

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 05/30/14

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	1.05	2.23	12.85	27.62
Benchmark ²	1.15	2.50	12.36	12.66

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	2.23	4.33	4.11	4.28	5.00
Benchmark ²	2.50	3.24	3.96	3.00	2.41

Calendar Year Performance (%)¹

	YTD	2013	2012	2011	2010	2009
Fund	3.13	-1.46	9.75	2.15	6.62	10.09
Benchmark ²	3.60	-2.53	7.69	3.39	0.15	0.13

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	USD	279.10
Total Fund NAV (Mn)	USD	94.67
Average Daily NAV for the Quarter (Mn) ³	USD	93.27
Portfolio Weighted Yield to Maturity	% , net	3.14
Current Number of Holdings		60
Information Ratio ⁴		-0.13
Sharpe Ratio ⁴		0.69
Statistics (Past 5 Years)		Fund
Annualized Return (% , net)		5.00
Annualized Volatility (%)		2.10
Duration (years)		3.20

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 ⁵	0.004%	
External Audit Fee ⁶	0.008%	
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. For the month of May, the JP Morgan Chase Asia Credit Total Return Philippines Bond Index rose by 2.29%. Average prices of USD-denominated sovereign bonds were higher by as much as 2.1 points, advancing after a surprise credit rating upgrade from a major ratings agency and lower US bond yields. Liquid RoPs 24N and 34 gained by 3.6 and 4.5 points, respectively. The ten-year US Treasury ended the month 17 basis points lower at 2.48%.

Last month, major credit ratings agency Standard & Poor's (S&P) upgraded the Philippines' credit rating to BBB from BBB- with a stable outlook, the country's highest rating to date. S&P cited that reforms to address shortcomings in structural, administrative, institutional, and governance areas are seen to endure beyond the current administration.

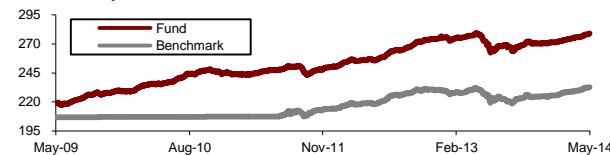
The country's international reserves fell by \$40 million to \$79.608 billion as of April, equivalent to 11 months' worth of imports of goods and payments of services. Exports were up by 6.5% as of the first quarter. Meanwhile, the Export Development Council forecasts 10% growth this year, from a combined 6% growth in merchandise exports and a 16% uptick in service exports.

On the global front, continued tensions in Russia and Ukraine caused investors to hold on to safe-haven assets. Coupled with the recent dovish tone from the US Federal Reserve, this has kept US bond yields trading within a lower range.

Fund Performance. The Fund has returned 3.13% for the year, underperforming its benchmark by 47 basis points.

Strategy. The duration of the Fund as of month-end was at 3.20, higher than the previous month's 2.98. 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



Portfolio Allocation: Government 26.22%, Corporates 47.32%, Cash and Receivables 26.46%

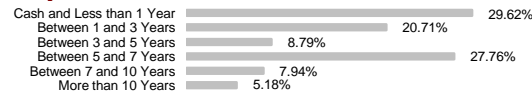
Top Holdings

Name	Yield (%) ⁷	Maturity	% of Fund
First Pacific Company Limited Bond	4.66	9/28/2020	6.06%
Republic of the Philippines Bond	1.50	6/17/2019	4.93%
Int'l Container Terminal Serv. Inc. Bond	4.71	3/17/2020	4.64%
SM Investments Corp. Foreign Currency Bond	3.51	10/13/2017	4.15%
Dev't Bank of the Phils. Bond	3.81	3/25/2021	3.80%
Metrobank Perpetual Bond	5.12	2/15/2016	3.36%
Energy Development Corp. Bond	5.34	1/20/2021	3.28%
Republic of the Philippines Bond	0.83	1/15/2016	3.23%
Dev't Bank of the Phils. Perpetual Bond	4.65	9/15/2016	3.07%
RCBC Perpetual Bond	5.91	10/27/2016	2.87%

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

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.

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

⁶External Audit fees as a percentage of 2013 end-year NAV

⁷Net of Tax

*Plan rules are available upon request.