

Odyssey Philippine Equity Fund

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

Investment Objective

The objective of this Fund is to attain long-term capital growth for Peso investors. To achieve this, the Fund will be invested in a portfolio of stocks listed on the Philippine Stock Exchange. The Fund seeks to outperform the Philippine Stock Exchange Index (PSEI).

Figures as of 09/30/2014

Cumulative Performance (%) ¹	1 mo	1YR	3YRS	5YRS	S.I. ²
Fund	3.99	7.62	18.09	86.76	348.53
Benchmark ³	3.29	17.62	82.09	160.03	530.90

Annualized Performance (%) ¹	1YR	2YRS	3YRS	4YRS	5YRS	S.I. ²
Fund	7.62	-0.57	5.70	4.65	13.31	14.05
Benchmark ³	17.62	16.72	22.11	15.45	21.06	17.51

Calendar Year Performance (%) ¹	YTD	2013	2012	2011	2010	2009
Fund	17.05	-21.64	16.84	11.66	42.66	83.71
Benchmark ³	23.66	1.33	32.95	4.07	37.62	63.00

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	PHP	448.53
Total Fund NAV (Mn)	PHP	2,967.86
Average Daily NAV for the Quarter (Mn) ⁴	PHP	2,998.59
Current Number of Holdings		27
Information Ratio ⁵		-2.44
Sharpe Ratio ⁵		0.61
Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (% net)	13.31	21.06
Annualized Volatility (%)	17.84	17.82
Portfolio Beta	0.90	

General Information

Launch Date	May 5, 2003
Fund Structure	Unit Investment Trust Fund
Fund Classification	Equity Fund
Fund Currency	Philippine Peso
Minimum Initial Investment	PHP 10,000.00
Minimum Transaction	PHP 5,000.00
Minimum Holding Period	None
Days to Settlement (Contribution)	Day 2 End-of-Day
Days to Settlement (Redemption)	Day 4 1:00 PM
Trust Fee ⁶	2.00% per annum/0.50% per quarter
Custodianship Fee ⁷	0.0193%
External Audit Fee ⁷	0.0135%
Valuation Methodology	Marked-to-Market
External Auditor	Isla Lipana & Co.
Available Through	BPI Branches and www.bpiexpressonline.com
Trustee	Bank of the Philippine Islands
Third Party Custodian	HSBC, Ltd. (Philippines)
Dealing Cut-Off	2:30 PM

Manager's Report

Local Market Review. The Philippine Stock Exchange Index (PSEI) gained another 3.3% in September, closing at 7,283.07. By sector, Industrials (+8.66%), Property (+6.99%), Mining (+5.29%), Banks (+5.00%), and Holding Firms (+4.31%) gained for the month, while Services (-4.70%) was the lone laggard. Average value turnover during the month slipped to P8.69 bln, -8.6% lower MoM. Volumes were resilient MoM as investors sold the telco sector, where competition is seen to intensify, and picked up property developers on news of higher land prices in the Fort Bonifacio area. The Index has gained 23.66% year-to-date.

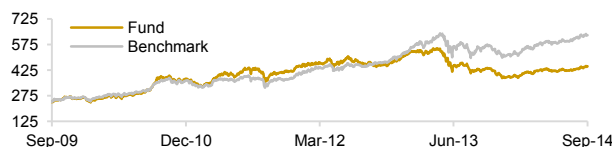
Monthly net foreign inflow fell to \$11 mln from \$298 mln in August. Foreign movement would have been a net outflow of \$54 mln if not for the \$65 mln net inflow from Premium Leisure Corp's placement. Net foreign buying so far this year is \$1,323 mln, +94% more than the full year amount in 2013. For the month, the PSEI gained +0.21% in USD-terms, proving resilient against its peers, particularly those represented in the MSCI Asia Ex Japan (-6.06%), and the MSCI Emerging Markets Indices (-7.59%).

On the macro front, August inflation surprised investors by printing at 4.9% (vs. 5% consensus), allaying near-term fears of runaway inflation. In September, the BSP also hiked key policy and special deposit account (SDA) rates, both by 25 basis points, to 4% and 2.5%, respectively. Inflation forecasts were raised to 4.5% from 4.33% for this year and to 3.8% from 3.72% for 2015 with inflation at its highest level since October 2011.

Fund Performance. The Odyssey Philippine Equity Fund gained +3.99% in September, beating the benchmark's +3.29%. The outperformance came mostly from the Fund's overweight positions in Power and Property sectors.

Fund Strategy. Valuations continue to be stretched at 20.3x 2014 P/E (17.6x 2015 P/E) as a still strong Philippine growth story keeps the market at elevated levels. We continue to like Banks, Property, Power, and select Consumer names. We also look to be opportunistic as the market consolidates at current levels.

NAVPU Graph



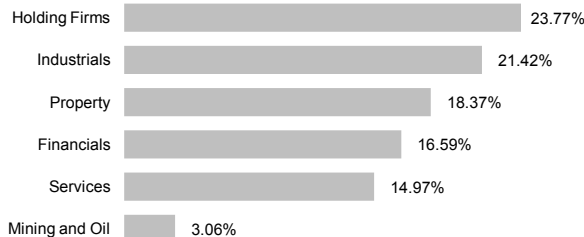
Allocation

Portfolio Allocation: Equities 98.17%, Cash and Other Receivables 1.83%

Top Holdings

Name	Main Business	% of Fund
Ayala Land, Inc.	Property	8.56
SM Investments Corporation	Holding Firms	7.94
Philippine Long Distance Telephone Co.	Services	7.82
Universal Robina Corp.	Industrials	6.93
Ayala Corporation	Holding Firms	6.84
Energy Development Corp.	Industrials	6.00
Banco de Oro Unibank, Inc.	Financials	4.55
Bank of the Philippine Islands	Financials	4.55
Metropolitan Bank & Trust Co.	Financials	4.03
JG Summit Holdings, Inc.	Holding Firms	3.99

Sector Holdings



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 with an aggressive profile or for those who take 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. Prior to investment in the Fund, the investor shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience.

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

²Since Inception

³The Benchmark of the fund is the Philippine Stock Exchange Index.

⁴Average daily NAV for the last three months

⁵The 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.

⁶Trust fee as a percentage of average daily NAV for the quarter

⁷Calculated based on the total billings received in 2013 divided by the average daily NAV in 2013

*Declaration of Trust and List of Prospective Investment Outlets are available upon request through branch of account.

LIST OF PROSPECTIVE INVESTMENTS

Peso Equity Unit Investment Trust Fund

Odyssey Philippine Equity Fund

as of September 30, 2014

Issuer	Series/Code	Maturity	Currency
PESO DENOMINATED ISSUES			
I. Deposits with Philippine Financial Institutions			
Asia United Bank			PHP
Bangko Sentral ng Pilipinas			PHP
BDO Unibank Inc./BDO Private Bank			PHP
BPI Direct Savings Bank			PHP
BPI Family Savings Bank			PHP
BPI Globe Banko			PHP
China Banking Corporation/Chinabank Savings			PHP
City Savings Bank			PHP
Development Bank of the Philippines			PHP
EastWest Bank			PHP
Landbank of the Philippines			PHP
Metropolitan Bank and Trust Company			PHP
Phil Business Bank			PHP
Philippine National Bank			PHP
Philippine Savings Bank			PHP
Planters Development Bank			PHP
Rizal Commercial Banking Corp.			PHP
Robinsons Bank Corp.			PHP
Security Bank			PHP
Union Bank of the Philippines			PHP
Deposits and Investments in Short-term Notes/Bonds of Foreign Financial Institutions			
ANZ Bank			PHP
Citibank NA			PHP
Deutsche Bank AG			PHP
ING Bank NV			PHP
JP Morgan Chase			PHP
Standard Chartered Bank			PHP
Maybank Philippines Inc.			PHP
CTBC Bank (Philippines) Inc.			PHP
II. Shares of Stocks Issued by Philippine Corporations			
Aboitiz Equity Ventures, Inc.	AEV		PHP
Aboitiz Power Corporation	AP		PHP
ABS-CBN Corporation	ABS		PHP
ABS-CBN Corporation PDR	ABSP		PHP
Asia United Bank	AUB		PHP
Atlas Consolidated Mining and Development Corp.	AT		PHP
Belle Corp.	BEL		PHP
Bloomerry Resorts Corporation	BLOOM		PHP
Cebu Air, Inc.	CEB		PHP
Cebu Holdings, Inc.	CHI		PHP
China Banking Corp.	CHIB		PHP

PARTICIPATION AND REDEMPTION CONDITIONS

Manner of Participation

Participation in the Fund shall be allowed on the basis of the net asset value of each participation unit (the “NAVpu”) and shall not be less than the Minimum Participation Amount as indicated in the PLAN(s)/TRUST DEED. The TRUSTOR/s investment in the Fund shall be expressed in terms of number of units of participation as appearing in the TRUSTOR’s Confirmation of Participation. Every TRUSTOR shall designate a BPI Deposit account (Current or Savings Account of the same currency as the FUND/s) (the “Settlement Account”) from which the amount of the contribution to be made shall be debited and the proceeds of redemption shall be credited. The settlement account name shall be the same as the account name of the Investment Account. Exception may be allowed provided that at least one of the accountholders is common to both the investment account and settlement account, and that all the TRUSTORS and settlement account holders shall sign a waiver and the said document shall be signature verified, endorsed and approved by the designated branch officers.

Where the contribution is made by check, such contribution shall be effected only upon the actual clearing or branch manager override thereof. In case of dishonor or return of such check for any reason, the contribution shall be deemed automatically cancelled or, if units have been bought, the same shall immediately be sold again. Settlement of contributions shall be in accordance with what is indicated in the PLAN(s)/TRUST DEED of the FUND.

For the effective and efficient management of the FUND/s, the TRUSTEE/MANAGER has set the minimum amount for initial and additional contributions into the FUND/s as stated in the PLAN(s)/Trust Deed. Subsequent contributions of a TRUSTOR in the Fund is subject to a Minimum Additional Participation Amount as indicated in the PLAN(s)/TRUST DEED and shall result to the TRUSTOR/s additional proportionate interest in the Fund. Changes thereof shall be subject to Subsection X410.6.k of the MORB.

Manner of Redemption

Redemption from the FUND/s shall be computed on the basis of the applicable Net Asset Value per unit on the day the redemption is effected. Redemptions from the Fund shall result in the reduction of the TRUSTOR/s’ proportionate interest in the Fund. Such reductions shall be expressed in Units based on the NAVpu. For the effective management of the FUND/s, the minimum amount for partial redemptions, the minimum holding period, the early redemption fee and the required minimum maintaining balance in the FUND/s are stated in the PLAN(s)/TRUST DEED. Settlement of redemptions shall be in accordance with what is stated in the PLAN(s)/TRUST DEED of the FUND/s. Changes thereof shall be subject to Subsection X410.6.k of the MORB.

The TRUSTEE/MANAGER reserves the right to require an advanced written notice of redemption from the FUND/s within the number of days specified in the PLAN(s)/TRUST DEED. This required notice may be shortened and extended at the sole discretion of the TRUSTEE/MANAGER depending upon the investment and liquidity position of the FUND/s and the frequency and volume of requests for redemptions received by the TRUSTEE/MANAGER at any given time. Such notice may be made by the TRUSTEE/MANAGER by way of direct written notice to each TRUSTOR or through the posting of notices in the premises of the Head Office and branches of the TRUSTEE/MANAGER.

For Odyssey Funds, the TRUSTEE may not allow on any single day, redemption of more than 10% of the value of the total number of units outstanding at the start of the day. The TRUSTEE shall be able to defer any request in whole or in part so that the 10% level is not exceeded.

Settlement Schedule for Contributions and Redemptions

Fund	Contribution Settlement	Redemption Settlement
Local Equity Fund Odyssey Philippine Equity Fund	Day 2 End-of-Day	1:00pm Day 4

Day 1 refers to the booking date for orders entered before the order cutoff: 2:30 pm for Odyssey Philippine Equity Fund.