

**ODYSSEY DIVERSIFIED BALANCED FUND**Key Information and Investment Disclosure Statement  
As of July 31, 2024**FUND FACTS**

|                                |                  |  |                     |
|--------------------------------|------------------|--|---------------------|
| <b>Classification:</b>         | Multi-Asset Fund | <b>Net Asset Value per Unit (NAVPU):</b> | Php 206.53          |
| <b>Launch Date:</b>            | May 12, 2006     | <b>Total Fund NAV (Mn):</b>              | Php 744.14          |
| <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> 0.1270%* | <b>Custodianship Fees:</b> 0.0015%** | <b>External Auditor Fees:</b> 0.00%*** | <b>Other Fees:</b> 0.00% |
| 1.50% per annum               |                                      |  |                          |
| BPI Wealth                    | HSBC                                 | Isla Lipana                            | None                     |

\*Monthly rate: billings received for July 2024 divided by the average daily NAV for the same month valued at Php 744.21 Mn

\*\*Monthly rate: billings received for June 2024 divided by the average daily NAV for the same month valued at Php 724.81 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 in 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.**

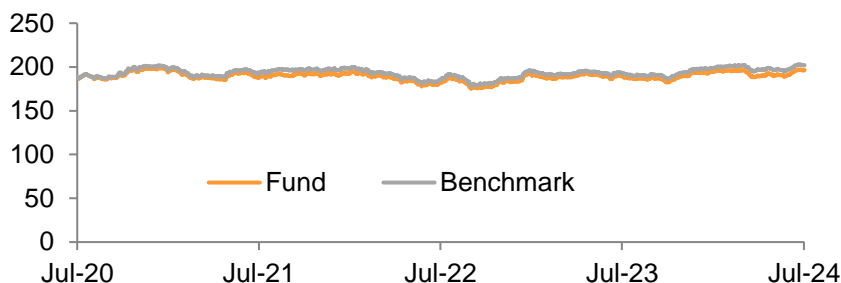
**• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

**• 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 JULY 31, 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>      | <b>2.71</b> | <b>2.57</b> | <b>0.47</b> | <b>3.03</b> | <b>7.21</b> | <b>106.53</b>     |
| <b>Benchmark</b> | 2.61        | 1.51        | 1.14        | 3.51        | 5.98        | 190.85            |

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

|                  | 1 YR        | 2 YRS       | 3 YRS       | 4 YRS       | 5 YRS       | S.I. <sup>3</sup> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Fund</b>      | <b>3.03</b> | <b>4.25</b> | <b>2.35</b> | <b>1.80</b> | <b>0.12</b> | <b>4.06</b>       |
| <b>Benchmark</b> | 3.51        | 3.94        | 1.96        | 2.17        | 0.19        | 6.03              |

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

|                  | YTD         | 2023        | 2022         | 2021         | 2020        | 2019         |
|------------------|-------------|-------------|--------------|--------------|-------------|--------------|
| <b>Fund</b>      | <b>1.76</b> | <b>4.77</b> | <b>-4.43</b> | <b>-3.01</b> | <b>2.95</b> | <b>10.34</b> |
| <b>Benchmark</b> | 2.59        | 3.36        | -5.54        | -1.18        | 1.87        | 12.01        |

### PORTFOLIO COMPOSITION

| Allocation                     | % of Fund |
|--------------------------------|-----------|
| Equities                       | 47.18     |
| Government Bonds               | 43.28     |
| Corporate Bonds                | 4.48      |
| Cash                           | 0.77      |
| Time Deposits and Money Market | 5.78      |
| Other Receivables              | -1.49     |
| <b>Sector Holdings</b>         |           |
| Holding Firms                  | 13.38     |
| Financials                     | 10.26     |
| Property                       | 7.20      |
| Services                       | 9.01      |
| Industrials                    | 7.33      |
| 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 7.00 Million  
 Ayala Corporation – Php 25.87 Million  
 Ayala Land Inc. – Php 23.72 Million  
 Bank of the Philippine Islands – Php 32.57 Million  
 Globe Telecom Inc. – Php 10.66 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 | 209.35 |
| Lowest  | 190.56 |

### STATISTICS

|  |       |
|--|-------|
| Weighted Ave Duration (Yrs)              | 5.86  |
| Portfolio Beta                           | 1.01  |
| Volatility, Past 1 Year (%) <sup>4</sup> | 7.37  |
| Sharpe Ratio <sup>5</sup>                | -0.21 |
| Information Ratio <sup>6</sup>           | -0.34 |
| Current Number of Holdings               | 42    |

<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                | 11/24/2042 | 8.85      |
| Fixed Rate Treasury Note                | 7/19/2031  | 8.78      |
| Time Deposit                            |            | 5.78      |
| SM Investments Corporation              |            | 5.16      |
| Retail Treasury Bond                    | 2/28/2029  | 4.72      |
| Int'l Container Terminal Services, Inc. |            | 4.48      |
| Bank of the Philippine Islands          |            | 4.38      |
| BDO Unibank, Inc.                       |            | 4.25      |
| SM Prime Holdings, Inc.                 |            | 4.03      |
| Fixed Rate Treasury Note                | 10/20/2032 | 3.96      |

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Government Bond Index rose 1.96% in July as Philippine government bond yields fell by 30 basis points (bps) on average. Average daily trading volume for the month amounted to Php34.5 billion, higher than June's Php20.8 billion with trades mostly seen in 5- to 10-year securities. The Bureau of the Treasury (BTr) held five FXTN auctions in July which were all fully awarded.

In the local space, June headline inflation decelerated from 3.9% in May to 3.7% in June. The latest figure was also below economists' median estimate of 3.9%. The better-than-expected inflation was mainly driven by steep declines in power rates and slower increases in oil prices. In line with this, Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona issued statements supporting policy rate cuts soon, potentially as early as in August.

In the global space, US inflation decelerated from 3.3% in May to 3.0% in June, also below the 3.1% expectations. US Federal Reserve officials highlighted the progress in moderating inflation and slowing economic data which support eventual policy rate cuts.

The Philippine Stock Exchange Index (PSEi) surged for the month of July, posting a 3.23% month-on-month increase to close at 6,619.09. Market sentiment drastically improved on expectations of an interest-rate cut by the Bangko Sentral ng Pilipinas (BSP) on its upcoming Monetary Board Meeting in August. The Philippine inflation figure in June which eased to +3.7% or lower than +3.9% consensus forecasts, further added to the optimism. Moreover, the Philippine Peso recorded a monthly gain at +0.42% to 58.365.

For trading activity, the PSEi saw less liquidity for the month with Average Daily Turnover recorded at Php4.35 billion or 1.2% lower than Php4.4 billion tallied in June. In terms of foreign activity, foreigners turned net buyers in July at US\$60 million. Top foreign bought names include SM (US\$25.9 million), BDO (US\$2.9 million) and BPI (US\$14.9 million). Foreign participation, likewise improved to 51%.

On a per stock basis, the top three index gainers for the month include: ACEN (+9.80%), SM (+9.33%) and PGOLD (+8.68%). Meanwhile, the bottom three performers were: BLOOM(-13.04%), NIKL (-9.70%) and AEV (-8.63%).

**Fund Performance.** The Fund returned 2.71% in July, outperforming the benchmark by 10 bps. Year-to-date, the Fund registered a gain of 1.76%, behind the benchmark by 83 bps.

**Fund Strategy.** The Fund looks to maintain its current duration position as interest rates are expected to stabilize over the medium term. While inflation has settled within the BSP's target in the past months, upside risks are still present. The BSP remains vigilant in monitoring supply side pressures and potential second-round effects. The central bank signalled that it is waiting for inflation rates to fall comfortably within the 2-4% target before cutting policy rates. 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.

For equities: The Fund will retain its defensive position as inflation and geopolitical risks remain coupled with thin market liquidity. The Fund's preference is still for companies with leading market capitalization and good fundamentals as well as dividend paying stocks.

## 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>*