

ODYSSEY PESO BOND FUNDKey Information and Investment Disclosure Statement
As of September 29, 2023**FUND FACTS**

Classification:	Fixed Income Fund	NAVPU:	Php 317.48
Launch Date:	May 5, 2003	Total Fund NAV (Mn):	Php 2,034.19
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: 0.0822%*	Custodianship Fees: 0.0011%*	External Auditor Fees: 0.00419%	Other Fees: 0%
BPI Wealth	HSBC	Isla Lipana	None
*Monthly rate: Billings received for September 2023 divided by the average daily NAV for the same month valued at Php 2,054.02 Million	*Monthly rate: Billings received for August 2023 divided by the average daily NAV for the same month valued at Php 2,066.70 Million	2023 Audit Fees divided by the average daily NAV for the month of September valued at Php4,681.25 mn	

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.

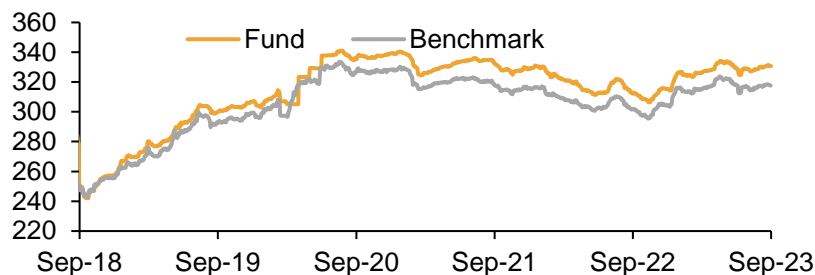
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 SEPTEMBER 29, 2023

(Purely for reference purposes and is not a guarantee of future results)

NAVPU GRAPH



*Benchmark is the BPI Philippine Government Bond Index

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. ²
Fund	0.02	-0.14	0.68	5.19	-2.81	217.48
Benchmark	0.14	0.51	1.25	5.77	-1.39	267.06

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	5.19	-0.06	-0.95	2.01	4.82	5.82
Benchmark	5.77	-0.20	-0.47	2.47	5.67	6.58

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2022	2021	2020	2019	2018
Fund	4.42	-3.79	-3.76	9.83	17.01	-5.17
Benchmark	4.92	-4.22	-2.96	10.52	19.23	-4.40

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	84.39
Corporates	9.50
Cash	0.27
Time deposits and money market	5.16
Other receivables - net of liabilities ⁶	0.68

Maturity Profile

Maturity Profile	% of Fund
Cash and less than 1 year	6.11
Between 1 and 3 years	4.48
Between 3 and 5 years	34.21
Between 5 and 7 years	2.49
Between 7 and 10 years	41.73
More than 10 years	10.99

Portfolio Weightings

Portfolio Weightings	% of Fund
Philippine Corporate Bonds	9.50
Philippine Sovereign Bonds	84.39

NAVPU over the past 12 months

Highest	323.69
Lowest	295.48

STATISTICS

Weighted Ave Duration (Yrs)	5.47
Volatility, Past 1 Year (%) ³	3.24
Sharpe Ratio ⁴	0.38
Information Ratio ⁵	-0.35
Portfolio Weighted Yield to Maturity (%)	5.15
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	24.21
Retail Treasury Bond	03/07/2028	14.96
Fixed Rate Treasury Note	10/20/2032	12.01
Fixed Rate Treasury Note	11/24/2042	10.77
Retail Treasury Bond	08/22/2028	7.34
Retail Treasury Bond	06/02/2027	6.57
Time Deposit		5.16
Fixed Rate Treasury Note	01/20/2032	3.82
SM Prime Holdings, Inc.	03/25/2025	2.64
Fixed Rate Treasury Note	01/10/2029	2.49

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 30.85 Million, ACEN Corporation – Php 47.69 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 0.14% in September as the belly of the curve rose while the long-end of the curve dropped. Average daily trading volume for the month amounted to PHP18.22 billion higher than August's PHP16.82 billion with trades mostly seen on the short-end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in September. The 3-year FXTN 3-29 and 7-year FXTN 7-70 re-issuances were partially awarded at average yields of 6.222% and 6.370% while the 10-year FXTN 10-71 re-issuance was fully awarded at an average yield of 6.420%. During the last week of the month, another 3-year FXTN 3-29 re-issuance was held and got rejected by the BTr. Had the BTr fully awarded the paper, average yields would have risen to 6.482%. Towards the end of the month, the BTr released the October auction schedule with four Treasury Bill auctions and only three FXTN issuances (5-, 7-, and 10-year tenors) with an offer size of PHP30 billion each.

In the local space, August headline inflation surged to 5.3% year-on-year, from last month's 4.7%. The food and transport costs were the main drivers of resurgence in inflation reversing the six straight months of deceleration. The Bangko Sentral ng Pilipinas (BSP) kept its policy rate at 6.25% during their September Monetary Board meeting. BSP Governor Eli Remolona mentioned that a possibility of rate hike is still on the table and the magnitude will depend on the inflation data and other crucial economic data. The BSP revised its inflation forecast upward, settling at 5.8% (from 5.6%) for 2023 and 3.5% (from 3.3%) for 2024 due to higher-than-expected inflation, increases in global and oil prices, and recent depreciation of Peso.

Fund Performance. The Fund posted a return of 0.02% for the month of September, underperforming its benchmark by 12 bps. Meanwhile, the YTD performance of the Fund reported a gain of 4.42%, underperforming its benchmark by 50 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.

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 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>