



As of June 30, 2011

Investment Objective

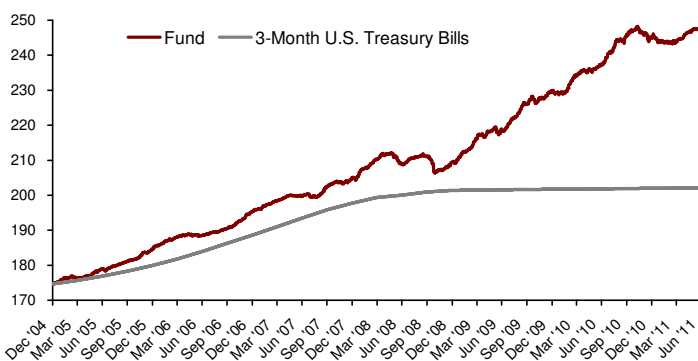
To achieve capital appreciation and income derived from a diversified portfolio of foreign currency-denominated fixed income instruments issued by the Philippine government, corporations and financial institutions.

Fund Performance

	Fund	3-Month U.S. Treasury Bills
Absolute Returns		
Year-to-date	1.04%	0.06%
2010	6.53%	0.14%
2009	9.76%	0.15%
2008	2.17%	1.80%
2007	4.93%	4.67%
2006	5.85%	2.64%
5-Yr Annualized ROI	5.59%	1.84%

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

Net Asset Value Per Unit



Net Asset Value USD 99.99 Million
NAV Per Unit (NAVpu) USD 247.46
Par Value USD 100.00

Fund Manager's Report

Monthly Commentary

The Philippines finally received long-awaited sovereign credit upgrades from not one, but two ratings agencies in June. On June 15, Moody's Investors Service raised its rating on ROP bonds by 1 notch from Ba3 to Ba2, two levels below investment grade. A week later, Fitch Ratings elevated ROP bonds to BB+, one level shy of investment grade. Philippine dollar-denominated bond prices continued their rally, increasing 0.80% on average with most of the gains coming from the long end of the ROP yield curve, causing yields to drop by an average of 11 bps.

The 5-year Philippine credit default swap (CDS) spreads widened by 7 points from 133 to the 140 level however, amid investors' increasing concerns on the looming possibility of a Greek default. In particular, Standard & Poor's downgraded Greek debt to CCC while maintaining a negative outlook. Debt obligations with this rating are considered to be vulnerable to non-payment or default.

Another cause for the widening of Philippine CDS spreads was China's latest moves to control inflation. China's central bank raised the reserved requirements for its biggest banks by 50 bps to 21.50%, fueling concerns of a possible slowdown in economic growth among Asian countries. The 5-year CDS spreads of peers including Indonesia, Malaysia and Thailand likewise widened month-on-month.

Strategy

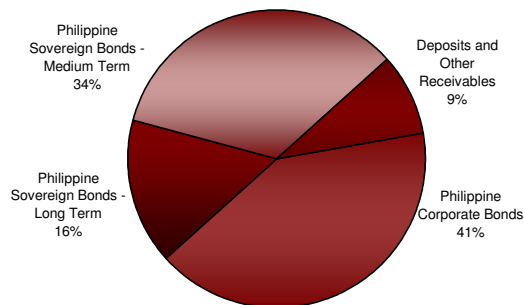
The Fund lengthened its duration from the previous 3.29 to 3.51 in the month of June. This enabled the Fund to outperform its benchmark, the 91-day US Treasury Bill. Moving forward, we will maintain the Fund's overweight duration and further diversify its portfolio to Philippine corporate bonds so as to benefit from the yield pickup these bonds have to offer.

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 conservative risk profile.
Base Currency	US Dollar
Minimum Initial Investment ¹	USD 500.00
Minimum Transaction ¹	USD 200.00
Minimum Holding Period	30 calendar days
Early Redemption Fee	0.25%
Trust Fees ²	1.00% per annum 0.25% per quarter
Custodianship Fees ³	0.003%
External Audit Fees ⁴	0.002% per quarter
Special Expense ⁵	PHP 2,000.00 per annum
Valuation Methodology	Mark-to-Market
Trustee and Fund Manager	Bank of the Philippine Islands
Available Thru	Bank of the Philippine Islands Branches
Custodians	HSBC
Dealing	Daily up to 12 noon
Bloomberg Ticker	BPIGLPH PM

¹Contribution rounded down/ redemption rounded off to the nearest whole unit.
²Trust fees paid for the quarter as a percentage of average daily NAV for the quarter.
³Custodianship fees billed for the quarter as a percentage of average daily NAV for the quarter.
⁴External Audit fees as a percentage of end-year 2009 NAV.
⁵For publication expense.

Portfolio Composition



Average Credit Rating: Ba3 (Moody's) / BB- (S&P)

Top 10 Holdings

	% of Fund
Republic of the Philippines Bonds 9.000% 02/15/2013	12.5
Republic of the Philippines Bonds 8.250% 01/15/2014	7.6
SM Investments Corp. Bonds 6.000% 09/22/2014	6.8
Republic of the Philippines Bonds 8.875% 03/17/2015	6.7
Republic of the Philippines Global Peso Bonds 4.950% 01/15/2021	5.3
RCBC Perpetual Bond 9.875% 10/27/2016	4.6
Universal Robina Corp. Bonds 8.250% 01/20/2012	4.3
Multicurrency Retail Treasury Bond 2.8750% 04/29/2013	4.0
SM Investments Corp. Bonds 5.500% 10/13/2017	3.9
Republic of the Philippines Bonds 8.000% 01/15/2016	3.6

Any prospective investment shall be limited to the type of investments described in the Prospectus of the Fund.

Risk Characteristics

Risk Measures	Past 12 Months			
	Jun 30, 2011	Low	High	Average
Duration	3.51	2.93	3.72	3.45
Volatility, Past 360 Days	1.42%	1.42%	1.54%	1.50%
Sharpe Ratio, Past 360 Days	2.92			

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.

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.

BPI Global Philippine Fund is a Unit Investment Trust Fund (UITF) and not a bank deposit product. It is not guaranteed by BPI nor by the Philippine Deposit Insurance Corporation (PDIC). As such, units of participation of the investor in the UITF, when redeemed, may be worth more or worth less than his/her initial investment/contributions. Due to the nature of the investments, yield and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, is for the account of the investor. Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence. For the purpose of lodging, clearing, settlement, and delivery of securities in the Fund, the Trustee is authorized to avail of the services of third party institutions such as but not limited to custodians which the Trustee may change or replace without prior notice or approval from the investors. The Trustee will not be responsible for any loss or damage suffered by the Fund as a result of the third parties' willful default, gross negligence, or evident bad faith. Investors are advised to read the Declaration of Trust for the Fund, which may be obtained from the office of the Trustee, before deciding to invest. For inquiries, please call: (632) 845-5080, (632) 845-5087 or (632) 816-9053, email bpi_trust@bpi.com.ph or visit www.bpiassetmanagement.com