

**BPI ASSET MANAGEMENT AND TRUST CORPORATION**
**ODYSSEY DIVERSIFIED BALANCED FUND**
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**
**As of April 29, 2022**
**FUND FACTS**

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 197.21
<b>Launch Date:</b>	May 12, 2006	<b>Total Fund NAV (Mn):</b>	Php 880.07
<b>Minimum Investment:</b>	Php 10,000.00	<b>Dealing Day:</b>	Daily up to 2:30 PM
<b>Additional Investment:</b>	Php 5,000.00	<b>Redemption Settlement:</b>	T+3 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES\***

<b>Trustee Fees:</b> 1.500%	<b>Custodianship Fees:</b> 0.0013%	<b>External Auditor Fees:</b> 0.0044%	<b>Other Fees:</b> 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

\* As a percentage of average daily NAV for the quarter valued at Php 914.69 Million

\*Monthly rate: billings received for April 2021 divided by the average daily NAV for the month

\*Billings received in 2018 divided by the average daily NAV

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to achieve long-term capital and income growth by investing in a diversified portfolio of fixed income and equity securities. The Fund aims to outperform its benchmark, which is composed of 50% BPI Philippine Government Bond Index and 50% Philippine Stock Exchange 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 Diversified Balanced Fund is suitable for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon at least 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:** Investors are exposed to adverse changes in the prices of domestic fixed income securities due to 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..

**Equity Price Risk:** Investors are exposed to adverse changes in the prices of stocks listed in the Philippine Stock Exchange, which may be brought about by adverse stock market conditions, unfavorable company earnings and valuations and/ or negative developments in domestic and global political and economic conditions.

**Liquidity Risk:** Investors are exposed to the risk of loss due to the fund's inability to convert fixed income and equity 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.

**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 and equity securities issued by related parties, as well as the execution of trade transactions with related counterparties.

**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.

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.

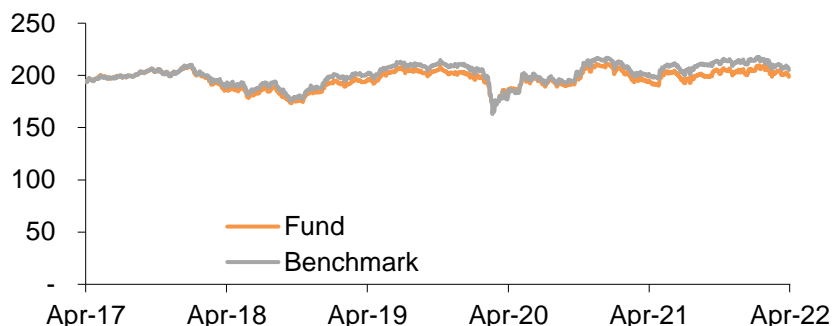
- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND 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.**

For more information, you may contact us at (632) 8580-AMTC (2682),  
email us at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or visit our website, [www.bpiassetmanagement.com](http://www.bpiassetmanagement.com).

## FUND PERFORMANCE AND STATISTICS AS OF APRIL 29, 2022

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

### NAVPU GRAPH



\*Benchmark is 50% BPI Philippine Government Bond Index and 50% Philippine Stock Exchange Index.

### CUMULATIVE PERFORMANCE (%) <sup>1</sup>

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	-3.69	-4.64	-2.06	1.84	0.74	97.21
<b>Benchmark</b>	-3.50	-5.67	-3.36	1.92	0.91	178.90

### ANNUALIZED PERFORMANCE (%) <sup>1</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	1.84	2.69	0.25	0.93	0.32	4.34
<b>Benchmark</b>	1.92	4.49	0.30	1.31	0.95	6.63

### CALENDAR YEAR PERFORMANCE (%) <sup>1</sup>

	YTD	2021	2020	2019	2018	2017
<b>Fund</b>	-2.70	-3.01	2.95	10.34	-10.24	11.18
<b>Benchmark</b>	-3.95	-1.18	1.87	12.01	-8.29	12.46

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	47.26
Fixed Income	45.68
Cash	0.62
Time deposit and money market	7.50
Other receivables – net of liabilities <sup>7</sup>	-1.06

#### Sector Holdings

Holding Firms	14.04
Property	11.00
Financials	8.47
Services	7.47
Industrials	6.29
Mining and Oil	0.00

### NAVPU over the past 12 months

Highest	209.67
Lowest	190.21

### STATISTICS

Weighted Ave Duration (Yrs)	4.00
Portfolio Beta	0.99
Volatility, Past 1 Year (%) <sup>4</sup>	10.57
Sharpe Ratio <sup>5</sup>	0.09
Information Ratio <sup>6</sup>	-0.04
Current Number of Holdings	43

<sup>1</sup>On November 1 2012, the bond portion of the Fund's benchmark was changed from HSBC Phil. Liquid Bond Index.

<sup>2</sup>Returns are net of fees.

<sup>3</sup>Since inception.

<sup>4</sup>Measures the degree to which the fund fluctuates vis-à-vis its average return over a period of time. The higher the number, the better.

<sup>5</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

<sup>6</sup>Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>7</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

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

### TOP TEN HOLDINGS

Name	%
Fixed Rate Treasury Note	10.37
Time Deposit	7.50
Retail Treasury Bond	5.59
SM Investments Corporation	5.24
SM Prime Holdings, Inc.	5.10
Fixed Rate Treasury Note	4.76
Ayala Corporation	4.43
Ayala Land, Inc.	4.35
Retail Treasury Bond	3.96
BDO Unibank, Inc.	3.42

### RELATED PARTY TRANSACTIONS\*

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

Ayala Corporation – Php 39.02 Million, Ayala Land Inc. – Php 42.10 Million, Bank of the Philippine Islands – Php 28.87 Million, and Globe Telecom – Php 16.04 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 -0.41% in April, with benchmark government yields rising 17 basis points (bps) on average. Average daily trading volume rose to PHP14.92bn from March's PHP13.83bn with trades mostly seen on the short-end (6-month to 1-year papers) and belly (5-year papers) of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions and four Treasury Bill auctions in April. Three out of the four FXTN auctions (3-, 5- and 10-year) were only partially awarded as investors continued to bid at higher levels in anticipation of rising global yields. Only the 7-year auction, a re-issuance of FXTN7-65 was fully awarded, with average yield at 5.779%, roughly 17 basis points higher than the prior month's reissuance of the same paper. The May auction schedule was released with four FXTN issuances (3-, 5-, 7-, and 10-year tenors) and four Treasury Bill auctions amounting to PHP200 billion.

March headline inflation rose to a 6-month high of 4.0% year-on-year, as food, utilities and transportation costs rose in line with global fuel prices as the Russian-Ukraine tensions persisted. The figure was at the higher end of the Bangko Sentral ng Pilipinas' (BSP) target range of 2-4% for the year. The central bank had earlier warned that with fuel costs rising as a consequence of geopolitical tensions, Philippine inflation could breach the target before the end of the second quarter. The BSP shall continue to monitor emerging risks to the outlook for inflation and growth, and adjust policy settings as needed.

The Philippine Stock Exchange just experienced its largest monthly drop thus far in 2022 on a confluence of external and internal factors. Ongoing geopolitical tensions between Russia and Ukraine, US Federal Reserve well-anticipated rate-hike, rising commodity prices and China's lockdown to curb the rising COVID-19 cases, forced market investors to pull out on risky assets and stay on the sidelines. On the domestic front, the BSP hinted at raising policy rates if GDP grows around 6-7%. Moreover, all eyes on the 2022 national elections as new leaders will take the helm for the next 6 years. The local bell-weather index gave up 6.6% month-on-month to close at 6,731.25 in April.

We saw lackluster activity as Average Daily Turnover registered at US\$102.61 million in April or 37.4% lower in the prior month. On foreign flows, we saw another round of Net Outflows at US\$99 million. These were across the board which could have recorded at US\$154.8 if not for the AREIT overnight secondary share placement at US\$55.8 million inflows. Year-to-date, Net Foreign Outflows expanded to US\$219 million.

As for the individual stock performances, top contributors in April were EMP (+39.1%), WLCON (+3.7%) and TEL (+0.86%) while the laggards include ACEN (-17.30%), URC (-15.29%) and AEV (-14.96%).

**Fund Performance.** The Fund registered a loss of 3.69% in April, underperforming the benchmark by 19 bps. Year-to-date, the Fund registered a loss of 2.70%, outperforming the benchmark by 125 bps.

**Fund Strategy.** The Fund looks to opportunistically trim duration given expectations of rising interest rates moving forward. Though inflation remains to be within the government's target range, the BSP remains vigilant in monitoring global supply side pressures which may push energy prices higher. 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.

We look to remain strategic long-term buyers of Philippine equities, hinging on a more concrete reopening narrative post-vaccination. We favor quality names or position on cyclicals. We will continue to be nimble and buy on market dips.

## 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 the BSP;
- (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; and
- (h) Such other tradable investments outlets/categories as may be approved by the relevant authority and allowed by the BSP.

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](mailto: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>

SMS: 021582277 & BSP CAMS Facebook <https://www.facebook.com/BangkoSentralngPilipinas>