

**ODYSSEY DIVERSIFIED BALANCED FUND**Key Information and Investment Disclosure Statement  
As of September 30, 2024**FUND FACTS**

<b>Classification:</b>	Multi-Asset Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 219.57
<b>Launch Date:</b>	May 12, 2006	<b>Total Fund NAV (Mn):</b>	Php 819.13
<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> 0.1226%*	<b>Custodianship Fees:</b> 0.0012%**	<b>External Auditor Fees:</b> 0.0000%***	<b>Other Fees:</b> 0.0000%
1.50% per annum			
BPI Wealth	HSBC, DB AG Manila Branch****	Isla Lipana	None

\*Monthly rate: billings received for September 2024 divided by the average daily NAV for the same month valued at Php 759.50 Mn

\*\*Monthly rate: billings received for August 2024 divided by the average daily NAV for the same month valued at Php 750.09 Mn

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

\*\*\*\*Change in custodian to DB AG Manila Branch as of August 2024

**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.**

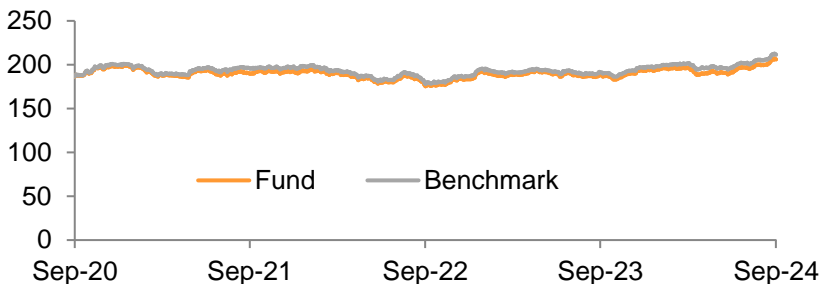
• **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

• **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 SEPTEMBER 30, 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>	4.04	9.19	5.54	11.25	10.25	119.57
<b>Benchmark</b>	3.73	9.09	5.22	11.94	7.40	209.19

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>3</sup>
<b>Fund</b>	11.25	10.16	3.31	3.60	1.66	4.37
<b>Benchmark</b>	11.94	10.09	2.41	3.98	1.69	6.33

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

	YTD	2023	2022	2021	2020	2019
<b>Fund</b>	8.19	4.77	-4.43	-3.01	2.95	10.34
<b>Benchmark</b>	9.06	3.36	-5.54	-1.18	1.87	12.01

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	46.11
Government Bonds	42.74
Corporate Bonds	4.09
Cash and cash equivalents	0.64
Other Receivables – Net of Liabilities	4.58
<b>Sector Holdings</b>	
Holding Firms	14.64
Financials	9.70
Services	9.10
Property	6.67
Industrials	6.00
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 5.97 Million  
 Ayala Corporation – Php 24.35 Million  
 Ayala Land Inc. – Php 21.78 Million  
 Bank of the Philippine Islands – Php 35.78 Million  
 Globe Telecom Inc. – Php 7.10 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	221.73
Lowest	190.56

### STATISTICS

Weighted Ave Duration (Yrs)	7.13
Portfolio Beta	0.99
Volatility, Past 1 Year (%) <sup>4</sup>	7.46
Sharpe Ratio <sup>5</sup>	0.89
Information Ratio <sup>6</sup>	-0.49
Current Number of Holdings	43

<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	5/23/2044	8.33
Fixed Rate Treasury Note	11/24/2042	8.28
SM Investments Corporation		6.17
Fixed Rate Treasury Note	1/25/2034	6.06
Fixed Rate Treasury Note	7/19/2031	4.63
Retail Treasury Bond	2/28/2029	4.37
Bank of the Philippine Islands		4.37
SM Prime Holdings, Inc.		4.36
Int'l Container Terminal Services, Inc.		4.14
BDO Unibank, Inc.		3.72

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Government Bond Index rose month-on-month, gaining by a hefty 2.01% in September as Philippine government bond yields decreased by an average of 52 basis points (bps). Average daily trading volume for the month reached Php 50.2 billion, up from Php41.3 billion in August, with most trades concentrated in 5 and 10-year securities. The Bureau of the Treasury (BTr) held four FXTN auctions in September, fully awarding the 3-, 5-, 10-, and 20-year tenors. Auction highs were generally aligned with, or came in slightly below, secondary market bids at the time, with the BTr awarding at 6.050%, 6.075%, 5.974%, and 5.899%, respectively.

On the domestic front, we saw headline inflation return to its downward trend as it decelerated to 3.3% in August from 4.4% in July, exceeding economists' median estimate of 3.6%. The lower-than-expected inflation was driven mainly by decreases in food inflation after lower rice tariffs brought rice prices down to 14% from 21% a month earlier. Another driver for the decline in yields was the BSP's announcement to reduce the reserve requirement ratios (RRRs) by 250 basis points for universal banks down to 7%. Every 1% cut in RRR is estimated to release 130 to 150 billion pesos worth of liquidity into the system. This new RRR will take effect on October 25, 2024.

Internationally, US inflation decelerated from 2.9% in July to 2.5% in August, in line with median estimates. US Federal Reserve officials highlighted the ongoing moderation in inflation and slowing economic data, supporting the case for a possible rate cut in September.

The Philippine Stock Exchange Index (PSEi) surged in September driven by strong foreign flows. The rally emanated from the US Federal Reserve's (The Fed) decision to cut its key overnight borrowing rate by 50 basis points that spurred the appetite for riskier assets. On the local economic front, the Bangko Sentral ng Pilipinas' (BSP) surprise announcement of reducing the reserve requirement ratio (RRR) by 250 basis points to 7% further buoyed the local bourse. The index breached the 7,400 mark until profit-taking took place. By the end of the month, the PSEi settled at 7,272.65 or 5.4% higher month-on-month.

The market turnover rose by 16% to Php6.57 billion in September from Php5.63 in the prior month. This was supported by net foreign inflow at US\$346 million. This is the biggest monthly inflow for year and has pushed the year-to-date net foreign flow to the positive territory. Top foreign bought stocks were SM (+US\$47.2 million), AC (US\$36.2 million) and ALI (US\$35.3 million).

On a per stock basis, the top three index gainers for the month include: JGS (+18.30%), GTCAP (+16.99%) and URC (+13.96%). Meanwhile, the bottom three performers were: SMC (-9.09%), SCC (-4.13%) and WLCON (-2.66%).

**Fund Performance.** The Fund returned 4.04% in September, outperforming the benchmark by 31 basis points. Year-to-date, the Fund registered a gain of 8.19%, behind the benchmark by 87 basis points.

**Fund Strategy.** The Fund looks to gradually increase its duration position as interest rates are expected to fall towards year-end. While inflation has settled within the BSP's target in the past months, upside risks are still present. The BSP has already decreased its policy rates by 25 basis points to 6.25%. The central bank remains vigilant in monitoring inflation figures before easing rates further. 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 accumulate on market dips as volatility from geopolitical risks coupled with thin market liquidity remain. 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>*