

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 09/30/14

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	-0.24	5.12	14.82	24.34
Benchmark ²	-0.52	4.70	11.97	12.78

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	5.12	2.38	4.71	3.41	4.45
Benchmark ²	4.70	1.12	3.84	3.02	2.43

Calendar Year Performance (%)¹

	YTD	2013	2012	2011	2010	2009
Fund	3.92	-1.46	9.75	2.15	6.62	10.09
Benchmark ²	3.72	-2.53	7.69	3.39	0.15	0.13

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	USD	281.23
Total Fund NAV (Mn)	USD	95.97
Average Daily NAV for the Quarter (Mn) ³	USD	95.88
Portfolio Weighted Yield to Maturity	% , net	3.09
Current Number of Holdings		67
Information Ratio ⁴		0.33
Sharpe Ratio ⁴		4.61

Statistics (Past 5 Years)

	Fund
Annualized Return (% , net)	4.45
Annualized Volatility (%)	2.06
Duration (years)	3.02

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 declined by 1.04% in September. Prices of sovereign bonds tracked US Treasuries anew after the US central bank hinted of a sooner-than-expected interest rate hike. Ten-year US Treasury yields went up by 15 basis points to end the month at 2.49%. Prices for ROPs, which have been tracking US Treasuries, fell by an average of 1.87 points during the month.

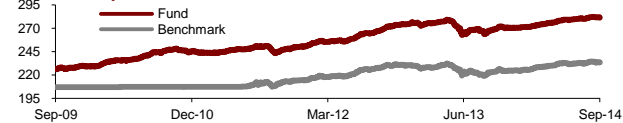
The US Federal Reserve retained its guidance for its federal funds rate, saying that it would maintain the low target range for a "considerable time" after the asset purchase program ends in October. However, a subsequent statement indicated a faster pace of interest rate hikes over the next three years. The Federal Reserve now expects a higher median estimate for its benchmark rate at 1.375% from 1.125% previously.

The US central bank also adjusted its growth forecast lower to 2.1% from 2.2% for this year, and to 2.8% from 3.1% for 2015. Gross domestic product grew at a revised annual rate of 4.6% in the second quarter from an earlier estimate of 4.2%. The latest economic figures also point to an improving economic recovery in the US. The Labor Department said that the economy added 248,000 jobs last month and that the unemployment rate fell to 5.9%. This is its lowest unemployment rate for the past 6 years.

Fund Performance. The Fund has returned 3.92% for the year, underperforming its benchmark by 20 basis points.

Strategy. The duration of the Fund as of month-end was at 3.02, lower than the previous month's 3.30. 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 20.35%, Corporates 43.95%, Cash and Receivables 35.71%

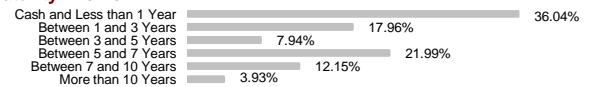
Top Holdings

Name	Yield (%) ⁷	Maturity	% of Fund
First Pacific Company Limited Bond	4.59	9/28/2020	5.98
Energy Development Corp. Bond	4.91	1/20/2021	4.43
Int'l Container Terminal Serv. Inc. Bond	4.58	3/17/2020	4.29
SM Investments Corp. Bond	5.05	6/10/2024	4.11
Republic of the Philippines Bond	2.66	6/17/2019	3.92
Development Bank of the Philippines Bond	3.91	3/25/2021	3.60
Metrobank and Trust Co. Perp. Bond	4.45	2/15/2016	3.31
Time Deposit	1.39	10/31/2014	3.12
Dev't Bank of the Phils. Perpetual Bond	4.15	9/15/2016	3.03
RCBC Perpetual Bond	5.42	10/27/2016	2.83

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 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.