



**BPI ASSET MANAGEMENT AND TRUST GROUP
BPI BALANCED FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
As of June 30, 2015**

FUND FACTS

Classification:	Balanced Fund	Net Asset Value per Unit (NAVPU):	Php171.93
Launch Date:	April 4, 2005	Total Fund NAV (Mn):	Php3,898.77
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*

Trustee Fees: 1.500%	Custodianship Fees: 0.0115%	External Auditor Fees: 0.0038%
BPI Asset Management	HSBC	Isla Lipana

* As a percentage of average daily NAV for the quarter valued at Php3,788.63 Million

*Billings received in 2014 divided by the 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

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.

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.

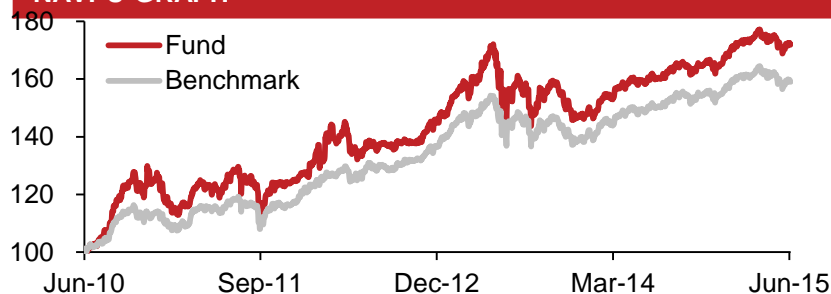
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- **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 AS OF JUNE 30, 2015

(Purely for reference purposes and is not a guarantee of future results)

NAVPU GRAPH



NAVPU over the past 12 months

Highest	177.13
Lowest	159.64

STATISTICS

Portfolio Beta	1.02
Volatility, Past 5 Years (%) ³	12.53
Sharpe Ratio ⁴	0.88
Information Ratio ⁵	0.48
Current Number of Holdings	44

CUMULATIVE PERFORMANCE (%)¹

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. ²
Fund	0.15	-1.87	4.08	7.44	26.13	150.56
Benchmark	0.00	-2.12	2.84	6.07	23.06	136.89

ANNUALIZED PERFORMANCE (%)¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	7.44	5.29	8.05	8.68	11.19	9.38
Benchmark	6.07	4.87	7.16	8.37	9.53	8.78

CALENDAR YEAR PERFORMANCE(%)¹

	YTD	2014	2013	2012	2011	2010
Fund	4.08	12.50	1.37	16.08	-0.72	37.39
Benchmark	2.84	11.50	1.60	16.35	3.23	19.61

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	51.84
Fixed Income	4.35
Cash and Other Receivables	43.82
Sector Holdings	
Holding Firms	18.17
Property	9.14
Industrial	9.10
Financials	7.67
Services	6.98
Mining and Oil	0.78

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.

TOP TEN HOLDINGS

Equity Names	%
SM Investments Corp.	5.21
Ayala Land, Inc.	4.58
Phil. Long Distance Telephone Co.	4.24
Universal Robina Corp.	3.63
Ayala Corporation	3.40
Fixed Income Names	%
Fixed Rate Treasury Notes 8/18/2018	2.77
Fixed Rate Treasury Notes 1/31/2018	1.57

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:

Ayala Corporation — Php 174.33Mn, Ayala Land, Inc. — Php 178.41Mn, Bank of the Philippine Islands — Php 385.31Mn, BPI Family Savings Bank — Php 300.00Mn, Globe Telecom, Inc. — Php 25.56Mn, Manila Electric Company — Php 45.06Mn, International Container Terminal Services, Inc. — Php 79.44Mn, DMCI Holdings, Inc. — Php 39.00Mn, Aboitiz Power Corporation — Php 50.83Mn, Jollibee Foods Corporation — Php 59.00Mn, Philippine Long Distance Telephone Company — Php 165.29Mn, Metro Pacific Investments Corporation — Php 22.89Mn, Robinsons Land Corporation — Php 50.29Mn, First Gen Corporation. — Php 26.91Mn, Petron Corp. — Php 4.05Mn

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.

OUTLOOK AND STRATEGY

Market Review. The Philippine Stock Exchange Index (PSEi) had a lackluster month as there were hardly any catalysts coupled with light volumes. The PSEi dropped by 0.21% to 7,564.50, bringing the year-to-date gains to 4.62%. However, bargain-hunting was observed in some days of the month, led by local institutions but these were erased on global news about the financial woes over in Greece.

On the local macroeconomic front, the Bangko Sentral ng Pilipinas (BSP) kept its benchmark policy rates unchanged on the back of manageable inflation and strong demand conditions. Inflation in May fell to 1.6% as utility costs decline. Meanwhile, remittances from overseas Filipino workers registered at 5.1% year-on-year in May. The current account for the first three months of the was recorded at US\$3.3 billion surplus.

Average daily value turnover in June was Php6.70 billion, or 19.77% lower than Php8.35 billion recorded in May. Foreigners remained to be net sellers, totaling US\$258 million in June. This further dragged down the year-to-date foreign inflow to US\$409 million.

Top stock gainers for the month include AP (+5.81%), MPI (+5.11%) and MBT (+5.03%) while top laggards were EMP (-13.91%), BLOOM (-11.24%) and PCOR (-11.14%). In terms of sector, Properties (+0.85%), Industrial (+0.31%) and Holdings (+0.08%) ended in green while the Mining & Oil (-1.03%), Financials (-2.89%) and Services (-3.94%) ended in the negative area.

Fund Performance. The fund gained 0.15% in June, beating the benchmark by 15 basis points. It outperforms the benchmark on a year-to-date basis by 124 basis points with a return of 4.08%.

Fund Strategy. We will continue to adopt a defensive strategy in the coming weeks as global equity risk-off sentiment prevails. Expect volatility in the days to come given a higher probability of a Greek exit causes a possible systemic risk in Europe. On the domestic front, we will continue to pick up Philippine companies that have strong cash yields (telcos and utilities) on any correction. Cash deployment should be optimal at the 7,400- support level as investors will continue to expect weak 2nd quarter results.

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.