

ODYSSEY PESO MEDIUM TERM BOND FUND

Key Information and Investment Disclosure Statement
As of November 29, 2024

FUND FACTS

| | | | |
|--------------------------------|-------------------|---------------------------------|---------------------|
| Classification: | Fixed Income Fund | NAVPU: | Php 154.20 |
| Launch Date: | October 1, 2007 | Total Fund NAV (Mn): | Php 4,129.86 |
| Minimum Investment: | Php 10,000.00 | Dealing Day: | Daily up to 2:00 PM |
| Additional Investment: | Php 5,000.00 | Redemption Settlement: | T+1 End-of-Day |
| Minimum Holding Period: | None | Early Redemption Charge: | None |

FEES*

| | | | |
|--|--------------------------------------|---|----------------------------|
| Trustee Fees: 0.1229%* 1.50% per annum | Custodianship Fees: 0.0001%** | External Auditor Fees: 0.00391%*** | Other Fees: 0.0000% |
|--|--------------------------------------|---|----------------------------|

BPI Wealth

DB AG Manila Branch

Isla Lipana

None

*Monthly rate: billings received for November 2024 divided by the average daily NAV for the same month valued at PHP 4,120.99 Mn

**Monthly rate: billings received for October 2024 divided by the average daily NAV for the same month valued at PHP 4,099.89 Mn

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

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to generate income by investing in a diversified portfolio of Peso denominated sovereign and corporate debt securities. The Fund aims to outperform its benchmark which is the BPI Philippine Government Bond 1-5 Year 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 Peso Medium Term Fund is suitable only for investors who:

- Are at least classified as moderately aggressive based on their risk profile
- Have an investment horizon of at least three (3) 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 medium-term portfolio of domestic government 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 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. |
| 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. |
| 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. |

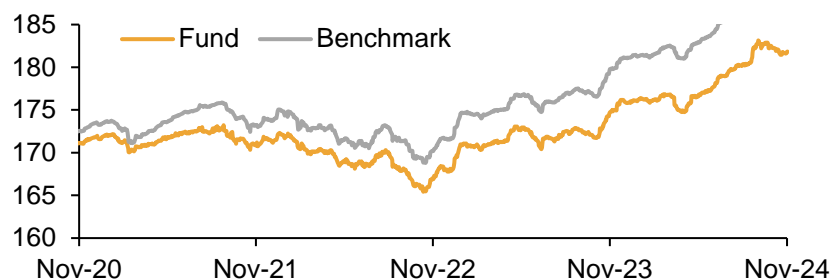
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 NOVEMBER 29, 2024

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

NAVPU GRAPH



*Benchmark is the BPI Philippine Government Bond 1-5 Year Index

CUMULATIVE PERFORMANCE (%)¹

| | 1 mo. | 3 mos. | 6 mos. | 1 YR | 3 YRS | S.I. ² |
|------------------|-------|--------|--------|------|-------|-------------------|
| Fund | -0.22 | 0.81 | 2.84 | 4.05 | 6.45 | 81.84 |
| Benchmark | -0.14 | 1.34 | 3.47 | 5.26 | 9.29 | 100.11 |

ANNUALIZED PERFORMANCE (%)¹

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ² |
|------------------|------|-------|-------|-------|-------|-------------------|
| Fund | 4.05 | 4.39 | 2.11 | 1.53 | 2.36 | 3.54 |
| Benchmark | 5.26 | 5.45 | 3.01 | 2.34 | 3.18 | 4.12 |

CALENDAR YEAR PERFORMANCE (%)¹

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------|------|------|-------|-------|------|-------|
| Fund | 3.32 | 4.91 | -2.07 | -0.28 | 5.56 | 10.60 |
| Benchmark | 4.50 | 5.58 | -1.26 | 0.15 | 6.59 | 11.27 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|---|-----------|
| Government | 83.81 |
| Corporates | 12.23 |
| Cash and Cash Equivalents | 2.97 |
| Other Receivables - Net of Liabilities ⁶ | 0.98 |
| Maturity Profile | |
| Cash and less than 1 year | 9.16 |
| Between 1 and 3 years | 5.87 |
| Between 3 and 5 years | 52.86 |
| Between 5 and 7 years | 14.85 |
| Between 7 and 10 years | 17.27 |
| More than 10 years | - |
| Portfolio Weightings | |
| Philippine Corporate Bonds | 12.23 |
| Philippine Sovereign Bonds | 83.81 |

NAVPU over the past 12 months

| | |
|---------|--------|
| Highest | 155.31 |
| Lowest | 148.18 |

STATISTICS

| | |
|--|-------|
| Weighted Ave Duration (Yrs.) | 3.99 |
| Volatility, Past 1 Year (%) ³ | 1.44 |
| Sharpe Ratio ⁴ | -0.30 |
| Information Ratio ⁵ | -1.38 |
| Portfolio Weighted Yield to Maturity (%) | 4.83 |
| Current Number of Holdings | 24 |

¹Returns are net of fees.

²Since inception.

³Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁴Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁵Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁶Includes 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 |
|--------------------------|------------|-----------|
| Retail Treasury Bond | 03/07/2028 | 18.26 |
| Fixed Rate Treasury Note | 01/25/2034 | 14.91 |
| Retail Treasury Bond | 02/28/2029 | 14.80 |
| Fixed Rate Treasury Note | 10/13/2029 | 9.00 |
| Retail Treasury Bond | 08/22/2028 | 7.38 |
| Fixed Rate Treasury Note | 07/27/2030 | 4.99 |
| Fixed Rate Treasury Note | 04/27/2030 | 4.91 |
| Time Deposit | | 2.68 |
| Fixed Rate Treasury Note | 07/19/2031 | 2.54 |
| Fixed Rate Treasury Note | 08/17/2033 | 2.49 |

RELATED PARTY TRANSACTIONS*

The Fund has transactions and outstanding investments with entities related to BPI Wealth - A Trust Corporation ("BPI Wealth"):

ACEN Corporation – Php 19.54 Mn
 Ayala Corp. – Php 28.65 Mn
 Ayala Land, Inc. – Php 98.31 Mn

Investments in the said outlets were approved by 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.

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned -0.23% in November as Philippine government bond yields rose by an average of 24 basis points (bps). Average daily trading volume for the month reached Php36.1 billion, lower than Php39.5 billion in October, with most trades concentrated in 5-year followed by 1-year papers. Despite the lower average trading volume, foreign investors' fixed income volume was net buying for the month compared to previous month's net selling.

The Bureau of the Treasury (BTr) held two FXTN auctions in November, offering the 5-, and 20-year tenors. FXTNs 20-27 (20-year) and 7-67 (5-year) were fully awarded at average yields of 6.095% and 5.954%, respectively.

Locally, October headline inflation rose to 2.3% year-on-year (YoY) from 1.9% YoY in September, well within Bangko Sentral ng Pilipinas' (BSP) forecast range of 2.0% to 2.8% for the month. The pick-up in inflation was driven mainly by faster food inflation due to adverse weather conditions for the month and tapering of favorable base effects from last year. Rice inflation in October also accelerated by 9.6% YoY from September's 5.7% YoY, breaking its 6-month deceleration streak. The reversal of the course due to year-on year base effects as rice inflation slowed in 2023 after the government implemented a rice price ceiling shortly last year.

Fund Performance. The Fund returned -0.22% for the month, below its benchmark by 8 basis points.

Fund Strategy. The Fund will maintain its current overweight duration position as interest rates are expected to fall towards yearend. 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 6.00%. 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.

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>