

**ODYSSEY DIVERSIFIED BALANCED FUND**Key Information and Investment Disclosure Statement  
As of February 29, 2024**FUND FACTS**

<b>Classification:</b>	Multi-Asset Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 208.86
<b>Launch Date:</b>	May 12, 2006	<b>Total Fund NAV (Mn):</b>	Php 769.72
<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+2 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES\***

<b>Trustee Fees:</b> 0.1188%*	<b>Custodianship Fees:</b> 0.0014%**	<b>External Auditor Fees:</b> 0.00%***	<b>Other Fees:</b> 0.00%
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1.50% per annum

BPI Wealth	HSBC	Isla Lipana	None
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\*Monthly rate: billings received for February 2024 divided by the average daily NAV for the same month valued at Php 768.36 Mn

\*\*Monthly rate: billings received for January 2024 divided by the average daily NAV for the same month valued at Php 768.18 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 50% BPI Philippine Government Bond Index and 50% Philippine Stock Exchange Index (PSEi).

**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 Balanced 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** Investors are exposed to adverse changes in the prices of domestic fixed income securities due to a rise in interest

**Rate Risk:** 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..

**Equity** Investors are exposed to adverse changes in the prices of stocks listed in the Philippine Stock Exchange, which

**Price Risk:** 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.**

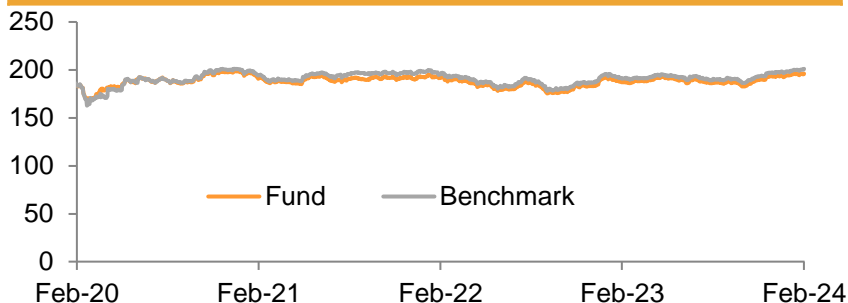
**• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

**• 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 FEBRUARY 29, 2024

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

### NAVPU GRAPH



\*Benchmark is 50% BPI Philippine Government Bond Index and 50% Philippine Stock Exchange Index.<sup>1</sup>

### CUMULATIVE PERFORMANCE (%)<sup>2</sup>

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>3</sup>
<b>Fund</b>	1.60	5.24	7.26	6.38	4.02	108.86
<b>Benchmark</b>	2.21	6.24	7.76	5.60	3.65	193.93

### ANNUALIZED PERFORMANCE (%)<sup>2</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>3</sup>
<b>Fund</b>	6.38	0.53	1.32	1.98	1.92	4.22
<b>Benchmark</b>	5.60	0.35	1.20	2.06	1.87	6.24

### CALENDAR YEAR PERFORMANCE (%)<sup>2</sup>

	YTD	2023	2022	2021	2020	2019
<b>Fund</b>	2.91	4.77	-4.43	-3.01	2.95	10.34
<b>Benchmark</b>	3.68	3.36	-5.54	-1.18	1.87	12.01

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	48.95
Fixed Income	45.64
Cash	0.76
Time Deposits and Money Market	5.33
Other Receivables	-0.69
<b>Sector Holdings</b>	
Holding Firms	12.67
Services	9.35
Property	10.33
Financials	9.31
Industrials	7.30
Mining and Oil	0.00

### 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 13.33 Million  
 Ayala Corporation – Php 25.55 Million  
 Ayala Land Inc. – Php 33.55 Million  
 Bank of the Philippine Islands – Php 25.03 Million  
 Globe Telecom Inc. – Php 12.93 Million

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	208.92
Lowest	190.56

### STATISTICS

Weighted Ave Duration (Yrs)	5.83
Portfolio Beta	0.99
Volatility, Past 1 Year (%) <sup>4</sup>	6.84
Sharpe Ratio <sup>5</sup>	0.27
Information Ratio <sup>6</sup>	0.60
Current Number of Holdings	40

<sup>1</sup>On November 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		% of Fund
Fixed Rate Treasury Note	7/19/2031	9.32
Fixed Rate Treasury Note	11/24/2042	8.58
SM Investments Corporation		6.13
Time Deposit		5.33
SM Prime Holdings, Inc.		4.57
Retail Treasury Bond	2/28/2029	4.55
Retail Treasury Bond	8/22/2028	4.54
BDO Unibank, Inc.		4.04
Ayala Land, Inc.		3.85
Fixed Rate Treasury Note	10/20/2032	3.82

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Government Bond Index returned -0.03% in February as the local yield curve rose 10 basis points (bps) on average. Average daily trading volume for the month amounted to Php16.78 billion, lower than January's Php20.98 billion with trades mostly seen on the short-end and belly of the curve.

The Bureau of the Treasury (BTr) originally announced four FXTN auctions in February. The first FXTN issuance, the 5-year FXTN 05-78, was rejected by the BTr. Had the paper been fully awarded, the average yield of the 5-year paper would have risen to 6.219%. The next two FXTN auctions were also cancelled to give way to the 5-year RTB issuance. The BTr set the 5-year RTB at 6.25% coupon and raised a record Php458 billion, exceeding the initial Php400 billion target. Following the jumbo RTB issuance, the government issued a new 20-year paper, the FXTN 20-26, and set the coupon at 6.25%. Towards the end of the month, the BTr revised the March schedule of Treasury Bonds offering to 7-, 10-, 20- and 6-year.

In the local space, January headline inflation fell further to 2.8% year-on-year from the previous month's 3.9%. Despite the slowing of inflation, rice prices rose further to 23% year-on-year as international rice price benchmarks rose amid supply risks due to El Niño. The Bangko Sentral ng Pilipinas (BSP) held its first monetary policy meeting of the year and kept its key rate unchanged at 6.50%. The policymakers deem it appropriate to keep the policy rate on hold amid the improvement in inflation condition, but they are ready to adjust the policy settings to maintain price stability.

The Philippine Stock Exchange Index (PSEi) sustained its strong performance for the year, rising for another month. The index surged by 4.49% in February to 6,944.71. Foreigners were net buyers through all trading days of the month. Investor optimism is still driven by positive macro-economic data – decline in global yields, lower inflation, and 4th Quarter GDP strength.

Trading activity slowed in February, with average daily turnover at US\$95.3 million or 8.2% lower month-on-month. Meanwhile, foreign buying registered at US\$128.7 million in the same period. A slew of index names saw 52-week highs driven by foreign buying which also propelled the market to the 6,900-level. Foreign participation in the market stood at 50%.

In terms of stock performance, the top three index gainers for the month included: ICT (+18.93%), MONDE (+13.51%) and BPI (+13.11%). Meanwhile, the bottom three performers were: AGI (-8.99%), SMPH (-7.74%) and NIKL (-6.20%).

**Fund Performance.** The Fund registered a gain of 1.60% in February, underperforming the benchmark by 61 bps. Year-to-date, the Fund registered a gain of 2.91%, behind the benchmark by 77 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.

The Fund will continue to be defensive, but also opportunistic, as volatility could persist given thin market liquidity and inflation risk is still on the upside. The Fund will focus on companies with leading market capitalization and good fundamentals.

## 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 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>*