

BPI ASSET MANAGEMENT AND TRUST GROUP
ODYSSEY PESO BOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
FUND FACTS

As of April 30, 2021

Classification:	Long Term Bond Fund	NAVPU:	Php 319.05
Launch Date:	May 5, 2003	Total Fund NAV (Mn):	Php 3,712.08
Minimum Investment:	Php 10,000.00	Dealing Day:	Daily up to 2:30 PM
Additional Investment:	Php 5,000.00	Redemption Settlement:	T+1 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 1.00%	Custodianship Fees: 0.0009%	External Auditor Fees: 0.0049%	Other Fees: 0%
BPI Asset Management	HSBC	Isla Lipana	None

*As a percentage of average daily NAV for the quarter valued at Php3,753.91 Million

*Monthly rate: Billings received for February 2021 divided by the average daily NAV

*Billings for 2018 divided by the average daily NAV

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve capital appreciation and income growth in Philippine Peso terms over a period of time by investing in a diversified portfolio of Philippine Peso denominated fixed income instruments. The Fund aims to outperform its benchmark which is the BPI Philippine Government Bond Index.

CLIENT SUITABILITY

A client profiling process shall 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 Odyssey Peso Bond Fund is suitable only for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of more than five (5) years

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.

Interest Rate Risk: The fund invests in a long term portfolio of domestic government and corporate securities, exposing investors to the risk of loss arising from a rise in interest rates, which generally causes fixed income security prices to decline. Factors/ events that may lead to a rise interest rates include adverse market conditions, issuer-specific factors/ events and/ or negative developments in domestic political and economic conditions.

Liquidity Risk: Investors are exposed to the risk of loss due to the fund's inability to convert security holdings to cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price due to limited buyers/ sellers in the market, low trading volumes or market disruptions, among other reasons/ factors.

Credit/ Default Risk: Investors are exposed to the risk of loss due to the failure of the borrower/ debt issuer to make timely interest and/ or principal payments on its deposit liabilities, loans, bonds or other debt instruments due to a deterioration in the borrower's/ issuer's financial condition or external factors and events that may affect its ability to repay financial obligations such as negative developments in domestic political and economic conditions.

Related Party Risk: Investors are exposed to actual or potential conflicts of interest in the handling of related party transactions by the Trustee, specifically, time deposit placements with the Trustee's own bank and/ or its subsidiary, purchase of debt securities issued by related parties, as well as the execution of trade transactions with related counterparties.

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.**

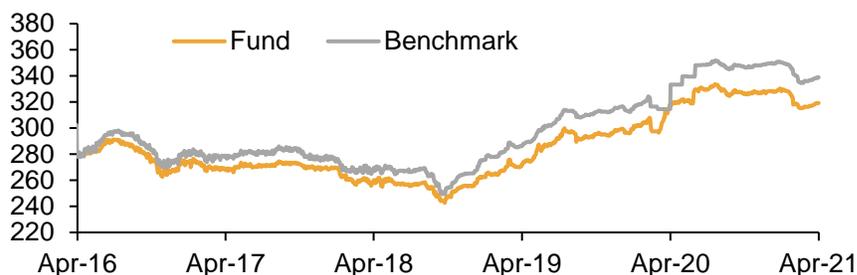
• WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES SHALL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.

• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

FUND PERFORMANCE AND STATISTICS AS OF APRIL 30, 2021

(Purely for reference purposes and is not a guarantee of future results)

NAVPU GRAPH



*Benchmark is the BPI Philippine Government Bond Index

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. ²
Fund	0.93	-3.14	-2.37	0.69	22.63	219.05
Benchmark	0.84	-3.30	-2.21	1.64	25.81	264.87

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	0.69	8.30	7.04	4.35	2.66	6.66
Benchmark	1.64	8.77	7.95	4.98	3.91	7.46

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2020	2019	2018	2017	2016
Fund	-2.84	9.83	17.01	-5.17	0.20	0.09
Benchmark	-3.07	10.52	19.23	-4.40	0.58	2.51

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	69.72
Corporates	18.88
Cash	0.27
Time deposits and money market	10.48
Other receivables - net of liabilities ⁶	0.65
Maturity Profile	
Cash and less than 1 year	14.32
Between 1 and 3 years	19.12
Between 3 and 5 years	25.57
Between 5 and 7 years	
Between 7 and 10 years	11.00
More than 10 years	29.98
Portfolio Weightings	
Philippine Corporate Bonds	18.88
Philippine Sovereign Bonds	69.72

NAVPU over the past 12 months

Highest	333.41
Lowest	315.17

STATISTICS

Weighted Ave Duration (Yrs)	4.77
Volatility, Past 1 Year (%) ³	4.92
Sharpe Ratio ⁴	-0.09
Information Ratio ⁵	-0.61
Portfolio Weighted Yield to Maturity (%)	2.74
Current Number of Holdings	23

¹Returns are net of fees.

²Since inception.

³Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁴Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁵Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁶Includes accrued income, investment securities purchased, accrued expenses, etc.

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

TOP TEN HOLDINGS

Name	Maturity	% of Fund
Fixed Rate Treasury Note	07/19/2031	23.63
Retail Treasury Bond	08/12/2025	13.88
Fixed Rate Treasury Note	01/10/2029	9.79
Time Deposit		6.73
Fixed Rate Treasury Note	01/24/2039	6.35
Cyberzone Properties, Inc.	01/07/2023	6.27
Fixed Rate Treasury Note	09/10/2023	4.02
Petron Corp.	10/27/2021	2.92
SM Prime Holdings, Inc.	03/25/2025	2.92
Retail Treasury Bond	03/12/2024	2.91

RELATED PARTY TRANSACTIONS

The Fund has transactions and outstanding investments including deposits, investment in the share/s of the stocks, and/or debt issuances of the following companies related to BPI Asset Management and Trust Corporation (BPI AMTC):

Ayala Land, Inc.– Php 31.80 Million

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

* Related party in accordance with BPI AMTC's internal policy.

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned 0.84% in April, with benchmark government yields dropping 12 basis points (bps) on average. The yield curve flattened, with rates in the belly and long-end of the curve declining while short-term yields rose slightly. Average daily trading volume rose to PHP19.84bn from March's PHP18.66bn, with the 4.5-year RTB5-13 and the newly issued RTB3-11 seeing strong trading volumes over the month.

The Bureau of the Treasury (BTr) held two FXTN auctions and four Treasury Bill auctions in April. The first FXTN auction was a PHP35-bn issuance of a new 7-year security FXTN7-64; the second was another PHP35-bn issuance of a new 5-year security FXTN5-77. Average bid yields were at 3.529% and 3.301%, respectively, while coupons were at 3.625% and 3.375%, respectively. Market demand was quite strong with bids exceeding PHP80-bn for each. The BTr opened a PHP25-bn tap issuance for the FXTN7-64 which was fully awarded after bids amounted to nearly double the offered size. Meanwhile, the Treasury Bills saw yields rising gradually across all three tenors, with average rates for the 91-, 182- and 364-day papers awarded at 1.369%, 1.714% and 1.880%, respectively, during the last auction of the month.

In the local economic space, March inflation eased to 4.5% YoY, slightly lower than February's 4.7% and putting an end to the 5-month streak of monthly price accelerations. The slowdown was mainly attributed to food and non-alcoholic beverage prices, though the Philippine Statistics Authority noted more tempered increases across all other categories as well. Bangko Sentral ng Pilipinas (BSP) Governor Benjamin Diokno noted that the level of inflation was still "consistent with expectations", adding that "inflation could settle above the high end of the target in 2021, reflecting the impact of supply-side constraints". Meanwhile, local coronavirus (COVID) infections surged to new highs—peaking at 10,686 new cases in a day—which prompted various iterations of Community Quarantine across the country. With uncertainty on growth and inflation likely to persist, the Bangko Sentral ng Pilipinas (BSP) maintains that its current monetary policy is still appropriate. Governor Diokno reiterated that they were ready to address rising inflation pressures should any spillover effect begin to manifest.

Fund Performance. The Fund outperformed its benchmark by 9 basis points, returning 0.93% for the month.

Fund Strategy. The Fund looks to maintain a neutral duration position given expectations of accelerating local inflation amid recovering oil prices and dwindling base effects. Volatility may persist in the global space, and the portfolio will be actively managed to take advantage of this. Investors in a bond fund must be prepared to withstand volatility as higher investment value is typically achieved over the medium to long term.

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) Bank deposits and such other investments allowed under regulations issued by theBSP;
- b) Securities issued by or guaranteed by the Philippine government, or by the BSP;
- c) Tradable securities issued or guaranteed by multilateral institutions such as the Asian Development Bank (ADB), International Monetary Fund (IMF) and World Bank;
- d) Tradable securities issued by the government of a foreign country, any political subdivision of a foreign country or any supranational entity;
- e) Exchange-listed securities;
- f) Marketable instruments that are traded in an organized exchange;
- g) Loans traded in an organized market;
- h) Such other tradable investments outlets/categories as may be approved by the relevant authority and allowed by the BSP; and
- i) Allowable investments denominated in any acceptable foreign currency.

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For inquiries and comments, please send an email to bpi_asset_management@bpi.com.ph or call us at (02) 8580-AMTC (2682).

Regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>, BSP Webchat <https://www.bsp.gov.ph>

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