

**BPIASSET MANAGEMENT AND TRUST CORPORATION**
**ODYSSEY DIVERSIFIED CAPITAL FUND**
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**
**As of March 31, 2022**
**FUND FACTS**

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 190.81
<b>Launch Date:</b>	December 4, 2006	<b>Total Fund NAV (Mn):</b>	Php 1,297.71
<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> 0.0011%	<b>External Auditor Fees:</b> 0.0043%	<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 1,327.77 Million

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

\*Billings received in 2017 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 70% BPI Philippine Government Bond Index and 30% 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 Capital 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.

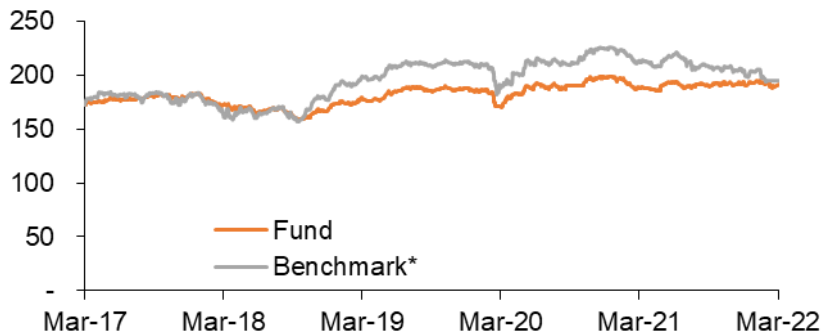
**• THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).  
 • RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.  
 • WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND 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 March 31, 2022

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

### NAVPU GRAPH



\*Benchmark is composed of 70% BPI Philippine Government Bond Index and 30% Philippine Stock Exchange Index.

### NAVPU over the past 12 months

Highest	194.85
Lowest	185.25

### STATISTICS

Weighted Ave Duration (Yrs)	4.34
Portfolio Beta	0.98
Volatility, Past 1 Year (%) <sup>4</sup>	6.29
Sharpe Ratio <sup>5</sup>	0.16
Information Ratio <sup>6</sup>	-0.57
Current Number of Holdings	39

<sup>1</sup>On October 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.

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	-0.62	-0.36	0.45	1.93	6.62	90.81
<b>Benchmark</b>	-0.83	-1.18	-1.00	2.79	8.90	150.30

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	1.93	5.87	2.16	2.61	2.02	4.30
<b>Benchmark</b>	2.79	7.10	2.88	3.56	2.82	6.17

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

	YTD	2021	2020	2019	2018	2017
<b>Fund</b>	-0.36	-3.20	5.44	12.54	-7.65	6.54
<b>Benchmark</b>	-1.18	-1.79	5.59	14.92	-6.65	7.61

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	30.20
Government Bonds	56.09
Corporate Bonds	9.64
Cash	0.49
Time deposit and Money Market	3.62
Other receivables – net of liabilities <sup>7</sup>	-0.04

#### Sector Holdings

Holding Firms	8.91
Property	7.48
Financials	5.56
Industrials	3.46
Services	4.79
Mining and Oil	0.00

### TOP TEN HOLDINGS

Name	%
Fixed Rate Treasury Note 7/19/2031	13.42
Retail Treasury Bond 6/2/2027	7.54
Retail Treasury Bond 8/12/2025	6.66
Fixed Rate Treasury Note 1/10/2029	5.98
Retail Treasury Bond 3/4/2027	5.72
Fixed Rate Treasury Note 9/9/2025	4.54
Fixed Rate Treasury Note 1/24/2039	4.23
Time Deposit	3.62
SM Investments Corporation	3.58
Cyberzone Properties, Inc. 1/7/2023	3.56

### 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 34.80 Million, Ayala Land, Inc. – Php 44.16 Million, Bank of the Philippine Islands – Php 26.53 Million, Globe Telecom – Php 15.29 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 -0.64% in March, with benchmark government yields rising 27 basis points (bps) on average. Average daily trading volume fell to PHP13.83bn from February's PHP14.01bn with trades mostly seen on the short-end (3-month to 1-year papers) and belly (5-year papers) of the curve.

The Bureau of the Treasury (BTr) held five FXTN auctions and four Treasury Bill auctions in March. The new issuance of 3-year and 7-year FXTN papers, were fully rejected by the BTr. On the other hand, the re-issuance of the 4-year FXTN 5-77 and 7-year FXTN 7-65 were partially awarded at average rates of 4.669% and 5.601%, while the 10-year FXTN 10-67 was fully awarded at an average rate of 6.092%. The April auction schedule was released with four FXTN issuances (3-, 4-, 7-, and 10-year tenors) and four Treasury Bill auctions amounting to PHP200 billion.

February inflation figure stayed at 3.0% year-on-year, primarily driven by slower food inflation and upside pressures coming from utilities and transport. The Bangko Sentral ng Pilipinas (BSP) kept the policy rate steady at 2% during their March meeting while raising its last month's forecast to 4.3% from 3.7% for full year 2022 inflation and 3.6% from 3.3% for 2023. BSP Governor Diokno said the central bank is keenly aware that inflation will likely remain elevated due to domestic and global supply side pressures. With daily new cases of Covid-19 slowing down, Metro Manila and other cities eased to Alert Level 1 lockdown for March allowing full capacity in establishments and public transportation.

The Philippine Stock Exchange Index (PSEi) tumbled to end quarter number 1 as global markets took blows from the Russia-Ukraine conflict. The index dropped sharply, overshooting the 7,000 mark in early March, on fears of soaring commodity and oil prices. When the index reached the oversold area, bargain-hunting ensued and it leapt to close at 7,203.47 in March.

In terms of activity, the month of March was less active with Average Daily Turnover registering at US\$164 million or 12.8% lower month-on-month. On the foreign activity side, foreigners continued to be sellers with outflows at US\$205 million and with significant participation level at 48%. This brought the year-to-date figure at a net outflow of US\$120 million. A notable selling pressure came from FTSE rebalancing which saw the deletion of SM Investments (SM).

As for the individual stock performances, the top contributors for the month were CNVRG (+16.15%), ICT (+6.74%), and RLC (+6.7%). Meanwhile, the laggards for the month include MONDE (-17.07%), ALI (-10.13%) and LTG (-8.06%).

**Fund Performance.** The Fund registered a loss of 0.62% in March, outperforming the benchmark by 21 bps. Meanwhile, the YTD performance of the Fund reported a loss of 0.36%, outperforming its benchmark by 82 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 stay on the sidelines as markets absorb the trembling effects (higher commodity and energy prices) of the Ukraine-Russia conflict. We maintain our defensive stance and take advantage of names primed to benefit from the ongoing dividend season. Moreover, we will remain nimble and be ready for any potential tactical opportunities.

## 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).

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