



# BPI GLOBAL PHILIPPINE FUND

September 30, 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	7.98%	0.12%
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 65.98 Million
NAV Per Unit (NAVPu)	USD 226.17
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

	Sep 30, 2009	Past 12 Months		
		Low	Hi	Average
Duration	3.11	0.54	3.11	1.71
Volatility, Past 360 Days	1.49%	1.30%	1.49%	1.37%
Sharpe Ratio, Past 360 Days	4.62			

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

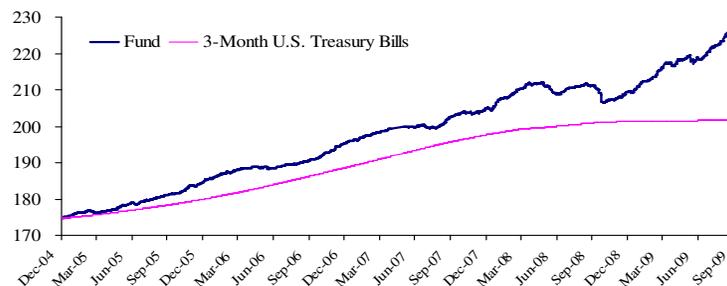
In accordance with the provisions in the Declaration of Trust, the Fund implements a risk management policy that applies the principles of Value-at-Risk (VAR). VAR is a measure of the portfolio's maximum potential loss and is computed based on price volatility and market value of the investment portfolio. 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

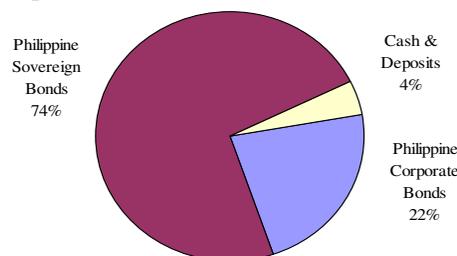
The rally in US dollar-denominated ROPs continued in the month of September as bond prices went up by an average of 2.4% causing yields to drop by 43 bps. This came on the back of the Philippine government's successful issuance of PHP 114 billion in Retail Treasury Bonds (RTBs). Shortly thereafter, the Bureau of Treasury announced their auction schedule for the final quarter of the year indicating that they would be issuing less peso-denominated debt than expected. Both events eased pressure both on local bond and ROP interest rates. The government has also floated the idea of issuing Samurai bonds or ROP bonds denominated in Japanese Yen. If this pushes through, this lowers the likelihood of the government borrowing in US dollars, lessening pressure on ROP yields. ROP prices continue to be supported by local bargain-hunters amidst the volatility experienced in global equities. Sentiment in emerging market bonds was also buoyed by Moody's upgrade of Indonesia and Brazil sovereign credit rating. Yields for US Treasury bonds likewise decreased in the same period but only by 6 bps. In terms of spreads over US Treasuries, ROP spreads narrowed by 28 bps month-on-month.

We have increased the Fund's duration as we saw an opportunity to invest in a higher yielding instrument namely, SMIC USD-denominated bond which was issued only recently in the market. Against this backdrop, the Fund outperformed the benchmark 3-month US Treasury bill for the month of September.

## 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	17.4
SM Investments Corp. Bonds	6.000%	09/22/2014	12.0
Republic of the Philippines Bonds	9.875%	03/16/2010	10.1
Republic of the Philippines Bonds	8.875%	03/17/2015	6.0
Republic of the Philippines Bonds	9.000%	02/15/2013	5.8
Universal Robina Corp. Bonds	8.250%	01/20/2012	5.6
Republic of the Philippines Bonds	6.500%	01/20/2020	4.6
JG Summit Corporate Bonds	8.000%	01/18/2013	4.2
Republic of the Philippines Bonds	8.750%	10/07/2016	3.5

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.