

# Odyssey Tax-Exempt Philippine Dollar Fixed Income Fund

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



## Investment Objective

The Fund is for US Dollar investors (certified tax-exempt by the BIR) who want to achieve capital appreciation and income growth over a period of time. To achieve this, the Fund will be invested in a diversified portfolio of US dollar denominated fixed income instruments issued by the Philippine government, corporations, & financial institutions. The Fund aims to outperform its benchmark (gross of fees and taxes), the JP Morgan Chase Asia Total Return Philippines Index.

### FIGURES AS OF 4/30/2012

#### Cumulative Performance (%)<sup>1</sup>

	1 mo	1YR	3YRS	5YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>0.57</b>	<b>13.26</b>	<b>45.76</b>	<b>46.58</b>	<b>110.40</b>
Benchmark <sup>3</sup>	0.89	13.83	48.41	62.19	145.76

#### Annualized Performance (%)<sup>1</sup>

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>13.26</b>	<b>11.61</b>	<b>13.38</b>	<b>8.49</b>	<b>7.95</b>	<b>9.42</b>
Benchmark <sup>3</sup>	13.83	11.85	14.07	10.77	10.16	11.49

#### Calendar Year Performance (%)<sup>1</sup>

	YTD	2011	2010	2009	2008	2007
<b>Fund</b>	<b>3.90</b>	<b>9.20</b>	<b>14.00</b>	<b>22.59</b>	<b>-11.69</b>	<b>6.41</b>
Benchmark <sup>3</sup>	4.14	10.44	13.78	26.07	-6.71	7.57

<sup>1</sup> Returns are net of fees. Past performance is not an indication of future returns.  
<sup>2</sup> Since Inception  
<sup>3</sup> The Benchmark of the fund is the JP Morgan Chase Asia Total Return Philippines Index

## Key Figures and Statistics

Net Asset Value per Unit (NAVPU) <sup>4</sup>	USD	21.04
Total Fund NAV (Mln)	USD	4.01
Portfolio Weighted Yield to Maturity (YTM) % , net <sup>5</sup>		4.50
Current Number of Holdings		24
Information Ratio <sup>5</sup>		-0.19
Sharpe Ratio <sup>5</sup>		1.91

Statistics - Past 5 Years	Fund	Benchmark
Annualized Return (net)	7.95%	10.16%
Annualized Volatility	9.02%	8.48%
Duration (Years)	8.22	

## General Information

Launch Date	January 27, 2004
Fund Structure	Unit Investment Trust Fund
Fund Classification	Long-Term Bond Fund
Fund Currency	US Dollar
Minimum Holding Period	20 calendar days
Early Redemption Fee	1.00%
Management/Trust Fee	1.25% per annum/ 0.31% per quarter <sup>4</sup>
Custodianship Fees	0.003% per quarter <sup>5</sup>
External Audit Fees	0.003% per quarter <sup>5</sup>
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 JP Morgan Chase Asia Total Return Philippine Bond Index (Benchmark) gained 0.89% in the month of April. Philippine US Dollar bond prices went up in April with the longer-tenor bonds up by as much 1.38 points.

Global economies continued to show mixed performances. Prices of US Treasuries increased in April after the 10- and 30-year rates declined by 28 bps and 22 bps, respectively. US economy grew by 2.2% annually in the first quarter of the year, pushed by improved consumer spending during the period. The US Federal Reserve again voted to keep interest rates near zero during its last meeting.

The shift to safe haven was driven by fear that Spain may not be able to meet its deficit target while its banks suffer from bad loans, possibly leading to an eventual bailout even as Greece is still finalizing its own debt restructuring. Standard and Poor's downgraded Spain and its banks below A- rating. The upcoming French elections also raised the specter that a victory for the opposition may reverse the fiscal discipline previously agreed by European countries. Moreover, efforts to fight the region's crisis are at risk after the European Central Bank's decision to put down its bond-purchase program. Liquidity provided by the ECB's Long-Term Refinancing Operation is dwindling and its benefits hardly seen.

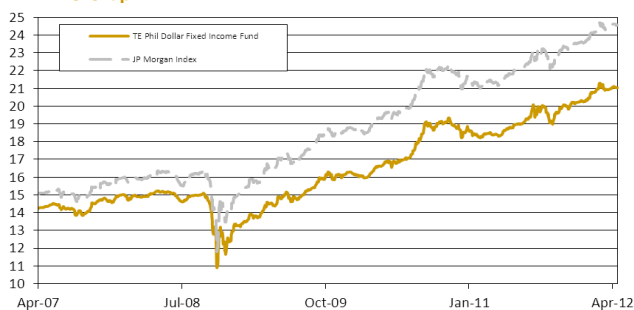
Chinese economic growth in the first quarter is the slowest for the past eleven periods. This prompted the government to increase its currency's trading band against the US Dollar to help the central bank control inflation and economic growth. Meanwhile, Japan continued its monetary easing after it increased its asset-purchase fund.

**Fund Performance.** The Fund went up by 0.57% during the month, underperforming its benchmark by 32 bps. The portfolio has a year-to-date return of 3.90%, 24 bps below the benchmark. Portfolio duration ended the month slightly higher than that of the benchmark.

**Fund Strategy.** The Fund will maintain its current duration and keep its position nimble.



## NAVPU Graph



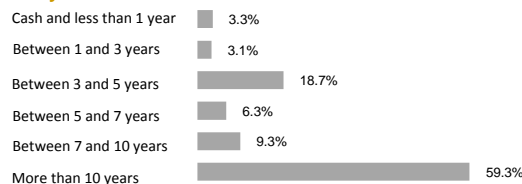
## Allocation

Portfolio Composition: Government 55.8%, Corporates 40.9% Cash 3.3%

## Top 10 Holdings

Name	Yield (%) <sup>*</sup>	Maturity	% of Fund
Philippines 2034 6.375%	4.66%	10/23/2034	12.65%
Philippines 2030 9.5%	4.60%	2/2/2030	8.91%
Philippines 2031 7.75%	4.61%	1/14/2031	8.38%
Philippines 2037 5%	4.66%	1/13/2037	7.89%
Philippines 2025 10.625%	4.27%	3/16/2025	7.53%
Philippines 2032 6.375%	4.64%	1/15/2032	5.58%
San Miguel Corporation 2016 7%	5.43%	1/28/2016	4.83%
Philippines 2026 5.5%	4.11%	3/30/2026	4.53%
Int'l Container Svcs Inc 2020 7.375%	5.69%	3/17/2020	4.23%
PSALM 2024 7.39%	4.61%	12/2/2024	3.86%

## Maturity Profile



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. The Fund's yield, net asset value, and total return may fall as well as rise as a result of interest rate movements and the changes in credit quality of the investments. On redemption of shares, an investor may receive an amount less than the original amount of the investment.

<sup>\*</sup>Plan Rules are available upon request.

<sup>4</sup> Trust fees/custodianship fees/audit fees as a percentage of average daily NAV for the quarter.

<sup>5</sup> 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.

<sup>6</sup> Net of Tax