

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% JACI Philippines.

Figures as of 05/31/2012

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	0.02	3.67	17.18	28.28
Benchmark ²	-0.05	5.42	5.71	10.44

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS
Fund	3.67	4.23	5.43	5.02	5.11
Benchmark ²	5.42	2.75	1.87	1.64	2.01

Calendar Year Performance (%)¹

	YTD	2011	2010	2009	2008	2007
Fund	2.42	2.22	6.53	9.76	2.17	4.93
Benchmark ²	2.01	3.39	0.14	0.15	1.80	4.67

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

² The 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.

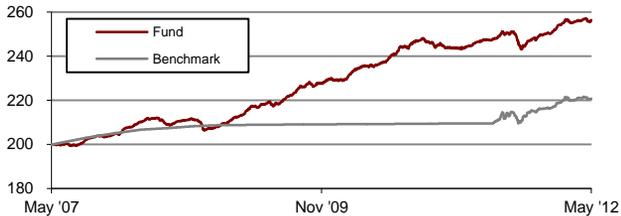
Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	USD	256.40
Total Fund NAV (Min)	USD	87.89
Portfolio Weighted Yield to Maturity	%, net	4.02
Current Number of Holdings		45
Information Ratio ³		-1.09
Sharpe Ratio ³		2.40
Statistics (Past 5 Years)	Fund	
Annualized Return (net)		5.11
Annualized Volatility (%)		1.38
Duration (years)		4.06

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 ⁴	USD	500.00
Minimum Transaction ⁴	USD	200.00
Minimum Holding Period	30 calendar days	
Early Redemption Fee	0.25%	
Trust Fee	1.00% per annum / 0.25% per quarter ⁵	
Custodianship Fees ⁵	0.006%	
External Audit Fees ⁶	0.020%	
Special Expense ⁷	PHP 2,000.00 per annum	
Valuation Methodology	Marked-to-Market	
Trustee and Fund Manager	Bank of the Philippine Islands	
External Auditor	Isla Lipana & Co.	
Receiving Banks	BPI Branches	
Third-Party Custodian	HSBC, Ltd. (Philippines)	
Dealing Cut-Off	12:00 PM	

NAVPU Graph



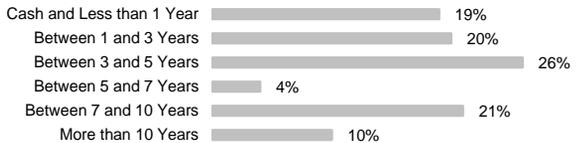
Allocation

Portfolio Composition: Government 44.4%, Corporates 45.7%, Deposits and Other Receivables 9.9%

Top Ten Holdings

Name	Yield (%)	Maturity	% of Fund
Republic of the Philippines Bonds 8.250%	2.12	1/15/2014	6.81%
Republic of the Philippines Bonds 8.875%	2.09	3/17/2015	6.48%
RCBC Perpetual Bonds 9.875%	7.73	10/27/2016	6.03%
Rep of the Philippines Global Peso Bonds 4.950%	4.32	1/15/2021	5.64%
SM Investments Corp. Bonds 6.000%	4.22	9/22/2014	4.65%
Development Bank of the Phils Notes 5.500%	4.81	3/25/2021	4.63%
JG Summit Corporate Bonds 8.000%	3.12	1/18/2013	4.61%
SM Investments Corp. Bonds 5.500%	5.34	10/13/2017	4.36%
Multicurrency Retail Treasury Bonds 2.8750%	1.55	4/29/2013	4.33%
Republic of the Philippines Bonds 8.000%	2.37	1/15/2016	4.04%

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: Ba3 (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 fall as well as rise as a result of stock price movements. On redemption of units, an investor may receive an amount less than the original amount of 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.

³ The 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.

⁴ Contribution rounded down/ redemption rounded off to the nearest whole unit.

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

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

⁷ For publication expense.

Manager's Report

Market Review. Prices of Philippine dollar-denominated bonds declined by 0.64% on average as positive news on the domestic front were overshadowed by negative developments from abroad. Investor sentiment deteriorated once again after JPMorgan, the biggest bank in the United States, was reported to have incurred a USD2Bn trading loss; Moody's Investor Service downgraded several Spanish banks to A3; and Fitch Ratings downgraded Japan's sovereign credit rating by one notch to A+. In the meantime, political parties in Greece were at an impasse causing speculation of a possible Greek exit from the Euro zone, or what has now been dubbed as a "Grexit".

Against this backdrop, investors sought safe-haven debt causing US Treasuries to rally. As a result, yields declined to record lows especially after the US Labor Department reported that there were only 69,000 jobs created in May, way below the estimated job creation of 150,000.

In contrast, everything seems to be fine locally as the country's economy reported a GDP growth figure of 6.4% for 1Q12, much higher than the market consensus of 4.3%. This was also well above the 4.6% growth figure reported in the same period last year. Another positive surprise was that the Philippine government posted a year-to-date fiscal deficit of PHP2.88Bn as of April, well below its full year target of approximately PHP279Bn or 2.6% of GDP. Finally, Moody's raised its outlook on the Philippines from stable to positive, moving the country closer to getting a credit upgrade.

Fund Performance. The Fund's return for the month of May was almost flat at 0.02%, bringing its year-to-date return to 2.42%.

Strategy. The duration of the Fund as of month-end was at 4.06, lower than the previous month's figure of 4.34. We shall maintain the Fund's overweight duration position in terms of duration given the positive outlook assigned by Moody's on the country's sovereign debt.

