



# BPI GLOBAL PHILIPPINE FUND

June 30, 2009

BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP390 Billion in total assets under management.

## Investment Objective

To achieve investment returns by investing primarily in foreign currency-denominated fixed-income instruments issued by the Philippine government, corporations and financial institutions.

## Fund Performance

Absolute Returns	Fund	3-Month U.S. Treasury Bills
Year-to-date	4.29%	0.07%
2008	2.17%	1.80%
2007	4.93%	4.67%
2006	5.85%	4.64%
2005	5.60%	2.77%

Returns are net of fees. Past Performance is not an indication of future returns.

## Fund Facts

Launch Date	August 30, 1994
Structure	Unit Investment Trust Fund
Fund Type	Medium Term Bond Fund
Base Currency	US Dollar
Net Asset Value	USD 59.21 Million
NAV Per Unit (NAVPu)	USD 218.45
Par Value	USD 100.00
Minimum Investment	USD 1,000.00
Minimum Additional	USD 200.00
Minimum Holding Period	30 days
Early Redemption Fee	0.25%
Management Fee	1.00% p.a.
Valuation Methodology	Mark-to-Market
Trustee and Fund Manager	Bank of the Philippine Islands
Available Thru	Bank of the Philippine Islands Branches
Custodians	HSBC
	Bank of New York
Dealing	Daily up to 12 noon
Bloomberg Ticker	BPIGLPH PM

## Risk Characteristics

Risk Measures	Jun 30, 2009	Past 12 Months		
		Low	Hi	Average
Duration	2.04	0.54	2.11	1.26
Volatility, Past 360 Days	1.42%	1.02%	1.42%	1.26%
Sharpe Ratio, Past 360 Days	2.76			

Duration measures the sensitivity of NAVpu to interest rate movements. As interest rates rise, bond prices fall. The higher the duration, the more NAVpu will fluctuate in relation to changes in interest rates. Volatility measures the fluctuations in NAVpu. The higher the number, the higher the potential gain or loss. Sharpe ratio evaluates reward-to-risk efficiency. 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 yield, net asset value, and total return may fall as well as rise as a result of interest rate movements and the changes in credit quality of the investments. On redemption of units, an investor may receive an amount less than the original amount of the investment.

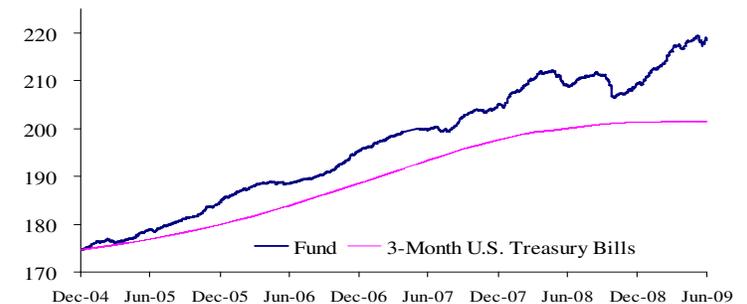
### Risk Management

In accordance with the provisions in the Declaration of Trust, the Fund implements a risk management policy that applies the principles of Value-at-Risk (VAR). VAR is a measure of the portfolio's maximum potential loss and is computed based on price volatility and market value of the investment portfolio. The Fund's risk management policy prescribes a dynamic volatility band, such that if the volatility of the Fund's investments as reflected in the NAVpu exceeds the volatility band, adjustments are made for the collective interest of the participants. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

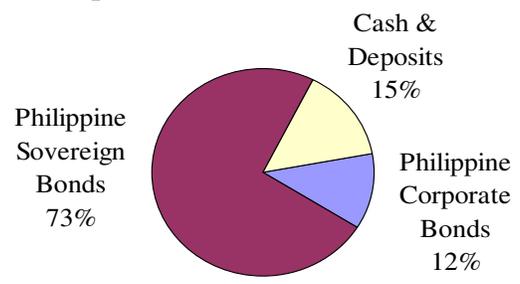
## Fund Manager's Report

Philippine dollar-denominated bond prices closed lower for the month of June, as the government revised their estimated budget deficit once again. The budget deficit is expected to widen to PHP 250 Bn from a previously projected shortfall of PHP 199 Bn. To fund the revenue shortfall, the Philippine government announced the possibility of borrowing \$1Bn in new debt and is contemplating on issuing debt denominated in Japanese yen. Given these developments, Moody's Investors Services said that the Philippines may lose its positive outlook on its current B1 debt rating. ROP spreads over US Treasuries widened by an average of 25 bps. However, five-year ROP credit default swaps narrowed by 10 bps for the month of June to 216 bps as overall market sentiment towards risk assets remained positive. The US Treasury yield curve steepened as rates increased in the belly of the curve as the US government continues to sell more debt to fund their own widening budget deficit. For the month of June, the Fund outperformed the benchmark 3-month US Treasury bill. We also look for opportunities to invest in new issues that would be coming out in the market.

## Net Asset Value Per Unit



## Portfolio Composition



Average Credit Rating: B1 (Moody's) / BB- (S&P)

## Top 10 Holdings

Security	Yield	Maturity	% of Fund
Republic of the Philippines Bonds	9.875%	03/16/2010	21.7
Republic of the Philippines Bonds	8.375%	02/15/2011	18.5
Republic of the Philippines Bonds	9.000%	02/15/2013	17.6
Republic of the Philippines Bonds	8.250%	01/15/2014	7.0
Republic of the Philippines Bonds	8.375%	03/17/2015	6.4
Republic of the Philippines Bonds	8.000%	01/15/2016	5.2
Republic of the Philippines Bonds	8.375%	10/07/2016	5.1
Republic of the Philippines Bonds	8.375%	01/18/2017	3.7
Republic of the Philippines Bonds	8.375%	01/15/2019	3.6
Republic of the Philippines Bonds	8.375%	06/17/2019	3.4

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

BPI Global Philippine 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.