

## FUND FACTS

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 189.56
<b>Launch Date:</b>	December 4, 2006	<b>Total Fund NAV (Mn):</b>	Php 1,112.43
<b>Minimum Investment:</b>	Php 10,000.00	<b>Dealing Day:</b>	Daily up to 2:00 PM
<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> 0.1275%*	<b>Custodianship Fees:</b> 0.0015%*	<b>External Auditor Fees:</b> 0.0028%	<b>Other Fees:</b> 0.00%
BPI Wealth	HSBC	Isla Lipana	None

\*Monthly rate: billings received for July 2023 divided by the average daily NAV for the same month valued at PHP1,121.91 Mn

\*\*Monthly rate: billings received for June 2023 divided by the average daily NAV for the same month valued at PHP1,148.36 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.

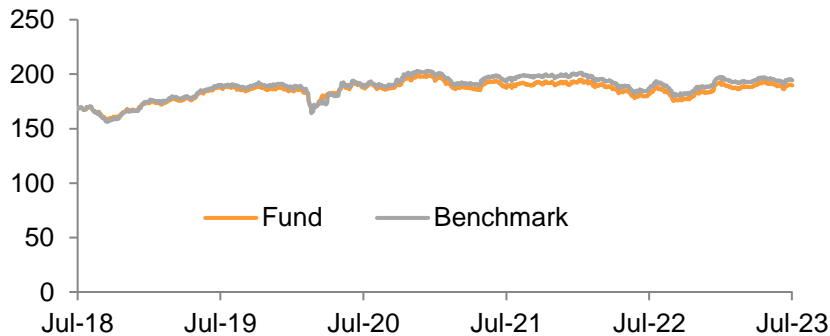
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

• 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 JULY 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 (%)<sup>1</sup>

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	0.16	-0.25	-0.27	4.27	0.71	89.56
<b>Benchmark</b>	0.49	-0.09	-0.31	4.17	2.24	148.60

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	4.27	0.57	0.23	0.29	2.47	3.91
<b>Benchmark</b>	4.17	0.42	0.74	0.76	3.00	5.62

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	3.46	-4.32	-3.20	5.44	12.54	-7.65
<b>Benchmark</b>	3.20	-4.90	-1.79	5.59	14.92	-6.65

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	29.22
Government Bonds	65.00
Corporate Bonds	4.25
Cash	0.52
Time deposit and Money Market	1.35
Other receivables – net of liabilities <sup>7</sup>	-0.34
<b>Sector Holdings</b>	
Holding Firms	9.66
Property	5.22
Financials	5.51
Industrials	3.40
Services	5.17
Mining and Oil	0.26

### NAVPU over the past 12 months

Highest	193.15
Lowest	175.43

### STATISTICS

Weighted Ave Duration (Yrs)	5.63
Portfolio Beta	1.02
Volatility, Past 1 Year (%) <sup>4</sup>	6.07
Sharpe Ratio <sup>5</sup>	0.12
Information Ratio <sup>6</sup>	0.09
Current Number of Holdings	46

<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.

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

### TOP TEN HOLDINGS

Name	%
Fixed Rate Treasury Note (7/19/2031)	11.52
Retail Treasury Bond (6/2/2027)	8.56
Retail Treasury Bond (3/7/2028)	7.94
Fixed Rate Treasury Note (11/24/2042)	7.18
Fixed Rate Treasury Note (1/10/2029)	6.67
Fixed Rate Treasury Note (10/20/2032)	6.22
Retail Treasury Bond (8/22/2028)	5.59
SM Investments Corporation	3.99
SM Prime Holdings, Inc.	2.91
Retail Treasury Bond (3/4/2027)	2.59

### 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 14.40 Mn, Ayala Corporation – Php 24.51 Mn, Ayala Land, Inc. – Php 27.03 Mn,  
Bank of the Philippine Islands – Php 22.72 Mn, Globe Telecom – Php 12.04 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.

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Government Bond Index returned -0.13% in July as the local yield curve bear steepened, rising 12 basis points (bps) on average. Average daily trading volume rose significantly to PHP16.94 billion from June's PHP8.55 billion with trades mostly seen on the long end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in July. The 9-year FXTN 10-69 re-issuance was partially awarded at an average yield of 6.562% while the 6-year FXTN 07-68 re-issuance was fully awarded at an average yield of 6.299%. The BTr also held two new issuances – its first 15-year paper, FXTN 15-1, was fully awarded at a coupon rate of 7% while the 7-year paper, FXTN 7-70, was partially awarded at a coupon rate of 6.375%. Towards the end of the month, the BTr released the August auction schedule with five Treasury Bill auctions and five FXTN issuances (5-, 6-, 10-, 15-, and 5-year tenors) with an offer size of PHP30 billion each.

In the local space, June headline inflation eased to 5.4 % year-on-year from last month's 6.1%. The fifth straight month of decelerating inflation was primarily driven by easing of food and petroleum prices. However, the Bangko Sentral ng Pilipinas (BSP) highlighted potential upside risks emanating from the impact of El Niño and wage increases. While year-to-date inflation is at 7.2%, the BSP sees 2023 inflation averaging at 5.4%, well within the BSP's forecasted range of 5.3% to 6.1%.

The Philippine Stock Exchange Index (PSEi) surged, finishing just a hairline below 6,600. Market sentiment improved due to slowing inflation globally with US Inflation for July at 3%, the lowest in more than 2 years. Meanwhile, Philippine inflation print in June came in at 5.4%, below the 5.5% consensus and prior month's 6.1%. The declining trend of inflation indicates that rising interest rate may soon come to a close. The PSEi rose 1.9% to close at 6,591.47% for July.

The market again exhibited muted trading for the period with Average Daily Turnover at Php3.46 billion or 26% lower compared to last month's level. Meanwhile, foreigners remained net buyers for the month with a hefty US\$332 million worth of inflows. JFC saw the largest inflow among PSEi constituents with US\$ 21.2 million as the company guided that its international operations continued to expand. Banks led by BDO and BPI also saw foreign interest, notching US\$ 12.7 and US\$ 5.4 million net inflows, respectively.

As for individual stock performances, the top three index gainers for the month were: ALI (+12.76%), GLO (+10.92%) and MBT (+7.72%) . Meanwhile, the bottom three index performers included: URC (-10.84%), CNVRG (-7.51%) and AGI (-7.30%).

**Fund Performance.** The Fund registered a loss of 0.16% in July, underperforming the benchmark by 33 bps. Meanwhile, the YTD performance of the Fund reported a gain of 3.46%, outperforming its benchmark by 26 bps.

**Fund Strategy.** The Fund will maintain its defensive stance due to elevated interest rate environment. However, the fund will take advantage of big market swings to rebalance in favor of high quality names.

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](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>

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