

BPI ASSET MANAGEMENT AND TRUST CORPORATION

**ODYSSEY ASIA PACIFIC HIGH DIVIDEND EQUITY FUND**

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of July 30, 2020

**FUND FACTS**

<b>Classification:</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 10.37
<b>Launch Date:</b>	May 20, 2008	<b>Total Fund NAV (Mn):</b>	USD 10.22
<b>Minimum Investment:</b>	USD 5,000.00	<b>Dealing Day:</b>	Daily up to 2:30 PM
<b>Additional Investment:</b>	USD 1,000.00	<b>Redemption Settlement:</b>	T+6 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES**

<b>Trustee Fees:</b> 1.75%	<b>Custodianship Fees:</b> 0.6834%	<b>External Auditor Fees:</b> 0.0315%	<b>Other Fees:</b> 0.00%
BPI Asset Management (Sub-Manager: JP Morgan Asset Management)	HSBC	Isla Lipana	None
As a percentage of average daily NAV for the quarter valued at USD 9.57 Million	Billings in 2017 divided by the average daily NAV	Billings in 2017 divided by the average daily NAV	

**INVESTMENT OBJECTIVE AND STRATEGY**

The objective of this Fund is to pursue long term capital appreciation by investing in a diversified portfolio of attractively priced stocks with high dividend yields in the Asia Pacific region. The Fund aims to outperform its benchmark, the MSCI AC Asia Pacific ex-Japan Total Return 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 Asia Pacific High Dividend Equity Fund is suitable only for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of at least five (5) years

Participation in the Fund shall be open to Participants with legal capacity to contract and who are not considered US persons under the US securities and tax laws, subject to the other conditions, rules or provisions stated in the Plan Rules and those established by the Trustee. No beneficial owner shall hold more than 10% of the Fund. Any investor who owns more than 10% shall be asked to redeem the amount (or its equivalent number of units) in excess of 10% within 30 calendar days.

**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.

**Market/Price Risk:** Investors are exposed to adverse changes in the prices of high dividend yield stocks in the Asia Pacific Region, which may be brought about by adverse stock market conditions, unfavorable company earnings and valuations and negative developments in the political and economic conditions of countries in the Asia Pacific Region.

**Liquidity Risk:** Investors are exposed to the risk of loss due to the fund's inability to convert equity holdings to cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price due to limited participants in the market, low trading volumes or market disruptions, among others.

**Country Risk:** Investors are exposed to the risk of loss arising from negative developments in the political, economic and social conditions of countries in the Asia Pacific region, which may adversely affect the prices of its stocks.

**FX Risk:** Investors are exposed to the risk of loss from a decline in fund value when the market value of the foreign currency denominated equity securities held by the fund are translated to USD.

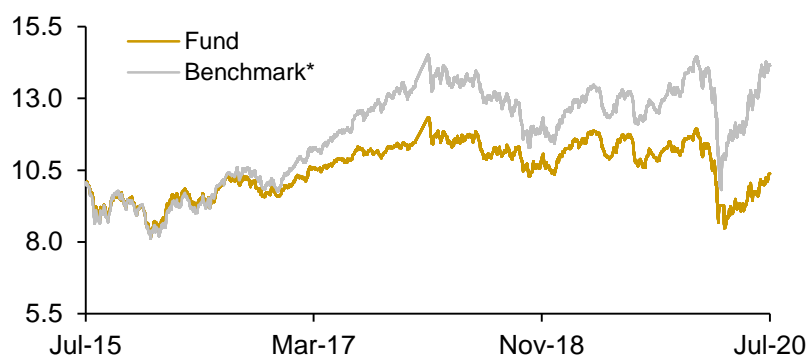
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular basis. 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.**

## FUND PERFORMANCE AND STATISTICS AS OF JULY 30, 2020

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

### NAVPU GRAPH



Benchmark\* : MSCI AC Asia Pacific ex-Japan Total Return Index

### CUMULATIVE PERFORMANCE (%) <sup>1</sup>

	1 mo	3 mos	6 mos	1YR	3YRS	S.I
Fund	7.80	9.27	-6.15	-9.98	-7.74	3.70
Benchmark	8.19	16.67	5.49	9.28	13.27	57.48

### ANNUALIZED PERFORMANCE (%) <sup>1</sup>

	1YR	2YRS	3YRS	4YRS	5YRS	S.I
Fund	-9.98	-4.12	-2.65	0.96	0.57	0.30
Benchmark	9.28	3.71	4.24	8.97	7.06	3.79

### CALENDAR YEAR PERFORMANCE (%) <sup>1</sup>

	YTD	2019	2018	2017	2016	2015
Fund	-11.22	11.24	-9.01	20.33	3.45	-9.91
Benchmark	1.11	20.14	-14.23	37.63	6.18	-9.47

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	97.42
Cash	2.64
Time deposits and money market	-
Other receivables - net of liabilities	-0.07
Top Five Sector Holdings	% of Equities
Information Technology	26.92
Financials	23.73
Real Estate	12.17
Communication Services	8.33
Industrials	8.22
Top Five Country Weightings	% of Equities
China	26.79
Taiwan	16.34
Hong Kong	15.33
Australia	13.73
Korea	10.73

### RELATED PARTY TRANSACTIONS\*

The Fund has no transactions and outstanding investments with entities related to BPI Asset Management and Trust Corporation (BPI AMTC).

\* Related party in accordance with BPI AMTC's internal policy.

### NAVPU over the past 12 months

Highest	11.95
Lowest	8.48

### STATISTICS

Portfolio Beta	0.99
Volatility, Past 1 Year (%) <sup>2</sup>	26.09
Sharpe Ratio <sup>3</sup>	-0.42
Information Ratio <sup>4</sup>	-3.70
Current Number of Holdings	62

<sup>1</sup>Returns are net of fees.

<sup>2</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>3</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>4</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>5</sup>Since inception.

<sup>6</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 Equities
Taiwan Semiconductor Manufacturing	10.10
Samsung Electronics	9.11
Hong Kong Exchanges & Clearing	4.51
CLP Holdings	4.46
Brambles	3.53
Mapletree Logistics Trust	3.44
Ping An Insurance	3.43
Infosys	3.24
China Mobile	3.24
China Merchants Bank	2.68

## OUTLOOK AND STRATEGY

**Market Review.** Asian equities continued to edge higher in July on the back of optimism from supportive central banks, a weaker US dollar and improving earnings revisions. That said, broad sentiment was mixed with the rise in Covid cases in selective parts of Asia and lingering US-China tensions. Against this backdrop, Taiwan performed best led by technology shares on continued strength in demand. India rebounded strongly as investors took comfort from a slowing pace of economic contraction. China outperformed driven by positive GDP prints and manufacturing PMIs surprising on the upside for a second month. Korea marginally lagged although foreign institutions net bought for the first time since January. Australia underperformed due to the resurgence of Covid-19 with state borders closed for the first time in a century. Hong Kong ended down slightly as the city is undergoing a third wave of Covid. ASEAN markets (with the exception of Malaysia) were weak after Vietnam and the Philippines suffering from Covid again. Thailand performed the worst as resurgence of Covid globally dampened outlook for international travel. Overall, growth outperformed value and dividend this month.

**Fund Performance.** The Fund lagged the benchmark but captured over 90% upside. On the positive side, stock selection in technology contributed the most. Top holding TSMC rallied 36% after it reported record earnings and its key competitor Intel capitulated on the 7nm chip delivery. The latter development represents upsized revenue opportunity for TSMC which has made a decisive lead in chip scaling over the past decade. On the negative side, stock selection in consumer discretionary detracted. Elsewhere, defensive holdings lagged in a rising market.

**Fund Strategy.** Concerns surrounding the management of Covid remain present across almost all markets, with the exception of North Asia. In China especially, a strong policy response has helped curtail the spread of the disease and mitigate the economic slowdown. A weaker US dollar – typically positive for Asian equities - could be seen in the near term, though this is not guaranteed. The renewed solidarity amongst European countries in response to the Covid crisis has strengthened the euro as an alternative currency versus the dollar. Overall Asian valuations remain in line with long term averages and earnings expectations are starting to become less negative. We maintain a diversified positioning in quality franchises, defensives and value cyclical for both income and growth opportunities. Over the month, we added to selective tech hardware and consumer exposures at the expense of telecom.

## 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;
- b) Primarily short-term securities issued by or guaranteed by the Philippine government, or by the BSP;
- c) Primarily short-term tradable securities issued or guaranteed by multilateral institutions such as the Asian Development Bank (ADB), International Monetary Fund (IMF) and World Bank;
- d) Primarily short-term tradable securities issued by the government of a foreign country, any political subdivision of a foreign country or any supranational entity;
- e) Primarily short-term exchange-listed securities and warrants of such securities;
- f) Primarily short-term marketable instruments that are traded in an organized exchange;
- g) Primarily short-term loans traded in an organized market;
- h) Such other tradable investments outlets/categories as may be approved by the relevant authority and allowed by the BSP; and
- i) Allowable investments denominated in any acceptable foreign currency.

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For any inquiries and complaints relating to our services and products you may call our hotline: 889-10000, or send an email at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or write a letter addressed to BPI Asset Management and Trust Corporation - Consumer Assistance Office, 7/F, BPI Buendia Center, Sen. Gil J. Puyat Avenue, Makati City 1209.

BPI AMTC as Trustee / Investment Manager is supervised by the Bangko Sentral ng Pilipinas (BSP) with telephone number (632) 8708-7087 and e-mail address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph).