



# BPI GLOBAL PHILIPPINE FUND

October 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	8.01%	0.13%
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 66.00 Million
NAV Per Unit (NAVPu)	USD 226.24
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

	Oct 31, 2009	Past 12 Months		
		Low	Hi	Average
Duration	3.66	0.54	3.66	1.97
Volatility, Past 360 Days	1.51%	1.30%	1.51%	1.38%
Sharpe Ratio, Past 360 Days	5.95			

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.

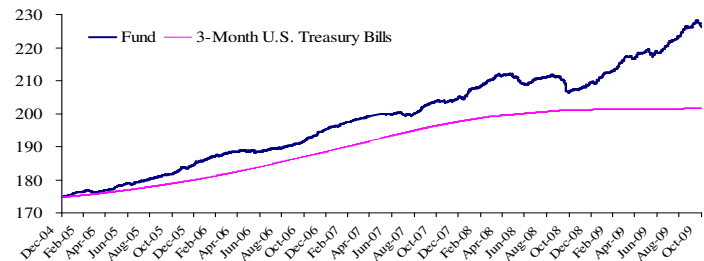
## Fund Manager's Report

US dollar-denominated ROP prices declined by 0.6% as bond supply played a major factor in the month of October. The Philippine government successfully auctioned off US\$1 billion in new 25-year ROPs and this placed some selling pressure on existing Philippine sovereign debt. The government's announcement of having accumulated a nine-month shortfall of PHP237.5 Bn as of September, which is already 95% of the government's PHP250 Bn full-year target budget, also dampened investor sentiment. Local bidders though continue to support ROPs and strong remittances from overseas workers have also sustained the demand for Philippine dollar-denominated debt.

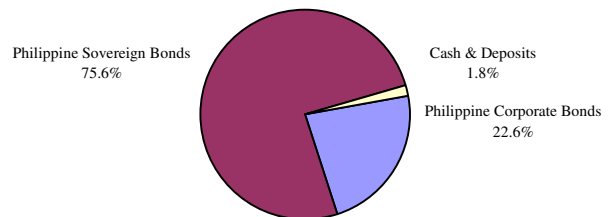
US Treasury bond yields were practically unchanged with just a slight upward tick of 1 basis point for the month of October. This came after reports showed that although economic activity in the US continues to pick up, the unemployment rate however was closing in on 10% and showed no signs of abating in the near term. In terms of spreads over US Treasuries, ROP spreads narrowed albeit slightly, by only 6 bps month-on-month.

We increased the Fund's duration as we expect ROPs to recover in the coming months. Against this backdrop, the Fund outperformed the benchmark 3-month US Treasury bill for the month of October.

## 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	20.3
Republic of the Philippines Bonds	8.375%	02/15/2011	15.6
SM Investments Corp. Bonds	6.000%	09/22/2014	11.8
Republic of the Philippines Bonds	9.875%	03/16/2010	8.5
Republic of the Philippines Bonds	8.875%	03/17/2015	6.0
Republic of the Philippines Bonds	9.000%	02/15/2013	5.6
Universal Robina Corp. Bonds	8.250%	01/20/2012	5.6
Republic of the Philippines Bonds	6.500%	01/20/2020	5.5
JG Summit Corporate Bonds	8.000%	01/18/2013	4.1
Republic of the Philippines Bonds	8.750%	10/07/2016	3.6

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.