

BPI Global Philippine Fund

December 31, 2009

BPI ASSET MANAGEMENT is backed by years of leadership in trust and investment management, with over PHP460 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 |
|------------------|-------|-----------------------------|
| 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% |

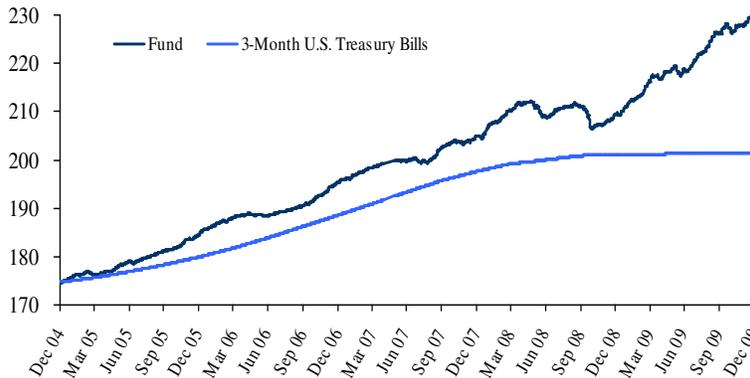
Returns are net of fees. Past Performance is not an indication of future returns.

Fund Manager's Report

ROP prices rose by 0.6% in December, as investors seemed ready to take on more risk such as emerging market debt. Investor demand for the relative safety of US government debt waned as upbeat news indicated that the US economic recovery is underway. The market shrugged off news about Dubai World's continuing debt woes and even Moody's one-notch downgrade of the sovereign debt rating of Greece. US Treasury bond yields were higher by 42 bps on the average in December. This caused spreads of ROPs over US Treasuries to narrow by an average of 78 bps month-on-month.

Remittances from overseas Filipinos continue to rise ahead of the holiday season which would allow the country's international reserves to likely reach a new record high ranging from \$44 to \$45 billion US dollars by the end of the year. These dollar flows also tend to support the price of USD-denominated ROPs.

Net Asset Value Per Unit



Net Asset Value, end-of-quarter USD 74.20 Million
NAV Per Unit (NAVPU) USD 229.90
Par Value USD 100.00

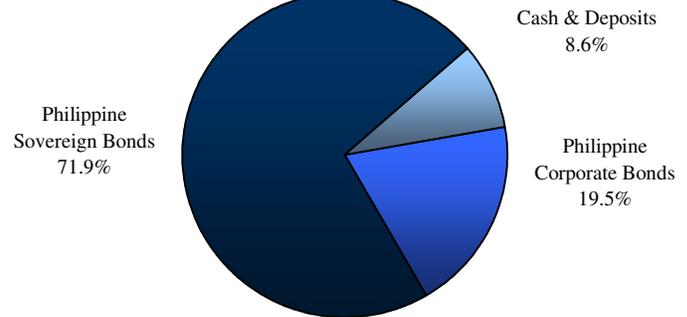
Risk Disclosure

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: Ba2 (Moody's) / BB- (S&P)

Top 10 Holdings

| Security | Yield | Maturity | % of Fund |
|-----------------------------------|--------|------------|-----------|
| Republic of the Philippines Bonds | 8.250% | 01/15/2014 | 18.6 |
| Republic of the Philippines Bonds | 8.375% | 02/15/2011 | 14.4 |
| SM Investments Corp. Bonds | 6.000% | 09/22/2014 | 10.3 |
| Republic of the Philippines Bonds | 9.875% | 03/16/2010 | 8.9 |
| Republic of the Philippines Bonds | 6.500% | 01/20/2020 | 5.8 |
| Republic of the Philippines Bonds | 8.875% | 03/17/2015 | 5.6 |
| Universal Robina Corp. Bonds | 8.250% | 01/20/2012 | 4.7 |
| Republic of the Philippines Bonds | 9.000% | 02/15/2013 | 4.6 |
| JG Summit Corporate Bonds | 8.000% | 01/18/2013 | 3.6 |
| Republic of the Philippines Bonds | 6.375% | 10/23/2023 | 3.4 |

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

Risk Characteristics

| | Past 12 Months | | | |
|-----------------------------|----------------|-------|-------|---------|
| | Dec 31, 2009 | Low | Hi | Average |
| Duration | 3.34 | 0.75 | 3.66 | 2.41 |
| Volatility, Past 360 Days | 1.39% | 1.31% | 1.49% | 1.38% |
| Sharpe Ratio, Past 360 Days | 6.87 | | | |

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 aggressive risk profile |
| Base Currency | US Dollar |
| Minimum Investment | USD 1,000.00 |
| Minimum Additional | USD 200.00 |
| Minimum Holding Period | 30 calendar days |
| Early Redemption Fee | 0.25% |
| Trust Fees ¹ | 1.00% per annum 0.26% per quarter |
| Custodianship Fees ² | 0.003% |
| External Audit Fees ³ | 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 |

¹Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.

²Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.

³External Audit fees as a percentage of end-year 2008 NAV.