

**BPI ASSET MANAGEMENT AND TRUST GROUP  
ODYSSEY ASIA PACIFIC HIGH DIVIDEND EQUITY FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
As of December 29, 2016**

**FUND FACTS**

<b>Classification:</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 9.59
<b>Launch Date:</b>	May 20, 2008	<b>Total Fund NAV (Mn):</b>	USD 15.61
<b>Minimum Investment:</b>	USD 5,000.00	<b>Dealing Day:</b>	Daily up to 2:00 PM
<b>Additional Investment:</b>	USD 1,000.00	<b>Redemption Settlement:</b>	T+6 1:00 PM
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES**

<b>Trustee Fees:</b> 1.75%	<b>Custodianship Fees:</b> 0.7645%	<b>External Auditor Fees:</b> 0.0171%	<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 USD16.42 Million	Billings received in 2014 divided by the average daily NAV	Billings received in 2014 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 should 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

**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.

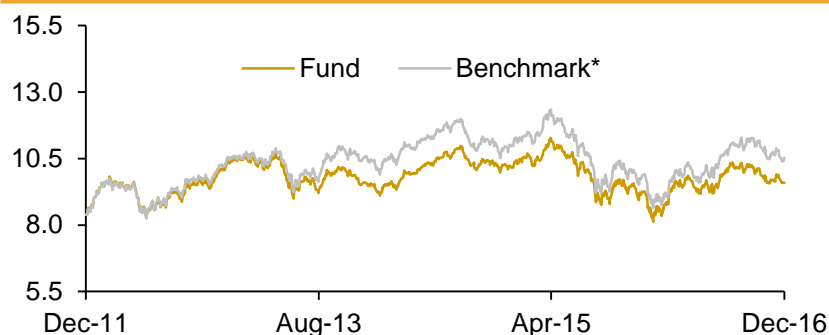
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular 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 WILL 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 DECEMBER 29, 2016

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

### NAVPU GRAPH



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

### NAVPU over the past 12 months

Highest	10.35
Lowest	8.13

### STATISTICS

Portfolio Beta	0.97
Volatility, Past 1 Year (%) <sup>2</sup>	15.42
Sharpe Ratio <sup>3</sup>	0.22
Information Ratio <sup>4</sup>	-0.16
Current Number of Holdings	68

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>5</sup>
Fund	-1.13	-5.70	1.80	3.45	-0.21	-4.10
Benchmark	-1.60	-5.37	3.80	6.18	-0.31	9.82

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>5</sup>
Fund	3.45	-3.46	-0.07	-1.43	2.71	-0.48
Benchmark	6.18	-1.96	-0.10	0.58	4.66	1.09

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

	YTD	2015	2014	2013	2012	2011
Fund	3.45	-9.91	7.08	-5.41	21.10	-18.24
Benchmark	6.18	-9.47	3.71	2.65	22.75	-15.59

<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.

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	95.52
Cash	6.11
Time deposits and money market	-
Other receivables - net of liabilities <sup>6</sup>	-1.63
<b>Top Five Sector Holdings</b>	<b>% of Equities</b>
Financials	38.22
Industrials	11.61
Utilities	10.16
Energy	7.78
Information Technology	6.67
<b>Top Five Country Weightings</b>	<b>% of Equities</b>
Australia	23.33
China	21.60
Korea	14.40
Hong Kong	12.24
Thailand	9.50

### TOP TEN HOLDINGS

Name	% of Equities
HSBC Holdings	5.21
Korea Electric Power	5.04
CK Hutchison Holdings	4.71
China Mobile	4.71
Bangkok Bank	4.57
LG Uplus	4.00
DBS Group Holdings	3.02
Yuanta Financial Holdings	2.92
Huaneng Power International	2.76
Australia and New Zealand Banking Group	2.63

### RELATED PARTY TRANSACTIONS\*

The Fund has no investments and trade transactions with Bank of the Philippine Islands, its subsidiaries and related parties.

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

## OUTLOOK AND STRATEGY

**Market Review.** Asian markets ended down 1.6% in December after the US Federal Reserve hiked interest rate by 25 basis points (bp) and turned more hawkish. The US 10-year treasury yield backed up further to 2.44% and the USD rose 0.7%. Performance was mixed across the region. Indonesia was the best performing country as foreign inflows returned before the holiday season. Australia outperformed driven by financials (notably insurance) as the tailwinds of a steepening yield curve strengthened. Thailand also gained driven by the energy sector. Hong Kong and China, however, lost the most due to worries about the RMB spurred by post-election strength in the USD combined with a fixed income rout in China to pressure markets. Hong Kong dropped as local rates gapped up and mainland regulators implemented a number of measures intended to stem capital outflows into both Hong Kong and Macau. Overall, energy and material continued to fare better while defensives/ growth sectors such as healthcare, consumer, real estate and telecom continued to pull back.

**Fund Performance.** The fund outperformed the benchmark this month. On the positive side, stock selection was the strongest in China and Australia. In China, utilities names Huaneng Power and Huadian Power rebounded on the back of solid power demand growth. The rotation from downstream to upstream energy plays via new addition PetroChina also worked well which gained almost 10% along with the oil price. In Australia, insurance names QBE and Medibank rose together with asset manager AMP. Other financial exposures including HSBC (in Hong Kong), Yuanta Financial (in Taiwan), Bangkok Bank and Tisco (in Thailand) also performed well. From a country allocation point of view, the overweight in Thailand added value as it outperformed on supportive local liquidity.

On the negative side, stock selection in Korea detracted the most. Utilities name Kepco remained under pressure despite the government announced plans to list a few of its subsidiaries. Our basket of insurers including Dongbu, Hyundai Marine & Fire, KB and Meritz Fire & Marine all corrected after one player cut premium triggering concerns over price competition. Not owning Samsung Electronics was neither helpful as the company announced an improvement in shareholder policy and continued to see earnings upgrades.

**Fund Strategy.** While interest rate normalization has begun, income investing can still work in this environment as there are more cyclicals and financials than defensives in the Asia high dividend universe. Despite meaningful catch up by financials in the last two months, valuation gap between bond proxies and financials remains wide and there is further room to converge. Against this backdrop, core strategy remained unchanged with a preference of both value and low beta and any adjustment to be made depends on valuation changes. Over the month, we continued to trim lower growth bond proxies as valuations cannot stand the new yield regime. At the same time, we continued to add onto financials which will benefit from a rise in yield.

## 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.