

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

| | | | |
|--------------------------------|------------------|--|---------------------|
| Classification: | Multi-Asset Fund | Net Asset Value per Unit (NAVPU): | Php 199.85 |
| Launch Date: | May 12, 2006 | Total Fund NAV (Mn): | Php 725.05 |
| Minimum Investment: | Php 10,000.00 | Dealing Day: | Daily up to 2:00 PM |
| Additional Investment: | Php 5,000.00 | Redemption Settlement: | T+2 End-of-Day |
| Minimum Holding Period: | None | Early Redemption Charge: | None |

FEES*

| | | | |
|-------------------------------|--------------------------------------|--|--------------------------|
| Trustee Fees: 0.1271%* | Custodianship Fees: 0.0014%** | External Auditor Fees: 0.00%*** | Other Fees: 0.00% |
| 1.50% per annum | | | |
| BPI Wealth | HSBC | Isla Lipana | None |

*Monthly rate: billings received for May 2024 divided by the average daily NAV for the same month valued at Php 732.77 Mn

**Monthly rate: billings received for April 2024 divided by the average daily NAV for the same month valued at Php 738.42 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 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 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. |
| Price Risk: | |
| 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. |

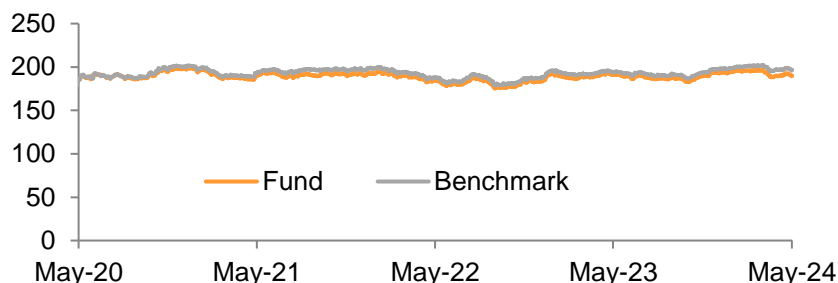
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 MAY 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.¹

CUMULATIVE PERFORMANCE (%)²

| | 1 mo | 3 mos | 6 mos | 1 YR | 3 YRS | S.I. ³ |
|------------------|-------|-------|-------|-------|-------|-------------------|
| Fund | -0.74 | -4.31 | 0.70 | -0.21 | 0.90 | 99.85 |
| Benchmark | -1.27 | -3.76 | 2.25 | 0.83 | 1.06 | 182.88 |

ANNUALIZED PERFORMANCE (%)²

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ³ |
|------------------|-------|-------|-------|-------|-------|-------------------|
| Fund | -0.21 | 0.77 | 0.30 | 1.18 | 0.13 | 3.91 |
| Benchmark | 0.83 | 0.99 | 0.35 | 2.04 | 0.23 | 5.92 |

CALENDAR YEAR PERFORMANCE (%)²

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------|-------|------|-------|-------|------|-------|
| Fund | -1.53 | 4.77 | -4.43 | -3.01 | 2.95 | 10.34 |
| Benchmark | -0.22 | 3.36 | -5.54 | -1.18 | 1.87 | 12.01 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|--------------------------------|-----------|
| Equities | 45.14 |
| Fixed Income | 43.24 |
| Cash | 0.71 |
| Time Deposits and Money Market | 6.21 |
| Other Receivables | 0.10 |
| Sector Holdings | |
| Holding Firms | 12.06 |
| Financials | 10.40 |
| Property | 8.54 |
| Services | 8.16 |
| Industrials | 5.98 |
| 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 4.92 Million
 Ayala Corporation – Php 20.61 Million
 Ayala Land Inc. – Php 29.57 Million
 Bank of the Philippine Islands – Php 29.92 Million
 Globe Telecom Inc. – Php 6.69 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) | 5.54 |
| Portfolio Beta | 0.99 |
| Volatility, Past 1 Year (%) ⁴ | 7.28 |
| Sharpe Ratio ⁵ | -0.66 |
| Information Ratio ⁶ | -0.73 |
| Current Number of Holdings | 40 |

¹On November 1, 2012, the bond portion of the Fund's benchmark was changed from HSBC Phil. Liquid Bond Index.

²Returns are net of fees.

³Since inception.

⁴Measures the degree to which the fund fluctuates vis-à-vis its average return over a period of time. The higher the number, the better.

⁵Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

⁶Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁷Includes 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 | 9.70 |
| Fixed Rate Treasury Note | 11/24/2042 | 8.72 |
| Time Deposit | | 6.21 |
| SM Investments Corporation | | 5.38 |
| Retail Treasury Bond | 2/28/2029 | 4.79 |
| Retail Treasury Bond | 8/22/2028 | 4.79 |
| BDO Unibank, Inc. | | 4.64 |
| Bank of the Philippine Islands | | 4.13 |
| Fixed Rate Treasury Note | 10/20/2032 | 3.93 |
| Fixed Rate Treasury Note | 1/25/2034 | 3.75 |

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index rose 1.49% in May as the local yield curve fell by 22.28 basis points (bps) on average. Average daily trading volume for the month amounted to Php23.86 billion, higher than April's Php14.73 billion with trades mostly seen on the short-end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in May. The 10-year FXTN 10-72 and 25-year FXTN 20-23 were fully awarded at average yields of 6.825% and 6.950%, respectively. Meanwhile, the new 20-year issuance, FXTN 20-27, was only partially awarded and priced at a coupon of 6.875%. The final bond auction for the month was FXTN 3-30, fully awarded at an average rate of 6.347%. Demand was generally healthy for the bonds issued throughout the month.

In the local space, April headline inflation rose by 3.8% year-on-year from the previous month's 3.7%. Food, transport, and restaurants were the main driver of inflation, though the increase in rice prices slowed for the first time in six months. Nonetheless, the inflation print remained within the central bank's 2 to 4% target range. The country's economy grew by 5.7% year-on-year for the first quarter of 2024, lower than consensus estimate of 5.9%. While net exports contributed positively for the period, other sectors such as private consumption and government spending appeared to be slowing. The first quarter GDP growth figure falls short of the government's official target of 6-7% for the year.

The Philippine Stock Exchange sharply dropped for the month on large foreign selling. Market sentiment went down largely due to the depreciation of the local currency when it traded north of Php58 against the dollar. This was mostly driven by a strong dollar after the US Federal Reserve (The Fed), according to the FOMC minutes of the meeting, said they may consider pushing back the rate cut amid growing inflation concerns. Moreover, MSCI rebalancing further added to the volatility of the market where the Philippines was estimated to have a US\$100-120-million worth of outflow. The PSEI closed the month of May at 6,433.10 or 3.99% lower on a month-on-month basis.

Trading activity improved mostly due to the MSCI rebalancing. Average Daily Turnover registered at Php7.6 billion. Meanwhile, foreigners continued to be big sellers at US\$174 million recorded in May. MSCI related name – AEV, was the top sold name after its deletion in the Standard Index. Property names were also sold heavily, while telecommunications were top foreign bought names. Consumer names, on the other hand, were mixed. Foreign participation declined to 46%.

On a per name basis, the top three index gainers for the month include: WLCON (+19.76%), ACEN (+15.66%) and CNVRG (+14.47%). Meanwhile, the bottom three performers were: AEV (-16.55%), BDO (-12.28%) and MBT (-11.36%).

Fund Performance. The Fund returned -0.74% in May, outperforming the benchmark by 53 bps. Year-to-date, the Fund registered a loss of 1.53%, behind the benchmark by 131 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 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>