

Philam Asset Management, Inc. (PAMI) administers, distributes and provides investment advisory to seven (7) mutual funds. PAMI gives shareholders superior yields through active management, diversification and investment expertise only organizations with extensive financial muscle can provide.



GSIS Mutual Fund, Inc. (GMFI)

July 23, 2010

Historical Performance

YTD	YOY	3 Yrs.	5 Yrs.	Since Inception
16.03%	29.70%	4.83%	101.38%	121.32%

NAVPS Graph



Source: Investment Company of the Philippines published NAVPS
* Past Performance is not indicative of future results

Commentary

The PSEi moved sideways to close the week 3416.10 (-0.72%WoW) or up 48pts. Lackluster activity was noted during the week after the index rose almost 5% in the last two weeks. Daily trading activity of US\$72.4m was lighter compared with prior week's US\$80mn.

Budget deficit as of June reached P196.7bn which is 60% of full year target of P325bn. Tax collection target was raised by 4% to offset the setbacks encountered by the government in the privatization of state-owned assets. The BIR recently launched an aggressive campaign running against tax cheaters and evaders. The new Finance Secretary, expressed his confidence that the Aquino administration will not go beyond the budget ceiling target.

PNB (+26%WoW) rallied on speculations of its potential sale. Meanwhile, another corporate action stirred the market with the announcement that San Miguel Corp (SMCB, -2.2%WoW) received four bids for the sale of its 49% stake in PureFoods Co. Unconfirmed reports said that listed companies, URC (+1.6%WoW) and AEV (unchanged) were part of the list. PureFoods holds SMC's processed meats, poultry, livestock, feeds and dairy operations.

Expect market to continue its consolidation phase. Highlight for the week will be the State of the Nation Address of President Aquino wherein he will once again reassure investors of the country's sustained economic recovery. The PSE will implement a new trading system on July 26. The new system will result in narrower spreads between bid and offer prices. The reduced spread is expected to help increase market turnover.

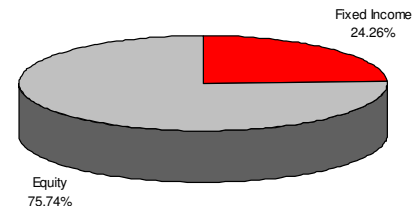
Investment Objective

The Fund is a moderate type of investment dealing with equity securities and fixed-income instruments. An adequate portion of the portfolio will be invested in cash or near cash assets to ensure that redemptions will be adequately and immediately serviced. An investment in a balanced fund should be regarded as long-term in nature and only suitable for sophisticated investors who understand and appreciate the risk involved.

Top Ten Holdings

COMPANY	%
PLDT	10.88%
ABOITIZ POWER CORP. LTD.	8.95%
AYALA LAND INC.	7.52%
ICTS, INCS.	6.85%
SM INVESTMENTS CORP.	6.39%
ENERGY DEV'T. CORP.	5.54%
ALLIANCE GLOBAL GRP. INC.	5.38%
BANCO DE ORO - EPCI. INC.	5.31%
METROBANK	4.83%
SM PRIME HOLDINGS INC.	3.82%

Fund Allocation



Key Figures

Net Asset Value per Share (NAVPS)	PHP 2.3052
Total Fund Size (in Millions) as of 6/30/10	PHP 3,738.20
GMFI YOY return as of 6/30/10	33.10%
Benchmark* YOY return as of 6/30/10	24.09%

Inception Date	July 1, 1998
Fund Currency	Philippine Peso
Domicile	Philippines
Valuation Method	Marked-to-Market
Fund Classification	Balanced Fund
Risk Profile	Moderate
Minimum Holding Period	Six Months
Redemption Notice Period	Three Days
Custodian Bank	Citibank N.A.
Transfer Agent	Deutsche Bank A.G. (Manila)

50% Philippines Composite (Total Return) + 40% HSBC Philippines Local Currency Bond Total Return + 10% Phil 30 Days Savings Rate General Avg (Net of 20% WHT)

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Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. The investment risks vary between different types of instruments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation may be very high (including total loss of investment), as the value of such an investment may fall suddenly and substantially. In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved.