

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 11/28/14

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	0.45	4.75	14.12	24.38
Benchmark ²	0.48	5.32	11.06	14.40

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	4.75	1.67	4.50	3.56	4.46
Benchmark ²	5.32	1.26	3.56	3.38	2.73

Calendar Year Performance (%)¹

	YTD	2013	2012	2011	2010	2009
Fund	4.69	-1.46	9.75	2.15	6.62	10.09
Benchmark ²	5.24	-2.53	7.69	3.39	0.15	0.13

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	USD	283.33
Total Fund NAV (Mn)	USD	96.08
Average Daily NAV for the Quarter (Mn) ³	USD	95.99
Portfolio Weighted Yield to Maturity	% , net	3.11
Current Number of Holdings		69
Information Ratio ⁴		-0.55
Sharpe Ratio ⁴		5.29

Statistics (Past 5 Years)

	Fund
Annualized Return (% , net)	4.46
Annualized Volatility (%)	2.03
Duration (years)	2.85

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 Fee ⁶	0.0801%
External Audit Fee ⁶	0.0208%
Valuation Methodology	Marked-to-Market
External Auditor	Isla Lipana & Co.
Available Through	BPI Branches and www.bpiexpressonline.com
Trustee	Bank of the Philippine Islands
Third Party Custodian	HSBC, Ltd. (Philippines)
Dealing Cut-Off	12:00 PM

Manager's Report

Market Review. The JP Morgan Chase Asia Total Return Philippine Bond Index gained 0.97% in November. Prices of US\$-denominated bonds were higher by an average 0.86 for the month, largely tracking advances in US Treasuries. The ten-year US Treasury yield eased by 17 basis points to close the month at 2.16% on lingering global growth concerns.

The US economy grew by 3.9% QoQ in the third quarter, up from 3.5% in the previous quarter, largely driven by a 2.2% growth in consumer spending. The unemployment rate fell to 5.8% in October, affirming improvements in the labor market that the US Federal Reserve cited at the end of its bond purchase program in the same month.

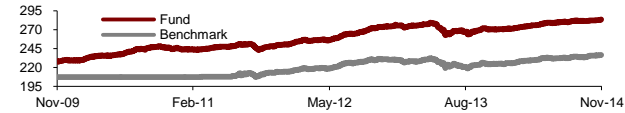
Over in Asia, the People's Bank of China unexpectedly cut its policy rate by 40 basis points to 5.6%, the first interest rate cut in two years. This came after the Chinese economy grew by 7.3% in the third quarter, slower than the 7.5% posted in the previous quarter.

The Philippine economy grew by 5.3% in the third quarter, slower compared to last year's 7% and lower than the 6.4% print for the second quarter. Agriculture fell by 2.7% while services and industrials slowed to 5.4% and 7.6%, respectively. On the expenditure side, government spending dropped by 2.6% while household spending slowed to 5.2%. Inflation, meanwhile, seemed to be kept in check as the CPI figure came out at 4.3% in October, a deceleration from the 4.4% in September due to slower increases in food and oil prices. This brought the year-to-date average inflation rate to 4.3%.

Fund Performance. The Fund has returned 4.69% for the year, underperforming its benchmark by 55 basis points.

Strategy. The duration of the Fund as of month-end was at 2.85, higher than the previous month's 2.80. Moving forward, we look to maintain the Fund's underweight duration in light of the continued reduction in stimulus by the US Federal Reserve.

NAVPU Graph



Allocation

Portfolio Allocation: Government 17.45%, Corporates 44.43%, Cash and Receivables 38.12%

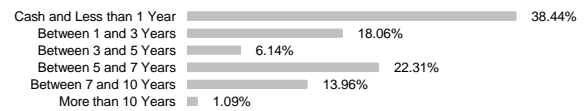
Top Holdings

Name	Yield (%) ⁷	Maturity	% of Fund
First Pacific Company Limited Bond	4.50	9/28/2020	5.99
Int'l Container Terminal Serv. Inc. Bond	4.41	3/17/2020	4.53
Energy Development Corp. Bond	4.86	1/20/2021	4.43
SM Investments Corp. Bond	4.95	6/10/2024	4.14
Republic of the Philippines Bond	2.17	6/17/2019	3.97
Development Bank of the Philippines Bond	3.92	3/25/2021	3.59
Metrobank and Trust Co. Perp. Bond	4.07	2/15/2016	3.30
Dev't Bank of the Phils. Perpetual Bond	4.13	9/15/2016	3.01
RCBC Perpetual Bond	5.60	10/27/2016	2.80
Republic of the Philippines Bond	3.09	1/21/2024	2.72

Portfolio Weightings



Maturity Profile



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

Average Credit Rating: Baa3 (Moody's) / BBB (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

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.

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.

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 fee fee as a percentage of average daily NAV for the quarter

⁶Calculated based on the total billings received in 2013 divided by the average daily NAV in 2013

⁷Net of Tax

*Declaration of Trust and List of Prospective Investment Outlets are available upon request through branch of account.