

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

As of September 30, 2022

Classification:	Long Term Bond Fund	NAVPU:	Php 301.81
Launch Date:	May 5, 2003	Total Fund NAV (Mn):	Php 3,091.66
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: 0.0039%	Other Fees: 0%
BPI Asset Management	HSBC	Isla Lipana	None
*As a percentage of average daily NAV for the quarter valued at Php3,171.34 Million	*Monthly rate: Billings received for April 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.

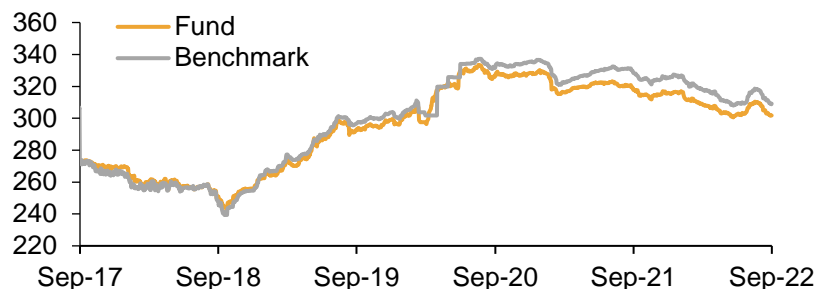
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

• 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 SEPTEMBER 30, 2022

(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	-2.31	-0.26	-2.34	-5.06	2.95	201.81
Benchmark	-2.44	-0.01	-2.73	-5.82	4.23	247.05

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	-5.06	-3.88	0.97	4.72	2.01	5.85
Benchmark	-5.82	-3.44	1.39	5.65	2.50	6.62

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2021	2020	2019	2018	2017
Fund	-4.50	-3.76	9.83	17.01	-5.17	0.20
Benchmark	-4.99	-2.96	10.52	19.23	-4.40	0.58

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	87.95
Corporates	8.85
Cash	0.17
Time deposits and money market	2.56
Other receivables - net of liabilities ⁶	0.47

Maturity Profile

Cash and less than 1 year	2.40
Between 1 and 3 years	18.13
Between 3 and 5 years	24.88
Between 5 and 7 years	29.97
Between 7 and 10 years	22.48
More than 10 years	2.14

Portfolio Weightings

Philippine Corporate Bonds	8.85
Philippine Sovereign Bonds	87.95

NAVPU over the past 12 months

Highest	317.89
Lowest	300.59

STATISTICS

Weighted Ave Duration (Yrs)	4.67
Volatility, Past 1 Year (%) ³	2.44
Sharpe Ratio ⁴	-2.55
Information Ratio ⁵	0.52
Portfolio Weighted Yield to Maturity (%)	4.96
Current Number of Holdings	21

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
Retail Treasury Bond	03/07/2028	21.47
Fixed Rate Treasury Note	07/19/2031	15.61
Retail Treasury Bond	08/12/2025	10.34
Retail Treasury Bond	06/02/2027	9.20
Fixed Rate Treasury Note	01/10/2029	7.51
Fixed Rate Treasury Note	02/14/2026	5.74
Retail Treasury Bond	03/04/2027	4.98
Fixed Rate Treasury Note	06/23/2032	4.45
SM Prime Holdings, Inc.	03/25/2025	3.33
Fixed Rate Treasury Note	01/20/2032	2.42

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 30.48 Million, Bank of the Philippine Islands – Php29.00 Million, ACEN Corporation – Php48.79 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 lost 2.44% in September, with benchmark government yields rising by 74.12 basis points (bps) on average. Average daily trading volume fell to PHP10.62 billion from August's PHP14.46 billion with trades mostly seen on the belly (5- to 10-year papers) of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in September. Of the four, only two were awarded. The reissuance of the 10-year FXTN1069 and the 7-year FXTN767 were both fully awarded at average yields of 6.703% and 6.588%, respectively, while the reissuance of 3.5-year FXTN301 and the 16-year FXTN2023 were both rejected. Participation across all auctions was mostly healthy, though the BTr opted to reject bids that were deemed too high, especially as it had just concluded a substantial Retail Treasury Bond issuance earlier during the month. Towards the end of the month, the October auction schedule was released with four FXTN issuances (3-, 6-, 10-, and 13-year tenors) and four Treasury Bill auctions.

In the local economic space, inflation for the month of August rose by 6.3% year-on-year, slightly lower than the 6.4% in July. Prices for food and fuel remained elevated as supply side pressures persisted. Consequently, the Bangko Sentral ng Pilipinas hiked rates by another 50 basis points to 4.25%. It likewise revised upward its local inflation forecasts for 2022 to 2024. The central bank will continue to monitor economic data and adjust policy settings as needed.

Fund Performance. The Fund outperformed its benchmark by 13 basis points, returning -2.31% for the month.

Fund Strategy. The Fund looks to maintain its underweight duration position given expectations of rising interest rates moving forward. Though inflation has exceeded the government's target range, the BSP remains vigilant in monitoring supply side pressures and potential second-round 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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