

BPI GLOBAL PHILIPPINE FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

FUND FACTS

Classification: Medium Term Bond Fund	Net Asset Value Per Unit (NAVPU): USD283.90	Fund Currency: US Dollar
Launch Date: August 30, 1994	Total Fund NAV (Mn): USD96.65	Benchmark: 50% 3-month U.S. Treasury Bill and 50% JP Morgan Asia Credit Philippines Total Return Index
Minimum Investment: USD500.00	Dealing Day: Daily up to 12:00 PM	
Additional Investment: USD200.00	Redemption Settlement: Day 1 End-of-Day	
Minimum Holding Period: None	Early Redemption Charge: None	

FEES

Trust Fee: 1.00%	Custodianship Fee: 0.0801%	External Audit Fee: 0.0208%
Trustee: BPI	Custodian: HSBC	External Auditor: Isla Lipana
Computation: % of average daily NAV	Computation: Billings received in 2013 divided by average daily NAV	Computation: Billings received in 2013 divided by average daily NAV

INVESTMENT OBJECTIVE AND STRATEGY

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.

CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest. The Fund is for investors who:

- Are at least classified as moderately conservative based on their risk profile
- Have an investment horizon of up to five (5) years

There is risk that the value of your investment, upon redemption may be worth less than the amount of your original contribution.

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks. Some of the key risks associated with this Fund are listed below:

Interest Rate Risk:	Possibility to experience losses due to changes in interest rates.
Liquidity Risk:	Possibility to experience losses due to the fund's inability to convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price.
Credit/Default Risk:	Possibility to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of debt security.
Related Party Risk:	Risk of any actual or potential conflicts of interest in handling of related party transactions.
Foreign Exchange Risk:	Possibility to experience losses due to fluctuations in foreign exchange rates.

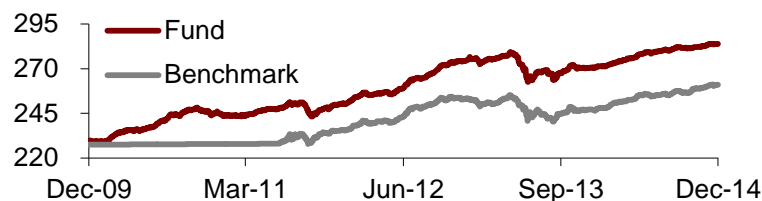
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular basis. In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

FUND PERFORMANCE AND STATISTICS

Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results.

NAVPU GRAPH



CUMULATIVE PERFORMANCE (%)¹

	1 mo	3 mos	6 mos	1 YR	3 YRS
Fund	0.20	0.95	1.57	4.90	13.45
Benchmark	0.36	1.83	2.31	5.60	10.83

ANNUALIZED PERFORMANCE (%)¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS
Fund	4.90	1.67	4.30	3.75	4.32
Benchmark	5.60	1.46	3.49	3.45	2.78

CALENDAR YEAR PERFORMANCE (%)¹

	2014	2013	2012	2011	2010	2009
Fund	4.90	-1.46	9.75	2.15	6.62	10.09
Benchmark	5.60	-2.51	7.66	3.33	0.13	0.12

STATISTICS

12 Month NAVPS (Low/High)	270.29/283.95
Weighted Average Duration (Years)	2.79
Volatility, Past 5 Years (%) ²	2.03
Sharpe Ratio ³	5.36
Information Ratio ⁴	-0.67
Portfolio Weighted Yield to Maturity (%)	3.11
Current Number of Holdings	68
Average Credit Rating	Baa3/BBB

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	17.48
Corporates	44.07
Cash and Other Receivables	38.45
Top Fixed Income Sectors	
Cash and less than 1 year	38.77
Between 1 and 3 years	17.94
Between 3 and 5 years	6.11
Between 5 and 7 years	22.24
Between 7 and 10 years	13.85
More than 10 years	1.09
Portfolio Weightings	
Philippine Corporate Bonds	44.07
Philippine Sovereign Bonds	17.48

TOP HOLDINGS

Name	Maturity	% of Fund
First Pacific Co. Ltd. Bond	9/28/2020	5.93
ICTSI Bond	3/17/2020	4.49
Energy Dev't Corp. Bond	1/20/2021	4.40
SM Investments Corp. Bond	6/10/2024	4.09
Republic of the Phils. Bond	6/17/2019	3.95
Dev't. Bank of the Phils. Bond	3/25/2021	3.57
Metrobank & Trust Co. Perp. Bond	2/15/2016	3.29
Dev't Bank of the Phils. Perp. Bond	9/15/2016	2.99
Rep. of the Phils. Global-Peso Note	1/15/2021	2.94
RCBC Perpetual Bond	10/27/2016	2.78

OUTLOOK AND STRATEGY

Market Review. Prices of Philippine sovereign bonds increased by an average of 17.2 points and remained supported despite negative sentiments lasting through the month, due to the collapse of the Russian currency, falling oil prices and global growth concerns. This, in part, was caused by Moody's credit rating upgrade of the Philippines from Baa3 to Baa2, with a stable outlook. The rating agency cited ongoing debt reduction, favorable prospects for strong economic growth and limited vulnerability to risks affecting emerging markets. As a result, the JP Morgan Chase Asia Total Return Philippine Bond Index gained by 0.72% in December.

The US Federal Reserve met in December and kept its policy rate steady. However, they replaced their forward guidance of "considerable time after the end of its bond purchases" with "patient in beginning to normalize the stance of monetary policy" with regard to the timing of its first interest rate hike in years. During the third quarter of 2014, the US economy grew at 5%, its best pace in 11 years.

In contrast, the Russian central bank had to raise its benchmark rate by 650 basis points to 17% in order to stem the depreciation of its currency. The ruble fell to as low as USD/RUB 67 to the dollar in December from USD/RUB 51 at the beginning of the month, and USD/RUB 33 at the start of the year.

Moody's downgraded Japan's debt rating by one notch from Aa3 to A1, with a stable outlook. It cited uncertainties over growing fiscal deficit and ineffective expansionary monetary measures. Meanwhile, Prime Minister Abe won in the snap elections, securing a fresh mandate for the so-called Abenomics.

Fund Performance. The fund gained by 0.20% in December, missing the benchmark by 16 basis points. It underperforms the benchmark on a year-to-date basis by 70 basis points with a return of 4.90%.

Fund Strategy. Moving forward, we look to maintain the Fund's underweight duration in light of the continued reduction in stimulus by the US Federal Reserve.

¹Returns are net of fees.

²Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

³Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

⁴Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

*Declaration of Trust is available upon request through branch of account.

RELATED PARTY TRANSACTIONS

The Fund has investments and trade transactions with Bank of the Philippine Islands, its subsidiaries and related parties:

	Transaction	Amount (in Mn)
Bank of the Philippine Islands	Time Deposit Placement	USD13.35
	Buy/Sell of Debt Securities	
BPI Family Savings Bank	Time Deposit Placement	USD0.00
BPI Securities	Buy/Sell of Securities	
BPI Capital	Buy/Sell of Debt Securities	

Investments in the said outlets were approved by the Trust Committee. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

LIST OF PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:

- (a) Tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investment outlets/categories as the BSP may allow.
- (b) Tradable fixed-income securities issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund.
- (c) Collective investment vehicles managed by reputable fund managers the investment objectives and policies of which are generally consistent with those of the Fund, subject to then existing BSP regulations.
- (d) The principal investments of the Fund will be in fixed-income instruments denominated in, but are not limited to, the following major currencies: U.S. Dollar, Euro, British Pound, Canadian Dollar, Australian Dollar, Swiss Franc, Danish Kroner, and Japanese Yen.
- (e) Bank deposits and such other investments allowed under regulations issued by the BSP.