

**BPI ASSET MANAGEMENT AND TRUST CORPORATION**  
**ODYSSEY PHILIPPINE DOLLAR BOND FUND**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
As of January 31, 2022



**FUND FACTS**

<b>Classification:</b>	Long Term Bond Fund	<b>NAVPU:</b>	USD 31.55
<b>Launch Date:</b>	May 5, 2003	<b>Total Fund NAV (Mn):</b>	USD 15.26
<b>Minimum Investment:</b>	USD 1,000.00	<b>Dealing Day:</b>	Daily up to 2:30 PM
<b>Additional Investment:</b>	USD 100.00	<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> 1.25%	<b>Custodianship Fees:</b> 0.0014%	<b>External Auditor Fees:</b> 0.0047%	<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 USD 15.61 Million      \*Monthly rate: Billings received for April 2021 divided by average daily NAV      \*Billings for 2018 divided by average daily NAV

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund is for US Dollar investors who want to achieve capital appreciation and income growth over a period of time. To achieve this, the Fund will be invested in a diversified portfolio of US dollar-denominated fixed income instruments issued by the Philippine government, corporations, & financial institutions. The Fund aims to outperform its benchmark, the JP Morgan Chase Asia Total Return Philippines 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 Philippine Dollar Bond Fund is suitable only for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of 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:** The fund invests in a long term portfolio of US Dollar denominated Philippine sovereign 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 and global 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.

**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.

**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 and global political and economic conditions.

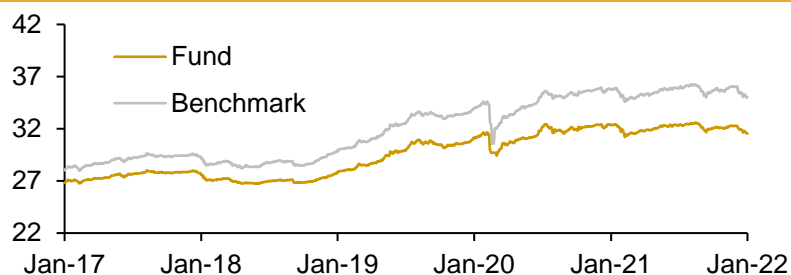
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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.**

## FUND PERFORMANCE AND STATISTICS AS OF JANUARY 31, 2022

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

### NAVPU GRAPH



\*Benchmark: JP Morgan Chase Asia Total Return Philippines Index

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>5</sup>
<b>Fund</b>	-2.23	-1.59	-2.32	-2.59	13.37	215.50
<b>Benchmark</b>	-2.80	-1.83	-2.37	-2.14	16.99	322.02

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>5</sup>
<b>Fund</b>	-2.59	0.69	4.27	3.42	3.29	6.32
<b>Benchmark</b>	-2.14	1.51	5.37	4.66	4.57	7.98

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

	YTD	2021	2020	2019	2018	2017
<b>Fund</b>	-2.23	-0.28	5.89	11.86	-2.01	4.77
<b>Benchmark</b>	-2.80	0.58	7.30	13.95	-0.61	6.36

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	39.20
Corporates	55.73
Cash	0.66
Time deposits and money market	3.29
Other receivables, net of liabilities <sup>6</sup>	1.11

#### Maturity Profile

Cash and less than 1 year	8.40
Between 1 and 3 years	26.27
Between 3 and 5 years	-
Between 5 and 7 years	-
Between 7 and 10 years	40.32
More than 10 years	25.01

#### Portfolio Weightings

Philippine Corporate Bonds	55.73
Philippine Sovereign Bonds	39.20

### NAVPU over the past 12 months

Highest	32.58
Lowest	31.20

### STATISTICS

Weighted Average Duration	5.967
Volatility, Past 1 Year (%) <sup>1</sup>	3.87
Sharpe Ratio <sup>3</sup>	-0.68
Information Ratio <sup>4</sup>	-0.44
Portfolio Weighted Yield to Maturity (%)	2.885
Current Number of Holdings	11

<sup>1</sup>Returns are net of fees.

<sup>2</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time

<sup>3</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>4</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>5</sup>Since inception.

<sup>6</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		% of Fund
Republic of the Philippines	10/23/2034	16.64
SM Investments Corporation	6/10/2024	14.65
Republic of the Philippines	2/2/2030	14.20
Aboitiz Equity Ventures, Inc	1/16/2030	13.85
AC Energy	1/29/2024	11.62
Int'l Container Terminal Services, Inc.	6/17/2030	9.59
Republic of the Philippines	2/2/2042	8.37
JG Summit Holdings	1/23/2023	3.34
Manila Water Company, Inc.	7/30/2030	2.68
Time Deposit		2.62

### RELATED PARTY TRANSACTIONS

The Fund has investments and trade transactions with Bank of the Philippine Islands, its subsidiaries and related parties:

AC Energy – USD 1.77 Mn  
Bank of the Philippine Islands – USD 0.10 Mn  
Manila Water Company, Inc. – USD 0.41 Mn

Investments in the said outlets were approved by the Trust Committee. 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's internal policy.

## OUTLOOK AND STRATEGY

**Market Review.** The JP Morgan Asia Credit Index (JACI) Philippines lost 2.80% in January as Philippine dollar-denominated bonds tracked the sell-off in US Treasuries/

Global bonds sold off during the month as market players continued to price in more rate hikes—now totaling five within the year— from the US Federal Reserve. Economic data coming from the world's largest economy remained to be a mixed bag, with the US flash manufacturing Purchasing Managers' Index (PMI) rising sharply early during the month, while the services PMI fell sharply from the December figure. This indicated slowing economic activity as movements were limited by the highly contagious Omicron variant of the coronavirus (COVID 19). US inflation came in at 7%YoY in December, marking the highest level since 1982 as price pressures increased broadly across goods and services while wage growth remained strong as the country reported close to full employment levels. In other parts of the world, the pandemic continued to hamper economic recovery as China's GDP growth slowed further to just 4.0% YoY in the final quarter of 2021. Overall, investors remained wary of the Fed's hawkish commentary, especially following its first monetary policy meeting concluded in the last week of January. The benchmark 10-year US Treasury yield rose 26.66 basis points to close the month at the 1.78% level.

In the local economic space, December inflation further eased to 3.6% year-on-year, with slower food inflation as well as a more muted rise in utility and transportation costs. This marked the lowest monthly inflation rate for the year, which was also finally within the Bangko Sentral ng Pilipinas (BSP) target range of 2% to 4%. Food inflation slowed down due to improved harvest and favorable weather conditions. The BSP has consistently affirmed that there is enough room to keep its accommodative policy stance, and that it would monitor economic data to adjust rates as needed.

**Fund Performance.** The Fund lost 2.23% for the month, above its benchmark by 57 basis points.

**Fund Strategy.** The Fund looks to maintain its underweight duration position and opportunistically add exposure to corporate issuers to enhance yield as interest rates continue to rise. Global events remain likely to add volatility. Global events remain likely to add volatility. 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 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;
- h) Such other tradable investments outlets/categories as may be approved by the relevant authority and allowed by the BSP; and
- i) The Trustee may invest in 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](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>

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