

**BPI ASSET MANAGEMENT AND TRUST CORPORATION  
ODYSSEY ASIA PACIFIC HIGH DIVIDEND EQUITY FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
As of January 31, 2018**

**FUND FACTS**

<b>Classification:</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 12.35
<b>Launch Date:</b>	May 20, 2008	<b>Total Fund NAV (Mn):</b>	USD 16.89
<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 USD17.08 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.

**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.

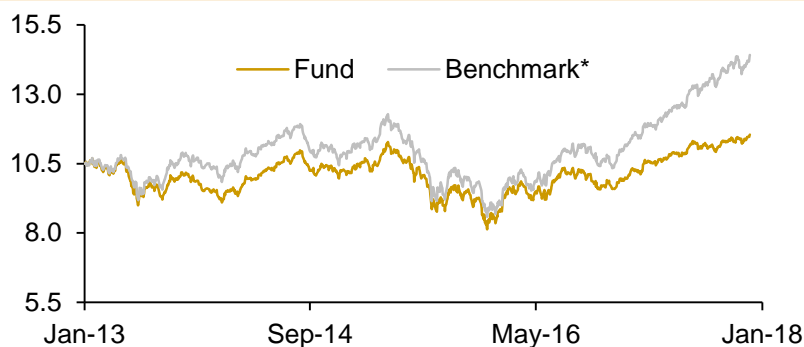
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular 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 JANUARY 31, 2018

(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	12.44
Lowest	9.95

### STATISTICS

Portfolio Beta	0.88
Volatility, Past 1 Year (%) <sup>2</sup>	7.06
Sharpe Ratio <sup>3</sup>	3.27
Information Ratio <sup>4</sup>	-2.66
Current Number of Holdings	67

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>5</sup>
Fund	7.02	9.20	9.88	24.12	20.02	23.50
Benchmark	6.71	11.09	16.01	38.17	39.35	61.30

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>5</sup>
Fund	24.12	19.14	6.27	7.58	3.30	2.20
Benchmark	38.17	30.12	11.70	11.24	7.93	5.05

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

	YTD	2017	2016	2015	2014	2013
Fund	7.02	20.33	3.45	-9.91	7.08	-5.41
Benchmark	6.71	37.63	6.18	-9.47	3.71	2.65

<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	97.01
Cash	3.66
Time deposits and money market	-
Other receivables - net of liabilities	-0.67
<b>Top Five Sector Holdings</b>	<b>% of Equities</b>
Financials	43.10
Industrials	10.73
Utilities	10.23
Real Estate	9.85
Information Technology	9.55
<b>Top Five Country Weightings</b>	<b>% of Equities</b>
China	30.23
Korea	13.45
Australia	13.30
Hong Kong	13.05
Taiwan	10.83

### TOP TEN HOLDINGS

Name	% of Equities
Bangkok Bank	5.19
Korea Electric Power	4.86
Australia and New Zealand Banking Group	4.37
CK Hutchison Holdings	4.36
DBS Group Holdings	3.99
China Construction Bank	3.52
Bank of China	3.23
China Mobile	3.11
HSBC Holdings	3.06
Amcors	2.84

### 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 equities started the year strongly with remarkable inflows into the region. Propelling market gains was the weak US dollar which lost 3% after the 10% drop in 2017. The back-up in yields globally and higher oil price also helped financials and energy to outperform. All Asian markets (except the Philippines) rose against this backdrop. China was the best performer supported by better-than-expected company earnings pre-announcements, positive fund flows and a benign external environment. The Chinese RMB strengthened as the PBOC halted the adoption of counter cyclical factor while market liquidity also improved on targeted RRR cut ahead of Chinese New Years' holiday. Thailand and Malaysia did well on the back of oil price strength. Taiwan benefited from improving outlook in semiconductors. Meanwhile, Korea lagged on profit taking on tech names while Australia was dragged by utilities and REITs amid rising bond yields. The Philippines fell on weaker currency as trade deficit widened further.

**Fund Performance.** The fund performed largely in line with the benchmark this month.

On the positive side, exposures in Chinese banks added the most value, including Bank of China and China Construction Bank. The sector enjoyed a rerating on the back of better macro sentiment along with supportive Southbound liquidity. Property developers such as China Resources Land and China Overseas Land also rallied on expectations for strong results. Other top contributors are mostly in the cyclical segment including oil names PetroChina, CNOOC, banking name DBS and property play Land & Houses in Thailand. On the country allocation front, an underweight in Australia and no exposures in India also helped.

On the negative side, utilities names including KEPCO in Korea and Huaneng Power in China remained under pressure due to elevated coal price. Not owning other high growth names such as Alibaba, Tencent, Ping An Insurance or high beta name Hong Kong Exchanges neither helped. An average 2.4% cash level also dragged in a sharply rising market.

**Fund Strategy.** The global growth outlook remains robust with forward looking indicators suggesting extended strength. The depth and breadth of such strong growth is prompting accelerating GDP expectations, providing an environment for solid corporate profit growth. We expect this would encourage company management to increase both their capital spending and hiring. At the same time, inflation pressure stays contained implying global central banks can maintain their gradual path towards rate normalization. Coupled with a softer US dollar, this Goldilocks environment should be very supportive for Asian equities. Overall, Asian equities are merely approaching the middle of their recovery. Valuations have yet to reach "overshoot" territory, and the trajectories of earnings argue for further gains for the asset class. Notably in terms of earnings, both realized earnings and earnings estimates are increasing, but even more impressively, earnings revision ratio for Asia continued to improve and is broadening out. Income investing can still work in this benign reflationary 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 we believe there is further room to converge. Our core strategy remains unchanged with a preference for both value and low beta, and any adjustments will be driven by 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).