

**FUND FACTS**

<b>Classification:</b>	Long Term Bond Fund	<b>NAVPU:</b>	USD 30.24
<b>Launch Date:</b>	May 5, 2003	<b>Total Fund NAV (Mn):</b>	USD 10.61
<b>Minimum Investment:</b>	USD 1,000.00	<b>Dealing Day:</b>	Daily up to 2:00 PM
<b>Additional Investment:</b>	USD 100.00	<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> 0.1029%	<b>Custodianship Fees:</b> 0.0016%	<b>External Auditor Fees:</b> 0.00%	<b>Other Fees:</b> 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

\*Monthly rate: billings received for

June 2023 divided by the average daily NAV for the same month valued

at PHP10.63 Mn

\*\*Monthly rate: billings received for May

2023 divided by the average daily NAV for the same month valued at PHP11.39 Mn

\*\*\*Billing is received at the last quarter of the

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund is for US Dollar investors who want to achieve capital appreciation and income growth over a period of time. To achieve this, the Fund will be invested in a diversified portfolio of US dollar-denominated fixed income instruments issued by the Philippine government, corporations, & financial institutions. The Fund aims to outperform its benchmark, the JP Morgan Chase Asia Total Return Philippines 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 Philippine Dollar Bond Fund is suitable only for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of 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:** The fund invests in a long-term portfolio of US Dollar denominated Philippine sovereign 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 and global 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.

**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.

**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 and global political and economic conditions.

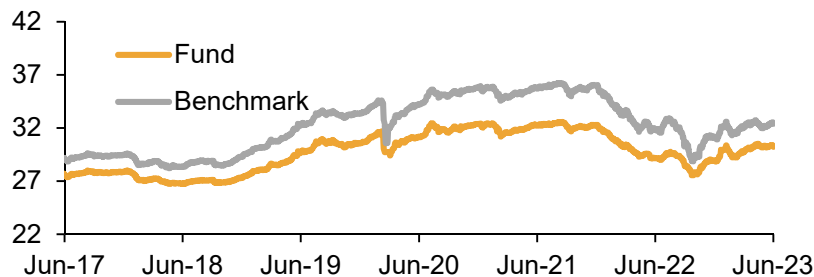
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 JUNE 30, 2023

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

### NAVPU GRAPH



\*Benchmark: JP Morgan Chase Asia Total Return Philippines Index

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>5</sup>
<b>Fund</b>	-0.30	1.61	4.53	3.77	-3.05	202.40
<b>Benchmark</b>	0.74	1.05	3.96	1.93	-5.31	290.60

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>5</sup>
<b>Fund</b>	3.77	-3.12	-1.03	0.48	2.49	5.64
<b>Benchmark</b>	1.93	-4.73	-1.80	0.11	2.71	6.99

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	4.53	-10.35	-0.28	5.89	11.86	-2.01
<b>Benchmark</b>	3.96	-13.46	0.58	7.30	13.95	-0.61

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	54.86
Corporates	38.91
Cash	0.95
Time deposits and money market	3.75
Other receivables, net of liabilities <sup>6</sup>	1.53
<b>Maturity Profile</b>	
Cash and less than 1 year	6.23
Between 1 and 3 years	6.82
Between 3 and 5 years	2.14
Between 5 and 7 years	38.40
Between 7 and 10 years	3.45
More than 10 years	42.96
<b>Portfolio Weightings</b>	
Philippine Corporate Bonds	38.91
Philippine Sovereign Bonds	54.86

### NAVPU over the past 12 months

Highest	30.50
Lowest	27.55

### STATISTICS

Weighted Average Duration	6.57
Volatility, Past 1 Year (%) <sup>1</sup>	4.33
Sharpe Ratio <sup>3</sup>	-0.07
Information Ratio <sup>4</sup>	0.42
Portfolio Weighted Yield to Maturity (%)	5.22
Current Number of Holdings	13

<sup>1</sup>Returns are net of fees.

<sup>2</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time

<sup>3</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>4</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>5</sup>Since inception.

<sup>6</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	Maturity	% of Fund
RoP Bonds	02/02/30	17.20
Aboitiz Equity Ventures, Inc.	01/16/30	10.62
Int'l Container Terminal Services, Inc.	06/17/30	10.57
RoP Bonds	10/23/34	10.52
RoP Bonds	01/17/48	10.36
RoP Bonds	10/13/47	8.18
Globe Telecom, Inc.	07/23/35	7.44
Jollibee Foods Corp.	01/24/26	6.82
RoP Bonds	03/29/47	4.06
Time Deposit		3.75

### RELATED PARTY TRANSACTIONS

The Fund has investments and trade transactions with Bank of the Philippine Islands, its subsidiaries and related parties:

Globe Telecom, Inc. – USD0.78 Mn

Investments in the said outlets were approved by the Committee. 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's internal policy.

## OUTLOOK AND STRATEGY

**Market Review.** The JP Morgan Asia Credit Index (JACI) Philippines rose by 0.74% in June as Philippine dollar-denominated bonds outperformed US Treasuries.

Global bonds had a volatile month as investors continued to witness persistent inflationary pressures across the world. US core CPE was at 4.7% year-on-year in April, while US core CPI was at 5.3% year-on-year in May. Both remained well above the Fed's target of 2%. Meanwhile, the Bank of England announced a hawkish 50-bps hike following the release of elevated UK CPI at 8.7% year-on-year.

During its Federal Open Market Committee meeting held mid-month, the Fed held policy rates steady but noted that it could potentially raise rates twice more before the end of the year. The Fed's updated economic forecasts showed inflation to still be above target, which could justify further hawkish actions moving forward. For the month, the 10-year US Treasury yield rose by 20 basis points lower to close the month at 3.84%.

In the local economic space, inflation for the month of May settled at 6.1% year-on-year from the 6.6% print in April. The figure was once again lower than market expectations and was brought about by receding supply-side pressures. Consequently, the BSP kept rates steady during its Monetary Board meeting mid-month, citing the improvement in local prices. Nevertheless, policy officials reiterated that they remained prepared to adjust policy settings as needed and added that easing inflation would give them more flexibility moving forward. The newly appointed BSP Governor, Eli Remolana, will officially begin his term on July 3.

**Fund Performance.** The Fund returned -0.30 for the month, underperforming its benchmark by 104 basis points. Year to date, the fund returned 4.53%, above the benchmark by 57 basis point.

**Fund Strategy.** The Fund looks to gradually increase its duration position as yields are seen to peak in the near term. Global events remain likely to add volatility. Investors in a bond fund must be prepared to withstand volatility as higher investment value is typically achieved over the medium

## 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;
- h) Such other tradable investments outlets/categories as may be approved by the relevant authority and allowed by the BSP; and
- i) The Trustee may invest in 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 an email to [bpiwealth@bpi.com.ph](mailto:bpiwealth@bpi.com.ph) or call us at (632) 8580-2682.

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