

**BPI ASSET MANAGEMENT AND TRUST CORPORATION  
ODYSSEY ASIA PACIFIC HIGH DIVIDEND EQUITY FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
As of July 31, 2017**

**FUND FACTS**

<b>Classification:</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 11.24
<b>Launch Date:</b>	May 20, 2008	<b>Total Fund NAV (Mn):</b>	USD 16.00
<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> 0.6942%	<b>External Auditor Fees:</b> 0.0334%	<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 USD16.07 Million	Billings received in 2016 divided by the average daily NAV	Billings received in 2016 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.

<b>Market/Price Risk:</b>	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.
<b>Liquidity Risk:</b>	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.
<b>Country Risk:</b>	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.
<b>FX Risk:</b>	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.

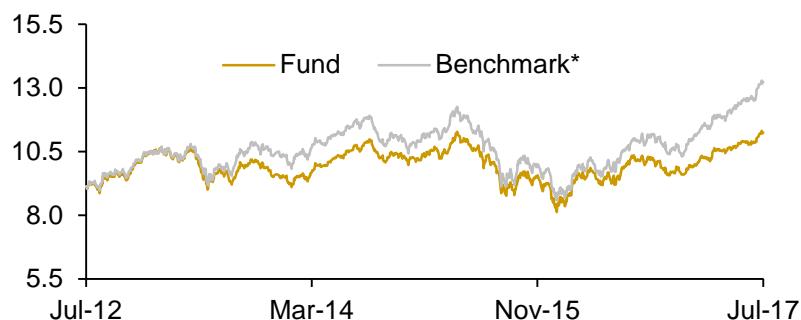
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular 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 JULY 31, 2017

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

### NAVPU GRAPH



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

### NAVPU over the past 12 months

Highest	11.32
Lowest	9.57

### STATISTICS

Portfolio Beta	0.90
Volatility, Past 1 Year (%) <sup>2</sup>	9.34
Sharpe Ratio <sup>3</sup>	1.29
Information Ratio <sup>4</sup>	-2.31
Current Number of Holdings	69

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>5</sup>
Fund	3.69	5.74	12.96	12.63	4.85	12.40
Benchmark	5.16	9.80	19.10	24.47	13.08	39.04

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>5</sup>
Fund	12.63	5.60	1.59	3.91	4.25	1.28
Benchmark	24.47	11.43	4.18	7.75	7.71	3.65

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

	YTD	2015	2014	2013	2012	2011
Fund	17.21	3.45	-9.91	7.08	-5.41	21.10
Benchmark	26.60	6.18	-9.47	3.71	2.65	22.75

<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	95.46
Cash	5.14
Time deposits and money market	-
Other receivables - net of liabilities	-0.60
Top Five Sector Holdings	% of Equities
Financials	37.65
Industrials	11.76
Utilities	11.26
Information Technology	8.31
Energy	6.79
Top Five Country Weightings	% of Equities
China	24.63
Australia	18.23
Hong Kong	15.94
Korea	10.91
Taiwan	10.81

### TOP TEN HOLDINGS

Name	% of Equities
Korea Electric Power	5.62
HSBC Holdings	5.40
CK Hutchison Holdings	5.26
Bangkok Bank	5.23
Australia and New Zealand Banking Group	3.87
China Mobile	3.85
DBS Group Holdings	3.67
CNOOC	3.63
QBE Insurance Group	2.93
Yuanta Financial Holdings	2.91

### 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.

## OUTLOOK AND STRATEGY

**Market Review.** Asian markets rose for seven months in a row on the back of continuous weakness in the US dollar, resilient macro data and recovery in the commodity market. The US Federal Reserve sounded relatively dovish and the US treasury yields were little changed. Against this backdrop, China performed the best driven by property and technology although the government's effort in ensuring financial market stability led to volatilities in the onshore market. India also outperformed as it recovered from concerns over the implementation of goods and services tax and inflation trended lower. Singapore stood out on the back of property market recovery post the relaxation of tightening measures. All other markets lagged and Indonesia was the only one that edged down.

**Fund Performance.** The fund underperformed the benchmark this month. On the positive side, stock selection in utilities and financials contributed the most. In Korea, power plant KEPCO rebounded 12% on analyst upgrades. In the financial sector, insurance names such as PICC P&C in China and Dongbu Insurance in Korea did well. Among the banking names, overweight to HSBC Holdings worked well, underpinned by expectations of better earnings and larger scale share buyback. Other notable contributors include ANZ Banking and AMP in Australia. On the negative side, stock selection in China was the most significant detractor. The lack of internet exposures including Baidu, Alibaba and Tencent once again detracted the most. Our energy holding disappointed despite Brent staging its strongest month YTD, and our utility holding underperformed despite a surprise 3-4% tariff hike effective July 1. In Thailand, Bangkok Bank underperformed after reporting muted results. In addition, property name Supalai came under pressure after announcing a rights issue and suspended dividend for one year, in order to bring down the gearing to the lower end of its target range.

**Fund Strategy.** With the US dollar appears peaking out, the backdrop for Asian equities looks very favourable. Historically, Asian equities tend to outperform developed markets when US dollar depreciates. More importantly, the pace of economic recovery and earnings revisions have picked up, implying that the current stock market recovery is firmly backed by fundamental. While interest rate normalization has begun in the US, income investing can still work in this environment as there are more cyclicals and financials than defensives in the Asia high dividend universe. Valuation gap between bond proxies and financials remains wide and there is further room to converge. Core strategy remained unchanged with a preference of both value and low beta and any adjustment to be made depends on valuation changes.

## 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: 89-100, 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 – Consumer Protection, 17F, BPI Building, Ayala Ave. cor. Paseo De Roxas, Makati City, 1226. BPI AMTC as Trustee / Investment Manager is regulated by the Bangko Sentral ng Pilipinas (BSP) with telephone number (632) 708-7087 and email address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph). To know your rights under BSP Circular No. 857 (Regulations on Financial Consumer Protection), please access a copy at our website: [www.bpiassetmanagement.com](http://www.bpiassetmanagement.com).