

Odyssey Peso Bond Fund

A Unit Investment Trust Fund of the Bank of the Philippine Islands



Investment Objective

The Fund aims to achieve capital appreciation and income growth in Philippine Peso terms over a period of time by investing in a diversified portfolio of Philippine Peso denominated fixed income instruments. The benchmark of the Fund is the HSBC Philippines Liquid Bond Index, which it aims to outperform gross of fees.

FIGURES AS OF 4/30/2012

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS	S.I. ²
Fund	0.26	17.26	36.86	49.46	126.92
Benchmark ³	0.22	15.09	34.63	49.15	140.19

Annualized Performance (%)¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ²
Fund	17.26	14.10	11.03	10.26	8.37	9.54
Benchmark ³	15.09	13.00	10.42	10.39	8.32	10.23

Calendar Year Performance (%)¹

	YTD	2011	2010	2009	2008	2007
Fund	2.58	14.84	12.88	7.09	0.28	4.79
Benchmark ³	1.61	14.89	11.44	6.88	2.73	5.19

¹ Returns are net of fees. Past performance is not an indication of future returns.

² Since Inception; Total Returns computed by BPI include change in NAV and reinvestment of any income distribution.

³ Effective January 1, 2007, the Fund's benchmark was changed from the HSBC Local Bond Index to the HSBC Philippines Liquid Bond Index.

Key Figures and Statistics

Net Asset Value per Unit (NAVPU) ⁴	PHP	226.92
Total Fund NAV (Min)	PHP	10,846.68
Portfolio Weighted Yield to Maturity (YTM)	%, net ⁵	4.04
Current Number of Holdings		21
Information Ratio ⁵		1.12
Sharpe Ratio ⁵		2.16

Statistics - Past 5 Years	Fund	Benchmark
Annualized Return (net)	8.37%	8.32%
Annualized Volatility	5.05%	4.68%
Duration (Years)	7.69	

General Information

Launch Date	May 5, 2003
Fund Structure	Unit Investment Trust Fund
Fund Classification	Long-Term Bond Fund
Fund Currency	Philippine Peso
Minimum Holding Period	5 calendar days
Early Redemption Fee	1.00%
Management/Trust Fees	1.00% per annum/0.25% per quarter ⁴
Custodianship Fees	0.004% per quarter ⁴
External Audit Fees	0.001% per quarter ⁴
Valuation Methodology	Marked-to-Market
External Auditor	Isla Lipana & Co.
Trustee	Bank of the Philippine Islands
Third-Party Custodian	HSBC, Ltd. (Philippines)
Dealing Cut-Off	2:00 PM

Manager's Report

Market Review. The HSBC Local Currency Philippines Liquid Index (Benchmark) gained 0.22% during the month of April. The local bond yield curve slightly steepened in April especially after the 5- and 7-year tenors went up by 24 and 32 bps, respectively, in anticipation of new supply of debt. The short-end of the curve shifted lower while the longer-end remained flat.

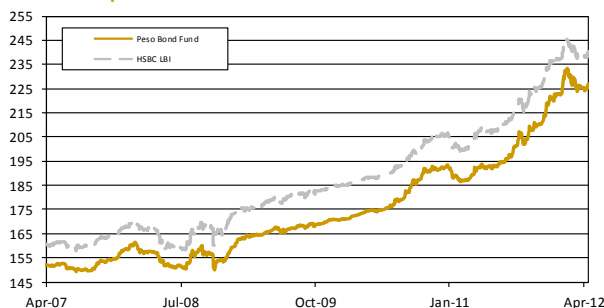
Manageable inflation and strong economic indicators allowed the Bangko Sentral ng Pilipinas (BSP) to keep its key policy rate at 4% during its board meeting in April. Inflation in March slowed to 2.6% from 2.7% despite elevated oil prices and the provisional P50c transport fare hike. The BSP is giving itself more time to assess the effects of its cumulative 50 bps overnight rate cut earlier in the year as inflation in April is expected to fall between 2.1% to 3.0%, way below its target range. It also revised its inflation forecast for next year to 3.3% from 3.4%. However, the BSP noted that risks to inflation now lean toward the upside due to possible second round effects of elevated oil prices.

Meanwhile, the government incurred a budget deficit of P33.9 billion in the first quarter, P48.9 billion below the programmed ceiling. Public spending has increased during the period just as tax collection also improved. On the supply side, the Bureau of Treasury announced it may not issue more Retail Treasury Bonds (RTB) this year. It had initially planned a second issuance in the second half of the year. Also, the agency is considering a domestic bond swap later this year to exchange for its illiquid issuances.

Fund Performance. The Fund posted a monthly return of 0.26% in April, outperforming its benchmark by 4 bps. The fund posted a 2.58% return for the first four months of the year, 97 bps higher than the benchmark. Portfolio duration ended slightly higher than the benchmark's at the end of the month.

Fund Strategy. The Fund will keep its current duration as policy rate is held steady while risk of inflation could rise.

NAVPU Graph



Allocation

Portfolio Composition: Government 78.4%, Corporates 4.8%, Cash 16.8%

Top 10 Holdings

Name	Yield (%) ⁴	Maturity	% of Fund	
Philippines FXTN 20-17 2031	6.4%	4.67%	7/19/2031	34.04%
Philippines FXTN 25-08 2031	6.5%	4.92%	12/16/2035	23.04%
Philippines FXTN 10-54 2031	5.1%	4.21%	1/19/2022	5.77%
Philippines RTB 10-2N 2021	5.9%	4.13%	3/3/2021	4.07%
Philippines RTB 2032	4.7%	4.70%	3/1/2032	4.02%
Philippines FXTN 10-42 2016	7.3%	3.55%	9/4/2016	2.79%
Philippines FXTN 10-45 2018	4.7%	3.85%	1/31/2018	1.74%
Philippines FXTN 7-48 2016	5.6%	3.31%	1/27/2016	1.63%
Petron Corp. 2017	7.0%	6.81%	11/10/2017	0.92%
National Power Corp. 2016	5.875%	4.82%	12/19/2016	0.85%

Maturity Profile

Cash and less than 1 year	18.8%
Between 1 and 3 years	0.0%
Between 3 and 5 years	5.8%
Between 5 and 7 years	3.1%
Between 7 and 10 years	11.2%
More than 10 years	61.1%

Any prospective investment shall be limited to the type of investments described in the Declaration of Trust for the Fund.

Risk Disclosure

The Fund is suitable for investors who take medium to long-term views. As a marked-to-market UITF, the Fund's net asset value and total return may fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original amount of investment.

⁴ Plan Rules are available upon request.

⁵ Trust fees/custodianship fees/audit fees as a percentage of average daily NAV for the quarter.

⁵ The Information Ratio evaluates reward-to-risk efficiency relative to the benchmark, while the Sharpe Ratio evaluates reward-to-risk efficiency relative to the risk free rate. The higher the number, the higher the reward per unit of risk. Sharpe and Information Ratios between funds of different classifications are non-comparable.

⁴ Net of Tax



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Bloomberg Code: INGPFIN Index
Fund Fact Sheet – April 30, 2012
Visit us at www.bpiassetmanagement.com

The Odyssey Peso Bond Fund is a Unit Investment Trust Fund (UITF) and not a bank deposit product. It is not guaranteed by BPI nor by the Philippine Deposit Insurance Corporation (PDIC). As such, units of participation of the investor in the UITF, when redeemed, may be worth more or worth less than his/her initial investment/contributions. Due to the nature of the investments, yield and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, is for the account of the investor. Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence. For the purpose of lodging, clearing, settlement, and delivery of securities in the Fund, the Trustee is authorized to avail of the services of third party institutions such as but not limited to custodians which the Trustee may change or replace without prior notice to or approval from the investors. The Trustee will not be responsible for any loss or damage suffered by the Fund as a result of the third parties' willful default, gross negligence, or evident bad faith. Investors are advised to read the Declaration of Trust for the Fund, which may be obtained from the office of the Trustee, before deciding to invest. For inquiries, please call: (632) 902-7032 or (632) 902-7033, email bpi_asset_management@bpi.com.ph or visit www.bpiassetmanagement.com.