

BPI Global Philippine Fund

September 30, 2010

BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP490 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	6.99%	0.10%
2009	9.76%	0.15%
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.

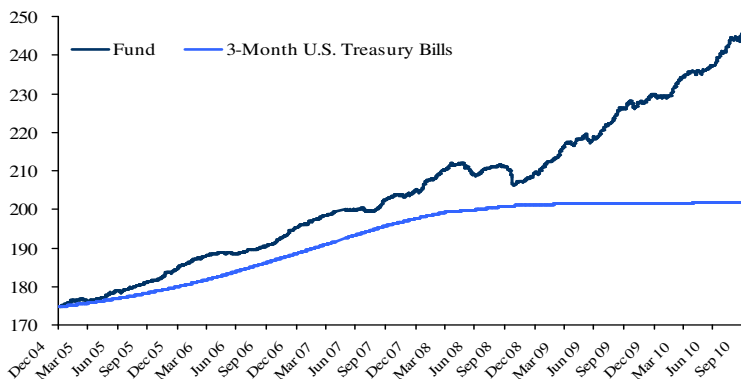
Fund Manager's Report

Philippine USD-denominated ROP bond prices were relatively unchanged in September in light of the government's successful issuance of the first Global Peso bonds, which raised PHP44Bn or the equivalent of USD1Bn. The government, in another milestone, conducted its first dollar debt swap, wherein holders of dollar-denominated ROPs exchanged their shorter-dated bonds for longer tenors. As a result, the government was able to lengthen the maturity profile of and allowed for cheaper payments on its outstanding dollar-denominated obligations. These efforts, together with the record-breaking performance in the Philippine equity market, were looked upon favorably by investors, as reflected by the 24-point drop in five-year credit spreads from 162 down to the 138 level.

The government also recorded a PHP1.3Bn budget surplus in August, the first in four months. This bit of positive economic news boosted investors' confidence that the Aquino administration will be able to meet its target budget deficit for the year.

Against this backdrop, the Fund outperformed the benchmark 3-month US Treasury bill for the month of September.

Net Asset Value Per Unit



Net Asset Value, end-of-quarter USD 95.56 Million
NAV Per Unit (NAVPU) USD 245.97
Par Value USD 100.00

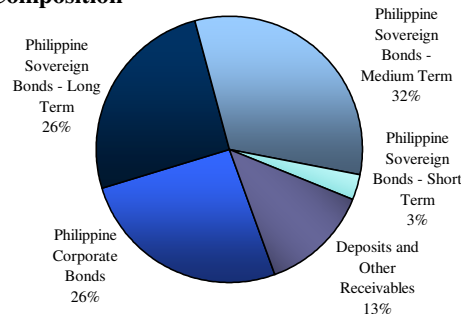
Risk Disclosure

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.

Portfolio Composition



Average Credit Rating: Ba3 (Moody's) / BB- (S&P)

Top 10 Holdings

Top 10 Holdings	% of Fund
SM Investments Corp. Bonds 6.000% 09/22/2014	10.3
Republic of the Philippines Bonds 8.250% 01/15/2014	10.2
Republic of the Philippines Bonds 9.000% 02/15/2013	9.7
Republic of the Philippines Bonds 8.875% 03/17/2015	8.0
Republic of the Philippines Bonds 4.950% 01/15/2021	4.9
Universal Robina Corp. Bonds 8.250% 01/20/2012	4.6
Multicurrency Retail Treasury Bond 2.8750% 04/29/2013	4.1
Republic of the Philippines Bonds 8.750% 10/07/2016	3.6
Republic of the Philippines Bonds 8.000% 01/15/2016	3.2
Republic of the Philippines Bonds 8.375% 02/15/2011	3.2

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

Risk Characteristics

Risk Measures	Past 12 Months			
	Sep 30, 2010	Low	High	Average
Duration	3.72	2.75	3.72	3.28
Volatility, Past 360 Days	1.53%	1.32%	1.54%	1.45%
Sharpe Ratio, Past 360 Days	5.64			

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.

Fund Facts

Launch Date	August 30, 1994
Structure	Unit Investment Trust Fund
Fund Type	Medium Term Bond Fund
Client Suitability	The Fund is suitable for investors with at least a moderately conservative risk profile.
Base Currency	US Dollar
Minimum Initial Investment	USD 1,000.00
Minimum Transaction ¹	USD 200.00
Minimum Holding Period	30 calendar days
Early Redemption Fee	0.25%
Trust Fees ²	1.00% per annum 0.26% per quarter
Custodianship Fees ³	0.003%
External Audit Fees ⁴	0.02% per quarter
Valuation Methodology	Mark-to-Market
Trustee and Fund Manager	Bank of the Philippine Islands
Available Thru	Bank of the Philippine Islands Branches
Custodians	HSBC and Bank of New York
Dealing	Daily up to 12 noon
Bloomberg Ticker	BPIGLPH PM

¹Contribution rounded down/ redemption rounded off to the nearest whole unit.

²Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.

³Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.

⁴External Audit fees as a percentage of end-year 2008 NAV.