

BPI Global Philippine Fund A Unit Investment Trust Fund of the Bank of the Philippine Islands

Investment Objective

The Fund aims to achieve capital appreciation and income by investing in a diversified portfolio of foreign currency-denominated fixed income instruments issued by the Philippine government and by Philippine corporations and financial institutions. The Fund aims to provide excess return over the composite benchmark, 50% return of the 3-month U.S. Treasury Bill and 50% JP Morgan Asia Credit Philippines Total Return Index.

Figures as of 11/29/13

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	-0.51	-1.31	9.82	30.42
Benchmark ²	-0.53	-2.67	8.50	8.79

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	-1.31	4.38	3.17	4.39	5.46
Benchmark ²	-2.67	2.69	2.76	2.09	1.70

Calendar Year Performance (%)¹

	YTD	2012	2011	2010	2009	2008
Fund	-1.51	9.75	2.15	6.62	10.09	2.00
Benchmark ²	-2.61	7.69	3.39	0.15	0.13	1.77

¹Returns are net of fees. Past performance is not an indication of future returns.

²The Benchmark of the Fund is a composite of 50% 3-month U.S. Treasury Bill and 50% JP Morgan Asia Credit Philippines Total Return Index. The Fund adopted the Benchmark on July 1, 2011. The previous Benchmark of the Fund is the 3-month U.S. Treasury Bill.

Key Figures and Statistics

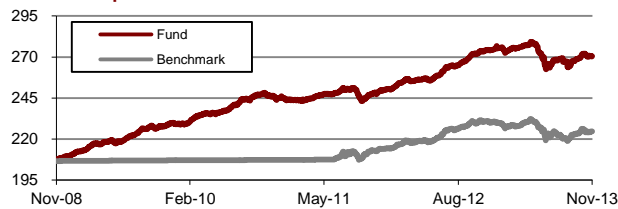
Net Asset Value per Unit (NAVPU)	USD	270.49
Total Fund NAV (Mn)	USD	92.82
Average Daily NAV for the Quarter (Mn) ³	USD	92.89
Portfolio Weighted Yield to Maturity	% , net	3.46
Current Number of Holdings		62
Information Ratio ⁴		0.70
Sharpe Ratio ⁴		-0.52

Statistics (Past 5 Years)	Fund
Annualized Return (net)	5.46
Annualized Volatility (%)	1.76
Duration (years)	3.19

General Information

Launch Date	August 30, 1994	
Fund Structure	Unit Investment Trust Fund	
Fund Classification	Medium-Term Bond Fund	
Fund Currency	US Dollar	
Minimum Initial Investment	USD	500.00
Minimum Transaction	USD	200.00
Minimum Holding Period	None	
Days to Settlement (Contribution)	Day 1 End-of-Day	
Days to Settlement (Redemption)	Day 1 End-of-Day	
Trust Fee ⁵	1.00% per annum / 0.25% per quarter	
Custodianship Fees ⁵	0.004%	
External Audit Fees ⁶	0.009%	
Valuation Methodology	Marked-to-Market	
Trustee	Bank of the Philippine Islands	
External Auditor	Isla Lipana & Co.	
Available Through	BPI Branches and www.bpiexpressonline.com	
Third-Party Custodian	HSBC, Ltd. (Philippines)	
Dealing Cut-Off	12:00 PM	

NAVPU Graph



Allocation

Portfolio Composition: Government 32.32%, Corporates 44.01%, Cash and Receivables 23.67%

Top Holdings

Name	Yield (%)	Maturity	% of Fund
Republic of the Philippines Bonds 8.3750%	2.91	6/17/2019	6.45%
Republic of the Phils. Global Peso Note 4.9500%	3.29	1/15/2021	5.15%
SM Inv. Corp. Foreign Currency Bonds 5.5000%	4.37	10/13/2017	4.71%
Republic of the Philippines Bonds 8.8750%	0.75	3/17/2015	3.90%
Dev't Bank of the Phils. Bonds 5.5000%	4.61	3/25/2021	3.72%
Republic of the Philippines Bonds 8.0000%	1.36	1/15/2016	3.49%
Metrobank Perpetual Bonds 9.0000%	5.99	2/15/2016	3.43%
BPI Time Deposit		1/3/2014	3.23%
Energy Dev't Corp. Bonds 6.5000%	5.78	1/20/2021	3.22%
Int'l Container Terminal Serv. Inc. Bonds 7.3750%	5.36	3/17/2020	3.22%

Portfolio Weightings

Philippine Corporate Bonds	57.66%
Philippine Sovereign Bonds	42.34

Maturity Profile

Cash and Less than 1 Year	27.19%
Between 1 and 3 Years	22.33%
Between 3 and 5 Years	12.78%
Between 5 and 7 Years	15.81%
Between 7 and 10 Years	18.66%
More than 10 Years	3.24%

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

Average Credit Rating: Ba1 (Moody's) / BB+ (S&P)

Risk Disclosure

The Fund is suitable for investors with at least a moderately conservative profile. The Fund is suitable for investors who take medium- to long-term views. Prior to investment in the Fund, the investor shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience. The Fund's net asset value, and total return may fluctuate as a result of interest rate and currency movements and the changes in the credit quality of the investments. On redemption of units, an investor may receive an amount less than the original amount of investment. Liquidity risk also needs to be taken into account.

Risk Management

In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. 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. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

³Average daily NAV for the past 3 months.

⁴The Information Ratio evaluates reward-to-risk efficiency relative to the benchmark, while the Sharpe Ratio evaluates reward-to-risk efficiency relative to the risk free rate. The higher the number, the higher the reward per unit of risk. Sharpe and Information Ratios between funds of different classifications are non-comparable.

⁵Trust fees/custodianship fees as a percentage of average daily NAV for the quarter.

⁶External Audit fees as a percentage of 2012 end-year NAV.

^{*}Plan rules are available upon request.

Manager's Report

Market Review. For the month of November, dollar denominated bonds corrected, with ROP prices declining by 1.67% on the average. Investors continued to look toward the release of the US November Non-Farm Payrolls (NFP) Report and the Unemployment Rate, especially as most market players took October's strong labor data to mean that a December tapering by the Federal Reserve was not yet off the table. At the last trading day of the month, the NFP figure came out at 203,000 versus the expected 185,000, while the US unemployment rate fell from 7.3% to 7.0%. The stronger-than-expected US labor market data sparked a sell-down in US Treasuries, causing the 10-year US Treasury bond yield to rise to 2.88%. Since ROPs have been tracking the movement in US Treasuries, investors should expect volatility to persist moving forward.

On a positive note, the Philippines continued to exhibit strong economic growth as the 3rd Quarter GDP figure came in at 7% despite the expected slowdown in government spending. The current administration is also keeping their finances in check as the budget deficit for the first 10 months of the year amounted to only Php112.50 billion, which is not even half of the government's Php242.1 billion ceiling for the entire year. Although November's CPI figure came out higher at 3.3% versus the previous month's 2.9%, the sudden spike in inflation was mostly expected due to the possible food price shocks in the aftermath of Super Typhoon Yolanda.

Fund Performance. The Fund has returned -1.51% for the year, outperforming its benchmark by 110 basis points.

Strategy. The duration of the Fund as of month-end was at 3.19 lower than the previous month's 3.27. We will maintain an underweight duration position for the Fund due to the expected volatility that may be brought about by external events.

