



GOOD NEWS!

THE INVESTOR-GET-INVESTOR PROMO IS EXTENDED UNTIL SEPTEMBER 30, 2009! HURRY, GET EXCLUSIVE GIFTS FOR EVERY SUCCESSFUL REFERRAL MADE IN THE ALFM PESO BOND FUND OR ALFM GROWTH FUND! PLEASE READ PROMO MECHANICS OR GO TO YOUR ALFM MUTUAL FUND SALES AGENT FOR MORE DETAILS!



Put Your Trust In Our Name

BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP410 Billion in total assets under management.

# BPI GLOBAL PHILIPPINE FUND

July 31, 2009

## 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	5.47%	0.09%
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 60.85 Million
NAV Per Unit (NAVPu)	USD 220.92
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

	Jul 31, 2009	Past 12 Months		
		Low	Hi	Average
Duration	2.44	0.54	2.44	1.38
Volatility, Past 360 Days	1.43%	1.02%	1.43%	1.29%
Sharpe Ratio, Past 360 Days	2.99			

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.

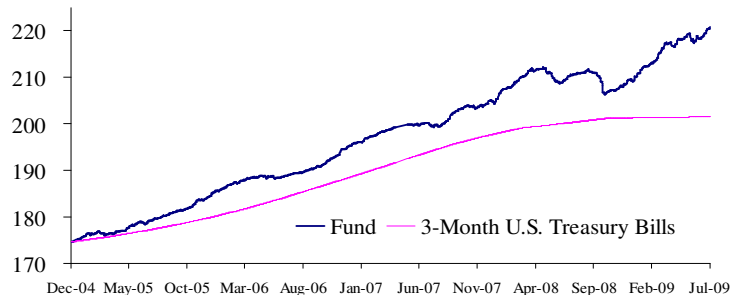
### Risk Management

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.

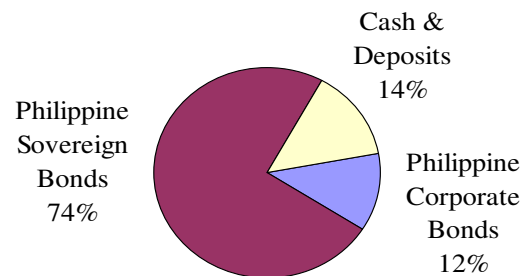
## Fund Manager's Report

Positive investor sentiment continued to bring US dollar-denominated ROP prices higher in the month of July. This was buoyed by Moody's Investor Services raising the Philippines' debt rating from B1 to Ba3 citing the country's healthy financial system and resilient dollar cash flows brought about by overseas remittances. This sparked a rally in ROP bond prices by more than 1 percent which drove yields lower by 33 bps on the average. US Treasury yields likewise declined albeit, not in the same magnitude as ROP bonds indicating a return of investors' appetite for emerging market bonds. In terms of spreads over US Treasuries, ROP spreads narrowed by 30 bps on the average. Given all these positive news, the Fund outperformed the benchmark 3-month US Treasury bill for the month of July. Although we have increased the Fund's duration, we remain underweight vis-a-vis the benchmark and are continuously searching 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: Ba3 (Moody's) / BB- (S&P)

## Top 10 Holdings

Security	Yield	Maturity	% of Fund
Republic of the Philippines Bonds	8.250%	01/15/2014	20.2
Republic of the Philippines Bonds	8.375%	02/15/2011	17.1
Republic of the Philippines Bonds	9.875%	03/16/2010	16.1
Republic of the Philippines Bonds	8.375%	03/17/2015	6.4
Universal Robina Corporate Bonds	8.250%	01/20/2012	6.2
BPI Certificate of Deposit		08/25/2009	5.8
Republic of the Philippines Bonds	6.500%	01/20/2020	5.0
JG Summit Corporate Bonds	8.000%	01/18/2013	4.8
Republic of the Philippines Bonds	8.000%	01/15/2016	3.5
BPI Certificate of Deposit		08/24/2009	3.3

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.