

BPI Balanced Fund

August 31, 2010

Investment Objective

To achieve investment returns from a diversified portfolio of equities and fixed-income instruments.

Fund Performance

Absolute Returns	Fund	Benchmark*
Year-to-date	16.08%	9.47%
2009	20.28%	33.32%
2008	-26.80%	-22.30%
2007	11.42%	12.54%
2006	26.31%	24.19%
2005	12.61%	11.22%

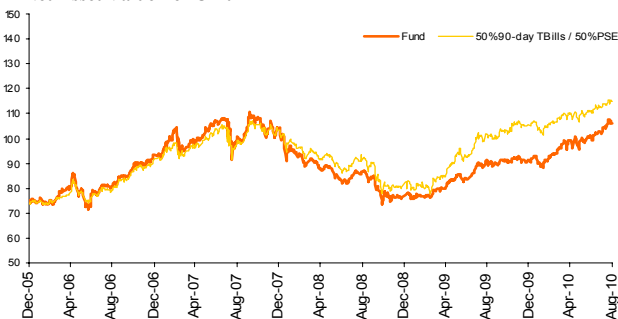
Returns are net of fees. Past Performance is not an indication of future returns.
 *50% 90-d TBills / 50% PSEI. Prior to 2009, benchmark was 50% 1-Year Tbilis / 50% PSEI
 PSEI is a barometer of stock price movements in the Philippine Stock Exchange.

Fund Manager's Report

Local equities remained strong in August, gaining 4.1% (3,566 PSE index level) amid flush liquidity and bullish investor sentiment. After a healthy round of second quarter earnings reports, demand for Philippine stocks continued to soar with foreign investors aggressively buying local stocks. Better-than-expected economic data further buoyed investor sentiment after reports showing Gross Domestic Product expanded at a surprising 7.9% during the second quarter, and beating market expectation of 6.3%. June OFW remittances continued to grow, reaching a record-high of US\$1.623 billion (+8.3% year-on-year). In terms of market performance, property stocks led the advance with the likes of Megaworld (+24%), Filinvest Land (+13.9%), and Ayala Land (+12%) ending as top gainers for the sector. Conglomerates likewise surged, with Lopez Holdings gaining 38.7% and Metro Pacific gaining 21.7%. Foreigners turned net buyers amounting to USD\$4.6 million for the month, after being net sellers the previous month.

In the near-term, momentum should continue to push stock prices upwards with the PSE index possibly testing its all-time high of 3,896. As such, we remain fully invested in equities with bias towards property, power and utilities, and select holding firms. Likewise, we continue to favor high-beta and mid cap stocks that have shown strong earnings growth.

Net Asset Value Per Unit

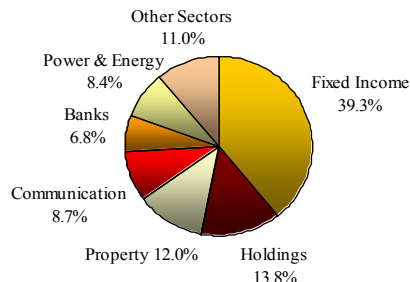


Net Asset Value, end-of-period: **PHP 569.35 Million**
 NAV Per Unit (NAVpu): **PHP 106.21**
 Par Value: **Php 100.00**

Risk Disclosure

The Fund is suitable for investors who take medium to long-term views. As a marked-to-market UITF, the Fund's net asset value, and total return may fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original amount of investment.

Portfolio Composition



Top 10 Equity Holdings

	% of Fund
Philippine Long Distance Tel. Company	6.0
Universal Robina Corporation	3.4
SM Investments Corporation	3.2
Ayala Land, Inc.	3.2
Aboitiz Power Corporation	2.7
Banco de Oro Universal Bank	2.7
Metropolitan Bank and Trust Company	2.6
PNOC Energy Development Corporation	2.5
Megaworld Property & Holdings	2.5
Filinvest Land Inc	2.5

Any prospective investment shall be limited to the type of investments described in the Declaration of Trust for the Fund.

Risk Characteristics

Risk Measures	Aug 31, 2010	Low	Past 12 Months High	Average
Volatility, Past 360 Days	5.62%	5.62%	10.57%	7.86%
Information Ratio, Past 360 Day:	0.69			

Volatility measures the fluctuations in NAVpu. The higher the number, the higher the potential gain or loss. Information ratio evaluates reward-to-risk efficiency relative to the benchmark. The higher the number, the higher the reward per unit of risk.

Fund Facts

Structure	Unit Investment Trust Fund
Fund Type	Balanced Fund
Client Suitability	The fund is suitable for investors with an aggressive risk profile.
Base Currency	Philippine Peso
Minimum Initial Investment	PHP 50,000.00
Minimum Transaction ⁴	PHP 10,000.00
Minimum Holding Period	90 calendar days
Early Redemption Fee	0.50%
Trust Fees	1.50% per annum
	0.37% per quarter ¹
Custodianship Fees ²	0.001%
External Audit Fees ³	0.02%
Valuation Methodology	Mark-to-Market
Trustee	Bank of the Philippine Islands
Available Thru	Bank of the Philippine Islands Branches
Custodian	HSBC
External Auditor	Isla Lipana & Co.
Dealing	Daily up to 12 noon
Bloomberg Ticker	BPIEQBL

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 2008 NAV.