

## FUND FACTS

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 190.07
<b>Launch Date:</b>	December 4, 2006	<b>Total Fund NAV (Mn):</b>	Php 1,189.06
<b>Minimum Investment:</b>	Php 10,000.00	<b>Dealing Day:</b>	Daily up to 1:30 PM <sup>8</sup>
<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> 0.0014%	<b>External Auditor Fees:</b> 0.0028%	<b>Other Fees:</b> 0.00%
BPI Wealth	HSBC	Isla Lipana	None

\* As a percentage of average daily NAV for the quarter valued at Php 1,171.18 Million  
 \*Monthly rate: billings received for November 2022 divided by the average daily NAV for the month  
 \*Billings received in 2021 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 in 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.

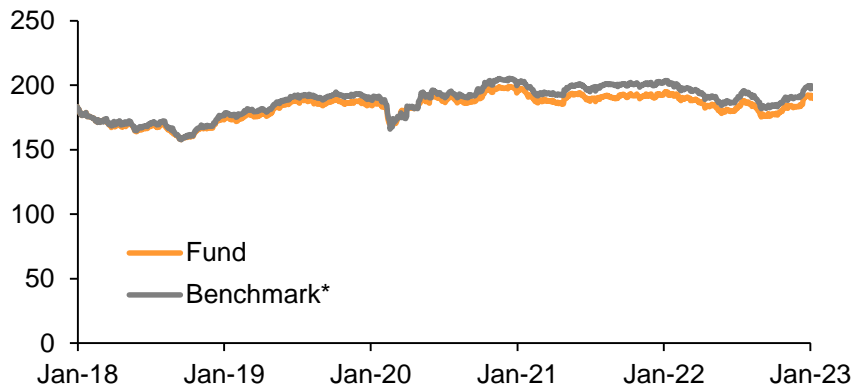
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

**• 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.**  
**• 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 JANUARY 31, 2023

(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	175.43

### STATISTICS

Weighted Ave Duration (Yrs)	5.24
Portfolio Beta	1.00
Volatility, Past 1 Year (%) <sup>4</sup>	6.92
Sharpe Ratio <sup>5</sup>	-0.54
Information Ratio <sup>6</sup>	0.73
Current Number of Holdings	45

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	3.74	7.09	4.55	-1.78	2.96	90.07
<b>Benchmark</b>	3.52	7.19	4.49	-2.71	4.56	149.36

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	-1.78	-0.98	0.98	2.25	0.93	4.05
<b>Benchmark</b>	-2.71	-0.62	1.50	2.76	1.80	5.81

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	3.74	-4.32	-3.20	5.44	12.54	-7.65
<b>Benchmark</b>	3.52	-4.90	-1.79	5.59	14.92	-6.65

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	28.67
Government Bonds	61.19
Corporate Bonds	5.66
Cash	0.47
Time deposit and Money Market	3.62
Other receivables – net of liabilities <sup>7</sup>	0.39
Sector Holdings	
Holding Firms	8.12
Property	6.12
Financials	5.71
Industrials	4.62
Services	4.10
Mining and Oil	0.00

### TOP TEN HOLDINGS

Name	%
Fixed Rate Treasury Note	11.09
Retail Treasury Bond	8.09
Retail Treasury Bond	7.54
Fixed Rate Treasury Note	6.37
Fixed Rate Treasury Note	5.96
Fixed Rate Treasury Note	4.86
Fixed Rate Treasury Note	4.06
SM Investments Corporation	3.91
Fixed Rate Treasury Note	3.85
SM Prime Holdings, Inc.	3.73

### 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 11.61 Mn, Ayala Corporation – Php 20.84 Mn, Ayala Land, Inc. – Php 30.79 Mn,  
Bank of the Philippine Islands – Php 23.09 Mn, Globe Telecom – Php 11.20 Mn

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.

<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.

<sup>8</sup>Effective March 1,2022, transaction cut off times of the Fund have been temporarily adjusted until further notice. Announcements for changes of Fund cut off times shall be available on our website.

\*Declaration of Trust is available upon request through branch of account.

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Government Bond Index returned 3.51% in January, with benchmark government yields falling 70 basis points (bps) on average. Average daily trading volume rose to PHP17.55 billion from December's PHP9.65 billion with trades mostly seen on the belly of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in January. The first reissuance of the year, 7-year FXTN 7-68 was fully awarded at an average yield of 6.796%. The 13-year FXTN 25-8 was fully awarded at an average yield of 7.182% with a high bid-to-cover ratio of 5.29x. Yields in the belly and long end of the curve dropped following the strong auction participation. Consequently, the reissuances of the 20-year FXTN 20-25 and 10-year FXTN 10-69 were fully awarded at average yields of 6.525% and 5.913%, respectively. Towards the end of the month, the BTr released the February auction schedule with four Treasury Bill auctions and four FXTN issuances (13-, 5-, 3- and 10-year tenors).

Local inflation for the month of December rose by 8.1% year-on-year, higher than last month's 8.0%. This marked the highest year-on-year change since 2008, as food and fuel prices were affected by supply-side pressures and elevated holiday spending. The local economy expanded by 7.2% in the fourth quarter of 2022, boosted by consumption despite the highest inflation rate in 14 years. For the full year of 2022, GDP expanded by 7.6%. Central bank officials continued to reiterate that they remained prepared to adjust policy settings as needed, given persistently high CPI levels, as well as central bank tightening measures globally.

The Philippine Stock Exchange Index (PSEi) surged at the start of the year, rising as high as 7,137.62 intraday last 24 January. The market was propelled by several factors such as improved risk-appetite for emerging market (EM) securities on the back of China's reopening story, dovish signals from central banks and a slew of strong local economic indicators (4Q2022 Philippine GDP at 7.2%, the Peso strengthening further to Php54/USD level). However, the index fell and went into consolidation mode towards the latter part of the month, reversing a chunk of earlier gains. The PSEi closed at 6,793.25 or 3.45% higher month-on-month in January.

For January, trading activity was light compared to the previous month with the average daily value turnover at USD114.9 million (vs USD222 million in December). Foreigners were "Net Buyers" at USD122 million while foreign participation clocked in at 37%.

For the individual stock performances, the top index gainers for the month included: MONDE (+19.13%), MPI (+18.13%) and GTCAP (+17.24%). Meanwhile, the bottom index performers were as follows: ACEN (-8.14%), GLO (-7.34%) and SCC (-7.25%).

**Fund Performance.** The Fund registered a gain of 3.74% in January, outperforming the benchmark by 22 bps.

**Fund Strategy.** The Fund looks to gradually add to its duration position as interest rates are expected to stabilize in the near 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 maintain its defensive stance as volatility continue to persist from a global and local macroeconomic standpoint. Downside risks include elevated interest rate, high inflation, global recession fears, and geopolitical risks. However, we will take advantage of excessive market rallies to rebalance on quality names.

## 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 - A Trust Corporation ("BPI Wealth") is a subsidiary of the Bank of the Philippine Islands. For inquiries and comments, please send an email to [bpiwealth@bpi.com.ph](mailto:bpiwealth@bpi.com.ph) or call us at (02) 8580-2682.

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