

ODYSSEY DIVERSIFIED BALANCED FUNDKey Information and Investment Disclosure Statement
As of December 29, 2023**FUND FACTS**

Classification:	Multi-Asset Fund	Net Asset Value per Unit (NAVPU):	Php 202.95
Launch Date:	May 12, 2006	Total Fund NAV (Mn):	Php 766.70
Minimum Investment:	Php 10,000.00	Dealing Day:	Daily up to 2:00 PM
Additional Investment:	Php 5,000.00	Redemption Settlement:	T+2 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.1275%*	Custodianship Fees: 0.0016%**	External Auditor Fees: 0.00%***	Other Fees: 0.00%
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1.50% per annum

BPI Wealth	HSBC	Isla Lipana	None
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*Monthly rate: billings received for December 2023 divided by the average daily NAV for the same month valued at Php 765.41 Mn

**Monthly rate: billings received for November 2023 divided by the average daily NAV for the same month valued at Php 768.71 Mn

***Billing is received at the last quarter of the year

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 Investors are exposed to adverse changes in the prices of domestic fixed income securities due to a rise in interest

Rate Risk: rates, which generally causes fixed income security prices to decline. Factors/ events that may lead to a rise in interest rates include adverse market conditions, issuer-specific factors/ events and/ or negative developments in domestic political and economic conditions..

Equity Investors are exposed to adverse changes in the prices of stocks listed in the Philippine Stock Exchange, which

Price Risk: 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.

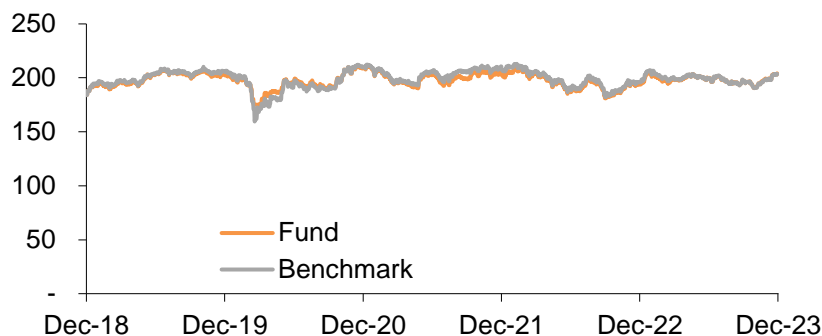
• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

• THIS PRODUCT CANNOT BE SOLD TO YOU UNLESS ITS BENEFITS AND RISKS HAVE BEEN THOROUGHLY EXPLAINED. IF YOU DO NOT FULLY UNDERSTAND THIS PRODUCT, DO NOT PURCHASE OR INVEST IN IT.

FUND PERFORMANCE AND STATISTICS AS OF DECEMBER 29, 2023

(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.¹

CUMULATIVE PERFORMANCE (%)²

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. ³
Fund	2.26	2.83	1.88	4.77	-2.88	102.95
Benchmark	2.47	2.64	1.79	3.36	-3.52	183.49

ANNUALIZED PERFORMANCE (%)²

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ³
Fund	4.77	0.07	-0.97	0.00	1.98	4.09
Benchmark	3.36	-1.19	-1.19	-0.43	1.94	6.08

CALENDAR YEAR PERFORMANCE (%)²

	YTD	2022	2021	2020	2019	2018
Fund	4.77	-4.43	-3.01	2.95	10.34	-10.24
Benchmark	3.36	-5.54	-1.18	1.87	12.01	-8.29

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	50.03
Fixed Income	44.31
Cash	0.74
Time Deposits and Money Market	4.43
Other Receivables	0.49
Sector Holdings	
Holding Firms	14.01
Services	10.03
Property	9.25
Financials	8.75
Industrials	7.55
Mining and Oil	0.43

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 Wealth - A Trust Corporation ("BPI Wealth"):

ACEN Corporation – Php 13.06 Million, Ayala Corporation – Php 18.89 Million, Ayala Land Inc. – Php 25.44 Million, Bank of the Philippine Islands – Php 22.23 Million, and Globe Telecom Inc. – Php 12.93 Million.

Investments in the said outlets were approved by the BPI Wealth'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 Wealth's internal policy.

NAVPU over the past 12 months

Highest	204.90
Lowest	190.56

STATISTICS

Weighted Ave Duration (Yrs)	5.80
Portfolio Beta	1.02
Volatility, Past 1 Year (%) ⁴	7.56
Sharpe Ratio ⁵	0.06
Information Ratio ⁶	1.14
Current Number of Holdings	40

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

²Returns are net of fees.

³Since inception.

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

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

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

⁷Includes 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
Fixed Rate Treasury Note	07/19/2031	9.47
Fixed Rate Treasury Note	11/24/2042	8.83
SM Investments Corporation		6.83
SM Prime Holdings, Inc.		5.39
Retail Treasury Bond	03/07/2028	5.23
Retail Treasury Bond	08/22/2028	4.61
Time Deposit		4.43
BDO Unibank, Inc.		4.17
Fixed Rate Treasury Note	10/20/2032	3.90
Fixed Rate Treasury Note	01/10/2029	3.33

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned 1.29% in December as the local yield curve bull flattened, dropping 18 basis points (bps) on average. Average daily trading volume for the month amounted to PHP15.48 billion significantly lower than November's PHP29.54 billion with trades mostly seen on the long end of the curve.

The Bureau of the Treasury (BTr) held only one FXTN auction in December. The 10-year FXTN 10-71, was fully awarded at an average yield of 6.224%. Meanwhile, the scheduled 15-year FXTN issuance was cancelled. Towards the end of the month, the BTr released the auction schedule for the first quarter of 2024, with weekly Treasury Bill auctions and monthly FXTN issuances (3-, 5-, 7- and 10-year tenors) and an additional 20-year issuance in February with an offer size of PHP30 billion each.

In the local space, November headline inflation fell sharply to 4.1% year-on-year from 4.9% last month. The slowdown in inflation was driven by all major subsectors with food inflation decelerating to 5.7% year-on-year from the previous 7% and transport cost contracting by 0.8% year-on-year due to lower global oil prices. The BSP retained its key policy rate at 6.5% during its last monetary board meeting for the year. Despite the inflation figure trending lower, BSP Governor Eli Remolona noted that risks to the inflation outlook remain tilted to the upside.

The Philippine Stock Exchange Index (PSEi) finished the last month of the year on a strong note. The PSEi rose along with the global markets' rally on optimism spurred by the US Federal Reserve's (The Fed) decision to hold rates. Furthermore, the Fed discussed cutting rates in 2024 bolstering the dovish signal. On the local economic front, November inflation print was recorded at 4.1%, or lower than the 4.4% estimate. The PSEi rose by 3.64% month-on-month to close at 6,450.04 in December.

Trading activity improved to end the year, with average daily turnover registering at US\$89 mil or +25.4% month-on-month. Meanwhile, foreign buying was sustained for another month at US\$18 million with participation level at 49% in December. Foreigners continued to switch from banks to properties given the expected interest-rate scenario.

In terms of stock performance, the top three gainers for the month include: AGI (+15.10%), ICT (+14.37%) and JFC (+10.94%). Meanwhile, the bottom three performers were: ACEN (-8.75%), SMC (-5.46%) and AEV (-4.70%).

Fund Performance. The Fund rose by 2.26% in December, 21 basis points below its benchmark. Year-to-date, the Fund registered a gain of 4.77%, above the benchmark by 141 bps.

Fund Strategy. The Fund looks to maintain its current duration position as interest rates are expected to stabilize over the medium term. Inflation remains above the government's target range, and the BSP will be vigilant in monitoring supply side pressures moving forward. 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.

The Fund will continue to be defensive as volatility could persist given thin market liquidity and as interest rates remain elevated. The Fund will focus on companies with leading market capitalization.

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 Wealth is a subsidiary of the Bank of the Philippine Islands. For inquiries and comments, please send us a message through <https://www.bpi.com.ph/contactus> or call our 24-hour BPI Contact Center at (+632) 889 10000.

BPI Wealth as Trustee/Investment Manager is regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>