

ODYSSEY PESO BOND FUNDKey Information and Investment Disclosure Statement
As of August 31, 2023**FUND FACTS**

Classification:	Long Term Bond Fund	NAVPU:	Php 317.42
Launch Date:	May 5, 2003	Total Fund NAV (Mn):	Php 2,064.60
Minimum Investment:	Php 10,000.00	Dealing Day:	Daily up to 2:00 PM
Additional Investment:	Php 5,000.00	Redemption Settlement:	T+1 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.0850%*	Custodianship Fees: 0.0011%*	External Auditor Fees: 0%	Other Fees: 0%
BPI Wealth	HSBC	Isla Lipana	None
*Monthly rate: Billings received for August 2023 divided by the average daily NAV for the same month valued at Php 2,066.70 Million	*Monthly rate: Billings received for July 2023 divided by the average daily NAV for the same quarter of the year month valued at Php 2,102.72 Million	*Billing is received at the last	

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve capital appreciation and income growth in Philippine Peso terms over a period of time by investing in a diversified portfolio of Philippine Peso denominated fixed income instruments. The Fund aims to outperform its benchmark which is the BPI Philippine Government Bond 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 Peso Bond Fund is suitable only for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of more than 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 domestic government 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 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.

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.

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.

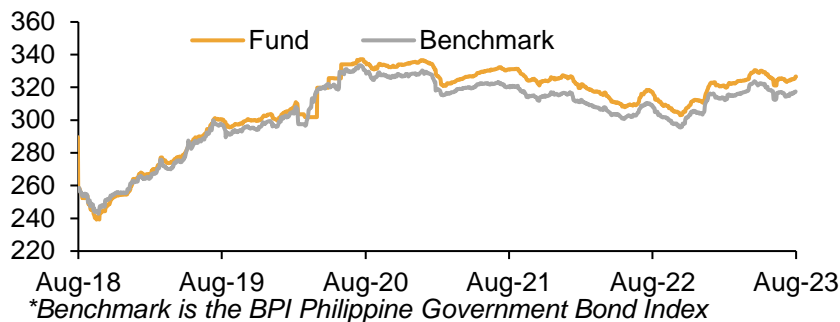
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 AUGUST 31, 2023

(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. ²
Fund	0.32	-1.51	1.16	2.74	-3.97	217.42
Benchmark	0.50	-0.99	1.71	3.04	-2.61	266.55

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	2.74	-0.48	-1.34	1.63	4.19	5.84
Benchmark	3.04	-0.68	-0.88	2.10	4.79	6.60

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2022	2021	2020	2019	2018
Fund	4.40	-3.79	-3.76	9.83	17.01	-5.17
Benchmark	4.78	-4.22	-2.96	10.52	19.23	-4.40

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	89.00
Corporates	9.38
Cash	0.26
Time deposits and money market	0.44
Other receivables - net of liabilities ⁶	0.92

Maturity Profile

Cash and less than 1 year	1.61
Between 1 and 3 years	4.39
Between 3 and 5 years	34.79
Between 5 and 7 years	7.43
Between 7 and 10 years	41.36
More than 10 years	10.42

Portfolio Weightings

Philippine Corporate Bonds	9.38
Philippine Sovereign Bonds	89.00

NAVPU over the past 12 months

Highest	323.69
Lowest	295.48

STATISTICS

Weighted Ave Duration (Yrs)	5.69
Volatility, Past 1 Year (%) ³	3.37
Sharpe Ratio ⁴	-0.31
Information Ratio ⁵	-0.18
Portfolio Weighted Yield to Maturity (%)	5.13
Current Number of Holdings	18

¹Returns are net of fees.

²Since inception.

³Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁴Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁵Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

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
Fixed Rate Treasury Note	07/19/2031	23.98
Retail Treasury Bond	03/07/2028	14.79
Fixed Rate Treasury Note	10/20/2032	11.91
Fixed Rate Treasury Note	11/24/2042	10.21
Fixed Rate Treasury Note	01/10/2029	7.43
Retail Treasury Bond	06/02/2027	7.42
Retail Treasury Bond	08/22/2028	7.27
Fixed Rate Treasury Note	01/02/2032	3.79
SM Prime Holdings, Inc.	03/25/2025	2.60
ACEN Corporation	09/22/2027	2.31

RELATED PARTY TRANSACTIONS

The Fund has transactions and outstanding investments including deposits, investment in the share/s of the stocks, and/or debt issuances of the following companies related to BPI Wealth – A Trust Corporation (BPI Wealth):

Ayala Land, Inc. – Php 30.51 Million, ACEN Corporation – Php 47.65 Million

Investments in the said outlets were approved by 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 0.50% in August as the belly of the curve dropped while the short end of the curve went up. The average daily trading volume for the month amounted to PHP16.82 billion similar to July's PHP16.94 billion with trades mostly seen on the short end of the curve.

The Bureau of the Treasury (BTr) held five FXTN auctions in August. A new 10-year paper issuance, FXTN 10-71, was fully awarded at a coupon rate of 6.625%. The 5-year FXTN 10-63 and 6-year FXTN 7-68 re-issuances were partially awarded at average yields of 6.337% and 6.468% while the 5-year FXTN 10-64 re-issuance was fully awarded at an average yield of 6.220%. The 15-year FXTN 20-23 re-issuance was the first auction rejected for the year. Had the BTr fully awarded the paper, average yields would have risen to 6.927%. Towards the end of the month, the BTr released the September auction schedule with four Treasury Bill auctions and four PHP30 billion FXTN issuances (3-, 7-, 10-, and 3-year tenors).

In the local space, July headline inflation eased further to 4.7% year-on-year, from last month's 5.4%. The food, utilities, and transport prices drove the inflation lower marking six straight months of deceleration. The Philippine economy grew weaker than expected at 4.3% in the second quarter of the year, compared to the market expectation of 6%. Growth momentum was at its slowest pace since 2011 due to above-target inflation, elevated borrowing costs, and government underspending. The Bangko Sentral ng Pilipinas (BSP) kept its policy rate at 6.25% for the third time. BSP Governor Eli Remolona reiterated that they remain data-dependent but ready to hike policy rates if necessary. The BSP revised its inflation forecast upward, settling at 5.6% (from 5.4%) for 2023 and 3.3% (from 2.9%) for 2024 due to developments in global energy and food prices.

Fund Performance. The Fund posted a return of 0.32% for the month of August. Meanwhile, the YTD performance of the Fund reported a gain of 4.40%, underperforming its benchmark by 38 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.

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 theBSP;
- 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) Allowable investments denominated in any acceptable foreign currency.

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 (632) 8580-2682.

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