

FUND FACTS

| | | | |
|--------------------------------|------------------|--|----------------------------------|
| Classification: | Balanced Fund | Net Asset Value per Unit (NAVPU): | Php 191.10 |
| Launch Date: | December 4, 2006 | Total Fund NAV (Mn): | Php 1,157.79 |
| Minimum Investment: | Php 10,000.00 | Dealing Day: | Daily up to 1:30 PM ⁸ |
| Additional Investment: | Php 5,000.00 | Redemption Settlement: | T+3 End-of-Day |
| Minimum Holding Period: | None | Early Redemption Charge: | None |

FEES*

| | | | |
|-------------------------------|--------------------------------------|---------------------------------------|--------------------------|
| Trustee Fees: 0.1274%* | Custodianship Fees: 0.0014%** | External Auditor Fees: 0.0028% | Other Fees: 0.00% |
| BPI Wealth | HSBC | Isla Lipana | None |

*Monthly rate: billings received for May 2023 divided by the average for the same month valued at PHP1,166.22 Mn
 **Monthly rate: billings received for April 2023 divided by the average for the same month valued at PHP1,156.20 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 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.

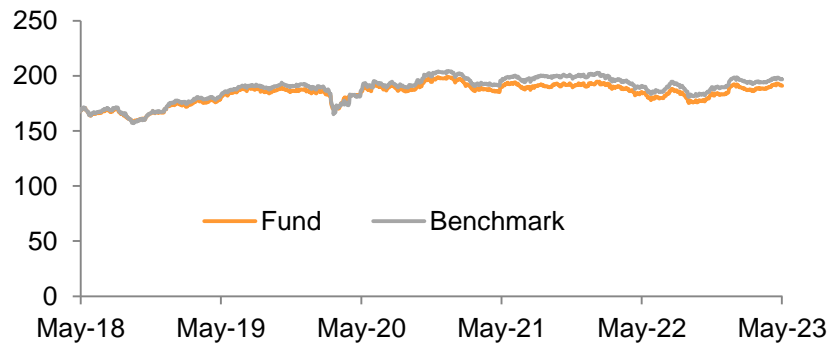
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

• 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 MAY 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.

CUMULATIVE PERFORMANCE (%) ¹

| | 1 mo | 3 mos | 6 mos | 1 YR | 3 YRS | S.I. ² |
|------------------|------|-------|-------|------|-------|-------------------|
| Fund | 0.56 | 2.15 | 3.70 | 3.24 | 3.11 | 91.10 |
| Benchmark | 0.41 | 1.58 | 3.66 | 3.22 | 5.32 | 149.84 |

ANNUALIZED PERFORMANCE (%) ¹

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ² |
|------------------|------|-------|-------|-------|-------|-------------------|
| Fund | 3.24 | 0.36 | 1.03 | 1.44 | 2.47 | 4.00 |
| Benchmark | 3.22 | 0.37 | 1.74 | 1.85 | 3.06 | 5.71 |

CALENDAR YEAR PERFORMANCE (%) ¹

| | YTD | 2022 | 2021 | 2020 | 2019 | 2018 |
|------------------|------|-------|-------|------|-------|-------|
| Fund | 4.30 | -4.32 | -3.20 | 5.44 | 12.54 | -7.65 |
| Benchmark | 3.72 | -4.90 | -1.79 | 5.59 | 14.92 | -6.65 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|---|-----------|
| Equities | 29.09 |
| Government Bonds | 64.24 |
| Corporate Bonds | 4.12 |
| Cash | 0.43 |
| Time deposit and Money Market | 2.16 |
| Other receivables – net of liabilities ⁷ | -0.04 |
| Sector Holdings | |
| Holding Firms | 9.53 |
| Property | 5.66 |
| Financials | 5.25 |
| Industrials | 3.47 |
| Services | 4.94 |
| Mining and Oil | 0.24 |

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 11.28 Mn, Ayala Corporation – Php 20.22 Mn, Ayala Land, Inc. – Php 32.32 Mn,
Bank of the Philippine Islands – Php 22.50 Mn, Globe Telecom – Php 12.76 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.

NAVPU over the past 12 months

| | |
|---------|--------|
| Highest | 193.15 |
| Lowest | 175.43 |

STATISTICS

| | |
|--|------|
| Weighted Ave Duration (Yrs) | 5.74 |
| Portfolio Beta | 1.02 |
| Volatility, Past 1 Year (%) ⁴ | 6.25 |
| Sharpe Ratio ⁵ | 0.04 |
| Information Ratio ⁶ | 0.02 |
| Current Number of Holdings | 45 |

¹On October 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.

⁸Effective 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.

TOP TEN HOLDINGS

| Name | % |
|---------------------------------------|-------|
| Fixed Rate Treasury Note (7/19/2031) | 11.31 |
| Retail Treasury Bond (6/2/2027) | 8.36 |
| Retail Treasury Bond (3/7/2028) | 7.78 |
| Fixed Rate Treasury Note (11/24/2042) | 7.38 |
| Fixed Rate Treasury Note (1/10/2029) | 6.57 |
| Fixed Rate Treasury Note (10/20/2032) | 6.17 |
| Retail Treasury Bond (8/22/2028) | 5.49 |
| SM Investments Corporation | 4.07 |
| SM Prime Holdings, Inc. | 2.61 |
| Retail Treasury Bond (3/4/2027) | 2.53 |

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned 1.54% in May as the local yield curve flattened further, dropping by 24 basis points (bps) on average. Average daily trading volume rose to PHP21.77 billion from April's PHP15.42 billion with trades mostly seen on the long-end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in May. The 6-year FXTN 10-64, 9-year FXTN 10-69, 13-year FXTN 13-1, and 7-year FXTN 7-69 re-issuances were all fully awarded at average yields of 5.925%, 5.732%, 5.845%, and 5.774%, respectively. Towards the end of the month, the BTr released the June auction schedule with four Treasury Bill auctions and five FXTN issuances (9-, 5-, 15-, 6-, and 9-year tenors) each with an offer size of PHP25 billion.

In the local space, April headline inflation fell further to 6.6% year-on-year, lower than market expectations of 7.0% year-on-year. The surprise decline in the April figure resulted from lower energy prices and favorable base effects driving slower food, transport, and utility inflation. The Philippine GDP grew by 6.4% year-on-year in 1st Quarter of 2023, driven by strong household consumption, a boost in capital formation, and increased government spending. During its periodic policy meeting, the Bangko Sentral ng Pilipinas (BSP) paused its tightening cycle and kept its policy rate unchanged at 6.25% as headline inflation continued in a downward trend. The central bank officials reiterated that they remained prepared to adjust policy settings as needed and lowered its inflation forecast for 2023 and 2024 to 5.5% and 2.8%, respectively.

The Philippine Stock Exchange Index (PSEi) retreated in May and this could be attributed to the following concerns: 1) Worries over potentially more rate hikes from US Federal Reserve 2) US Debt Ceiling deadlock, and 3) Uncertainties on Bangko Sentral ng Pilipinas' (BSP) monetary policy stance. The weakness of the Philippine Peso against the greenback (US Dollar) after falling to a six-month low at Php56.31 and the MSCI rebalancing – where the Philippines had a general down-weight causing significant net foreign outflow, further added downward pressure to share prices. The local bourse index dropped 2.2% to below 6,500-mark at 6,477.

Activity for the month of May improved with Average Daily Turnover registering at Php 5.04 billion or 18.2% higher than prior period's Php4.27 billion. This was mainly driven by the MSCI rebalancing event at close of business (COB) on the last trading day of May. In terms of flows, foreigners reverted to net-selling in May at US\$81 million driven mainly by the MSCI rebalancing. Foreign participation was higher at 53% in the same period.

On stock performance in May, the top gainers are as follows: GTCAP (+7.95%), JFC (+4.71%) and SM (+3.80%). Meanwhile, here are the biggest laggards for the month: MONDE (-13.37%), ICT (-10.14%) and CNVRG (-7.80%).

Fund Performance. The Fund registered a gain of 0.56% in May, outperforming the benchmark by 15 bps. Meanwhile, the YTD performance of the Fund reported a gain of 4.30%, outperforming its benchmark by 58 bps.

Fund Strategy. The Fund will remain defensive as volatility heightens across global markets. Increasing worries over a potential US recession, sticky global inflation and elevated interest rates continue to hamper investor sentiment. However, we will take advantage of the volatility in buying quality names on dips and sell on excessive market rallies.

The Fund will continue to be defensive as volatility is expected to persist across financial markets. Stubbornly high global inflation is keeping interest rates elevated. However, we will take advantage of the volatility in buying quality names on dips and sell on excessive market rallies.

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 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>

For more information, you may contact us at (632) 8580-2682 or email us at bpiwealth@bpi.com.ph.