

BPI BALANCED FUND**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT****FUND FACTS**

Classification: Balanced Fund	Net Asset Value Per Unit (NAVPU): Php175.20	Fund Currency: Philippine Peso
Launch Date: April 4, 2005	Total Fund NAV (Mn): Php3,675.49	Benchmark: 50% Philippine Stock Exchange index and 50% 91-day Philippine Treasury Bill, net of tax
Minimum Investment: Php10,000.00	Dealing Day: Daily up to 2:30 PM	
Additional Investment: Php1,000.00	Redemption Settlement: Day 4 5:00 PM	
Minimum Holding Period: None	Early Redemption Charge: None	

FEES

Trust Fee: 1.500%	Custodianship Fee: 0.0115%	External Audit Fee: 0.0038%
Trustee: BPI	Custodian: HSBC	External Auditor: Isla Lipana
Computation: % of average daily NAV	Computation: Billings received in 2014 divided by average daily NAV	Computation: Billings received in 2014 divided by average daily NAV

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve long-term capital growth by investing in a diversified portfolio of equity and fixed income securities. The Fund aims to provide excess return over the composite benchmark, 50% Philippine Stock Exchange index (PSEi) and 50% return of the 91-day Philippine Treasury Bill, net of tax.

CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest. The Fund is for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of more than seven (7) years

There is risk that the value of your investment, upon redemption may be worth less than the amount of your original contribution.

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks. Some of the key risks associated with this Fund are listed below:

- Market/Price Risk:** Possibility to experience losses due to adverse changes in market prices of securities.
- Liquidity Risk:** Possibility to experience losses due to the Fund's inability to convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price.
- Related Party Risk:** Risk of any actual or potential conflicts of interest in handling of related party transactions.

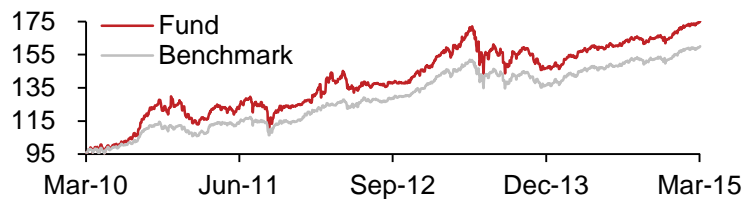
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular basis. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

FUND PERFORMANCE AND STATISTICS

Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results.

NAVPU GRAPH



CUMULATIVE PERFORMANCE (%)¹

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. ²
Fund	1.72	6.06	6.10	13.30	21.74	155.33
Benchmark	1.44	5.07	4.91	12.03	27.85	142.02

ANNUALIZED PERFORMANCE (%)¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	13.30	4.41	6.78	10.33	12.78	9.83
Benchmark	12.03	4.67	8.53	9.77	10.83	9.25

CALENDAR YEAR PERFORMANCE (%)¹

	YTD	2014	2013	2012	2011	2010
Fund	6.06	12.50	1.37	16.08	-0.72	37.39
Benchmark	5.07	11.50	1.60	16.35	3.23	19.61

STATISTICS

12 Month NAVPU (Low/High)	155.80 / 175.20
Portfolio Beta	1.01
Volatility, Past 5 Years (%) ³	12.83
Sharpe Ratio ⁴	1.82
Information Ratio ⁵	0.45
Current Number of Holdings	37

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	50.85
Fixed Income	36.34
Cash and Other Receivables	12.82
Sector Holdings	
Holding Firms	17.97
Property	9.67
Industrial	9.26
Services	7.13
Financials	5.95
Mining and Oil	0.87

TOP EQUITY/FIXED INCOME HOLDINGS

Name	Main Business	% of Fund
Ayala Land, Inc.	Property	4.97
SM Investments Corp.	Holding Firms	4.86
PLDT	Services	3.84
Universal Robina Corp.	Industrial	3.72
Ayala Corporation	Holding Firms	3.58
Name	Maturity	% of Fund
BSP Special Deposit Acct	4/10/2015	11.48
BSP Special Deposit Acct	4/7/2015	6.75
BSP Special Deposit Acct	4/6/2015	5.40
BSP Special Deposit Acct	4/1/2015	4.05
BSP Special Deposit Acct	4/8/2015	4.05

OUTLOOK AND STRATEGY

Market Review. The Philippines Stock Exchange Index (PSEi) soared to an all-time high in March, rising by 2.72% month-on-month to 7,940.49. This brought the 2015 first quarter return to 9.82%. The uptick for the month was mainly flow-driven where foreigners continued to be net buyers of US\$167 million in March, bringing the year-to-date net foreign inflows to US\$1.067 billion. This is close to the US\$1.26 billion net buying for the entire 2014. The market also saw activities related to the FTSE rebalancing. JG Summit and Emperador were upweighted, while Semirara and Megaworld were included in the index. Meanwhile, San Miguel was deleted from the index.

The Central Bank kept policy rates steady on the back of manageable inflation outlook and robust domestic demand conditions. Inflation went up to 2.5% in February from 2.4% in January due to increases in transport and utility costs. Gross international reserves (GIR) rose to US\$81.3 billion from a revised US\$80.7 billion in January due to foreign currency deposits and income from investments abroad.

Average value turnover in March was Php8.88 million or slightly higher than the Php8.78 million in February.

Top stock gainers for the month include GTCAP (+13.39%), BDO (+11.44%) and AGI (+11.34%) while top laggards were San Miguel (-12.97%), MPI (-10.56%) and TEL (-9.68%). In terms of sector, gains were driven by Industrials (+6.02%) followed by Property (+4.45%) and Financials (+4.40%), outperforming Services (-5.13%) and Mining & Oil (-0.31%).

Fund Performance. The Fund gained 1.72% in February, besting the benchmark by 28 basis points. It outperforms the benchmark on a year-to-date basis by 99 basis points with a return of 6.06%.

Fund Strategy. We are maintaining our beta strategy and will continue to stick to large cap issues on the back of strong foreign inflows. We will consider taking profits on select property names that have solid recurring revenues. We still prefer consumer issues on stronger spending discretion from lower inflation and energy stocks that will benefit from the projected tight power supply situation. We will also look to raise cash as the market nears our 8,200 full-year target.

¹Returns are net of fees.

²Since Inception

³Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁴Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

⁵Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

*Declaration of Trust is available upon request through branch of account.

RELATED PARTY TRANSACTIONS *

The Fund has transactions and outstanding investments including deposit, investments in the share/s of stock, and/or debt issuances of the following companies related to the Bank of the Philippine Islands:

BPI Securities, Ayala Corporation, Ayala Land, Inc., Bank of the Philippine Islands, Globe Telecom, Inc., Manila Electric Company, International Container Terminal Services, Inc., DMCI Holdings, Inc., Aboitiz Power Corporation, Jollibee Foods Corporation, Philippine Long Distance Telephone Company, Metro Pacific Investments Corporation, Robinsons Land Corporation, and First Gen Corporation.

Investments in the said outlets were approved by the Trust Committee. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

* Related party in accordance with BPI's internal policy.

LIST OF PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:

- (a) Shares of Stock of selected corporations which are already listed or being offered publicly and soon to be listed in major capital markets.
- (b) Primarily medium term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investment outlets/ categories as the BSP may allow.
- (c) Primarily medium term tradable fixed-income securities issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund.
- (d) Bank deposits and such other investments allowed under regulations issued by the BSP.