

BPI ASSET MANAGEMENT AND TRUST CORPORATION
ODYSSEY PHILIPPINE DOLLAR BOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
 As of June 30, 2022



FUND FACTS

| | | | |
|--------------------------------|---------------------|---------------------------------|---------------------|
| Classification: | Long Term Bond Fund | NAVPU: | USD 29.14 |
| Launch Date: | May 5, 2003 | Total Fund NAV (Mn): | USD 13.42 |
| Minimum Investment: | USD 1,000.00 | Dealing Day: | Daily up to 2:30 PM |
| Additional Investment: | USD 100.00 | Redemption Settlement: | T+3 End-of-Day |
| Minimum Holding Period: | None | Early Redemption Charge: | None |

FEES*

| | | | |
|----------------------------|------------------------------------|---------------------------------------|--------------------------|
| Trustee Fees: 1.25% | Custodianship Fees: 0.0014% | External Auditor Fees: 0.0047% | Other Fees: 0.00% |
| BPI Asset Management | HSBC | Isla Lipana | None |

*As a percentage of average daily NAV for the quarter valued at USD 13.89 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.

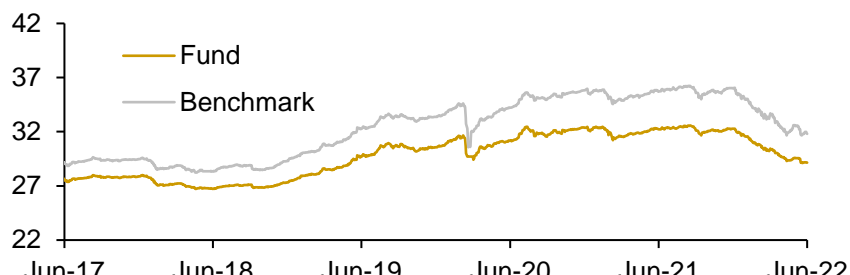
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 June 30, 2022

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

NAVPU GRAPH



CUMULATIVE PERFORMANCE (%) ¹

| | 1 mo | 3 mos | 6 mos | 1 YR | 3 YRS | S.I. ⁵ |
|------------------|-------|-------|--------|--------|-------|-------------------|
| Fund | -1.55 | -4.27 | -9.70 | -9.56 | -1.79 | 191.40 |
| Benchmark | -2.49 | -5.65 | -11.74 | -10.95 | -1.44 | 283.21 |

ANNUALIZED PERFORMANCE (%) ¹

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ⁵ |
|------------------|--------|-------|-------|-------|-------|-------------------|
| Fund | -9.56 | -3.34 | -0.60 | 2.17 | 1.15 | 5.74 |
| Benchmark | -10.95 | -3.61 | -0.48 | 2.90 | 1.82 | 7.26 |

CALENDAR YEAR PERFORMANCE (%) ¹

| | YTD | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------|--------|-------|------|-------|-------|------|
| Fund | -9.70 | -0.28 | 5.89 | 11.86 | -2.01 | 4.77 |
| Benchmark | -11.74 | 0.58 | 7.30 | 13.95 | -0.61 | 6.36 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|--|-----------|
| Government | 29.88 |
| Corporates | 65.32 |
| Cash | 0.43 |
| Time deposits and money market | 2.98 |
| Other receivables, net of liabilities ⁶ | 1.38 |

Maturity Profile

| | |
|---------------------------|-------|
| Cash and less than 1 year | 10.71 |
| Between 1 and 3 years | 26.99 |
| Between 3 and 5 years | 5.53 |
| Between 5 and 7 years | - |
| Between 7 and 10 years | 40.84 |
| More than 10 years | 15.93 |

Portfolio Weightings

| | |
|----------------------------|-------|
| Philippine Corporate Bonds | 65.32 |
| Philippine Sovereign Bonds | 29.88 |

NAVPU over the past 12 months

| | |
|---------|-------|
| Highest | 32.58 |
| Lowest | 29.13 |

STATISTICS

| | |
|--|-------|
| Weighted Average Duration | 4.59 |
| Volatility, Past 1 Year (%) ¹ | 3.06 |
| Sharpe Ratio ³ | -3.24 |
| Information Ratio ⁴ | 0.45 |
| Portfolio Weighted Yield to Maturity (%) | 4.75 |
| Current Number of Holdings | 10 |

¹Returns are net of fees.

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

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

⁴Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁵Since inception.

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 |
|---|----------|-----------|
| Rep. of the Philippines Bonds | 10/23/34 | 15.93 |
| Aboitiz Equity Ventures, Inc. | 01/16/30 | 14.64 |
| SM Investments Corporation | 06/10/24 | 14.36 |
| Rep. of the Philippines Bonds | 02/02/30 | 13.96 |
| AC Energy | 01/29/24 | 12.63 |
| Int'l Container Terminal Services, Inc. | 06/17/30 | 9.50 |
| JG Summit Holdings | 01/23/23 | 5.92 |
| Jollibee Foods Corp. | 01/24/26 | 5.53 |
| Time Deposit | | 2.98 |
| Manila Water Company, Inc. | 07/30/30 | 2.74 |

RELATED PARTY TRANSACTIONS

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

AC Energy – USD 1.70 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 2.49% in June as Philippine dollar-denominated bonds tracked the sell-off in US Treasuries.

US Treasuries sold off as market players continued to price in further interest rate increases on top of the past few months' hikes. During its June policy meeting, the US Federal Reserve raised benchmark rates by 75 basis points, the largest hike seen since 1994, to combat elevated inflation levels. Rhetoric from various Federal Reserve likewise confirmed that further tightening would be necessary to curb price increases. However, market concerns that an overly rapid pace of rate hikes may lead to an economic recession caused heightened volatility in the global bonds space. The US 10-year benchmark yield rose to as much as 3.47% in June before closing the month at the 3.01% level.

In the local economic space, May inflation rose to 5.4% year-on-year, exceeding the central bank's target range of 2-4% for the year. The figure continued to be driven by rising food and energy costs. Consequently, the Bangko Sentral ng Pilipinas (BSP) hiked policy rates by 25 basis points during its June meeting, marking its second increase for the year. The BSP officials will continue to monitor economic conditions and adjust monetary policies as they see fit.

Fund Performance. The Fund lost 1.55% for the month, below its benchmark by 94 basis points. In term of YTD performance, the fund returned 9.70%, outperforming benchmark by 204 bps.

Fund Strategy. The Fund looks to maintain a neutral duration position and opportunistically add exposure to corporate issuers to enhance yield. 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 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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