not an indication of future returns.  
 \*50% 91-d TBills / 50% PSEi. Prior to 2009, benchmark was 50% 1-Year Tbilis / 50% PSEi  
 PSEi is a barometer of stock price movements in the Philippine Stock Exchange.

### Fund Manager's Report

The local equities market succumbed to profit-taking in November, with the Philippine Stock Exchange Index (PSEi) falling 7.4% and ending the month below the 4,000 psychological support level. After five consecutive months of gains, Philippine stocks declined on weaker-than-expected 3Q2010 GDP growth (actual of +6.5% versus consensus of +7.3%). In addition, uncertainty in the global markets brought about by the European debt crisis and China's increasing efforts to curb inflation, investors saw an opportunity to lock-in gains from this year's steep run-up. All the sectors of the PSEi were in negative territory, with the services sector (-9.7%) and financial sector (-7.8%) posting the highest decline.

In the near-term, we remain positive on the prospects of local equities given encouraging macro-fundamentals and low bond yields which should lure investors to the stock market. Any significant dips in stock prices should be an opportunity to buy as we foresee the PSEi reaching 4,500 to 4,800 points in the next 12 months. In terms of strategy, we remain overweight on the Fund's equity position versus its neutral strategy of 50% equities and 50% fixed income. We still favor utilities, property, and holding firms given better earnings prospects. Finally, we shall keep an active trading portfolio to take advantage of wide price swings on select issues that should provide higher alpha for the fund.

### Net Asset Value Per Unit

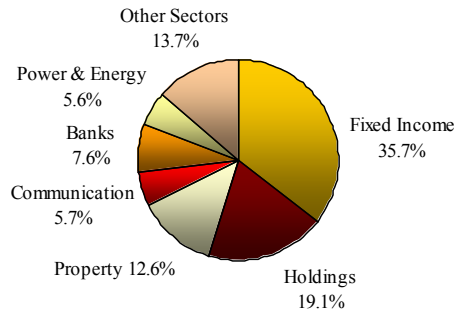


**Net Asset Value, end-of-period** PHP 666.13 Million  
**NAV Per Unit (NAVpu)** PHP 118.92  
**Par Value** Php 100.00

### 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

Equity Holding	% of Fund
Philippine Long Distance Tel. Company	4.5
Ayala Corporation	3.8
Banco de Oro Universal Bank	3.5
Alliance Global Group Inc	3.2
Ayala Land, Inc.	3.2
International Container Terminal Services Inc	3.2
Semirara Mining Corporation	3.2
PNOC Energy Development Corporation	2.9
DMCI Holdings Inc	3.0
Universal Robina Corporation	2.9

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

### Risk Characteristics

Risk Measures	Nov 30, 2010	Past 12 Months		
		Low	High	Average
Volatility, Past 360 Days	8.92%	5.40%	10.40%	6.90%
Information Ratio, Past 360 Days	1.51			

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 Initial Investment	PHP 10,000.00
Minimum Transaction	PHP 1,000.00
Minimum Holding Period	90 calendar days
Early Redemption Fee	0.50%
Trust Fees	1.50% per annum 0.37% per quarter <sup>1</sup>
Custodianship Fees <sup>2</sup>	0.001%
External Audit Fees <sup>3</sup>	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

<sup>1</sup>Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.  
<sup>2</sup>Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.  
<sup>3</sup>External Audit fees as a percentage of end-year 2008 NAV.