

**BPI ASSET MANAGEMENT AND TRUST GROUP  
ODYSSEY ASIA PACIFIC HIGH DIVIDEND EQUITY FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
As of August 31, 2016**

**FUND FACTS**

<b>Classification:</b>	Equity Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 10.14
<b>Launch Date:</b>	May 20, 2008	<b>Total Fund NAV (Mn):</b>	USD 18.89
<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> 0.7645%	<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 USD18.56 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.

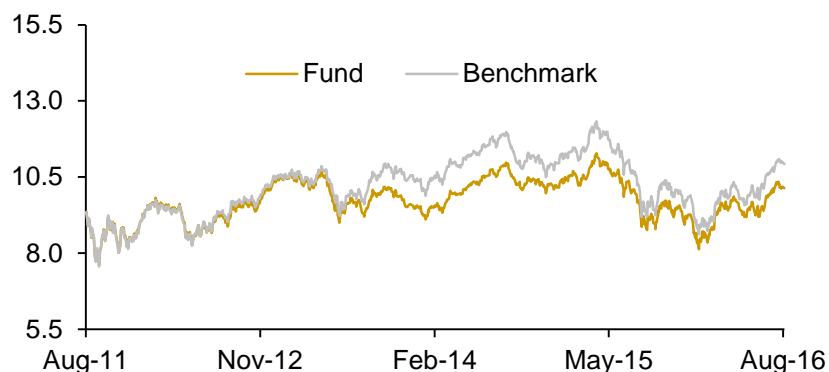
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process and minimum regulatory requirements. Regulatory exposure limits and asset allocation ranges as provided in the Fund's Plan Rules are strictly adhered to and monitored on a regular 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 AUGUST 31, 2016

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

### NAVPU GRAPH



### NAVPU over the past 12 months

Highest	10.35
Lowest	8.13

### STATISTICS

Portfolio Beta	0.94
Volatility, Past 1 Year (%) <sup>2</sup>	17.09
Sharpe Ratio <sup>3</sup>	0.59
Information Ratio <sup>4</sup>	-0.11
Current Number of Holdings	70

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>5</sup>
Fund	1.60	6.74	15.49	9.98	8.57	1.40
Benchmark	2.08	10.05	20.78	12.64	11.37	14.02

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>5</sup>
Fund	9.98	-3.37	2.78	2.97	1.72	0.17
Benchmark	12.64	-4.06	3.65	4.51	3.24	1.60

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

	YTD	2015	2014	2013	2012	2011
Fund	9.39	-9.91	7.08	-5.41	21.10	-18.24
Benchmark	10.24	-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.

\*Declaration of Trust is available upon request through branch of account.

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	96.34
Cash and Other Receivables	3.66
<b>Top Five Sector Holdings</b>	<b>% of Equities</b>
Financials	52.58
Utilities	10.11
Industrials	9.67
Energy	8.07
Information Technology	5.55
<b>Top Five Country Weightings</b>	<b>% of Equities</b>
Australia	23.84
Korea	17.79
China	17.16
Hong Kong	13.06
Singapore	9.78

### TOP TEN HOLDINGS

Name	% of Equities
Korea Electric Power	5.63
HSBC Holdings	4.94
China Mobile	4.84
Bangkok Bank Public Company	4.18
LG Uplus	3.95
CK Hutchison Holdings	3.81
Taiwan Semiconductor Manufacturing	2.86
Huaneng Power International	2.78
AMP	2.62
Yuanta Financial Holdings	2.55

### 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 equities continued to edge higher in August despite more hawkish statements by Federal Reserve officials. China was the best performing market with a gain of over 7% driven by better than expected 2Q16 results. Sentiment was also boosted by the long-awaited Shenzhen-Hong Kong Connect program announcement, which will facilitate both access to onshore China markets for foreigners as well as quota removal for access to Hong Kong for domestic Chinese investors. Thailand also outperformed as the successful referendum results provided a lift to the market. Korea continued to do well as rotational buying into tech sector continued while financials also reacted to higher visibility of rate hike. Taiwan continued its year-to-date surge with financials outperforming on rate expectations. Hong Kong performed in line with the broader region given its interest rate sensitivity. Singapore continued to be weighed down by the first major bankruptcy in the oil and gas sector. Australia performed the worst with a loss of 2.6% dragged by currency and underwhelming corporate results.

**Fund Performance.** The fund lagged the benchmark this month. On the positive side, stock selection in Hong Kong added the most value. Top holding HSBC rose 13.8% on rate hike expectations as well as the USD 2.5b share buyback announcement. Previous Brexit victim, CK Hutchison, also gained 9.8% on better than expected result. Underweighting India, Indonesia and the Philippines (primarily due to limited income opportunities) also helped as they pulled back this month. Other key contributors include Chinese property names Vanke in which the shareholding bid had pushed share price by another 13.5%, and Korea telecom name LG Uplus which reverted from previous losses. On the negative side, the underweight in China was not helpful as it was the best performing market. We were also hurt by not owning low yielding internet names like Alibaba and Tencent which reported strong results. After contributing year-to-date, Korea stock selection detracted this month as top holding utility name Kepco retreated over tariff cut concerns. Not owning bellwether Samsung Electronics was another detractor as its share price continued to be supported by share buyback. Selection in Australia dragged as the lower bond yield hurt financials.

**Fund Strategy.** Our process of identifying attractively valued income opportunities leads us to have a balance between cyclical and defensive sectors. Within cyclical, we have names which are at depressed valuations and earnings are at the bottom of the cycle such as banks and insurance, which should be beneficiaries of rate hikes. We also have names which are reasonably valued and earnings have already been recovering, such as technology and energy. Within defensive, we own quality business with stable free cashflow generating capability such as REITs and asset managers. We also have other defensive names which are trading at a more attractive valuation because of a "perceived risk", including utilities and telecom, as they are more subject to changes in regulatory environment. Overall, the broad stabilization of economic growth and earnings estimates across the region is a positive dynamic for markets going forward. The normalization in the US interest rate from a low base should remain supportive for income generating asset. Nonetheless, while the broader Asian markets are still at the low end of its valuation range, selective low risk cashflow generator such as bond-like equities are getting stretched. Hence it is important to maintain valuation discipline and focus on those cheaper income opportunities.

## 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) Common shares, preferred shares, and convertible preferred shares listed on the Philippine Stock Exchange or any organized stock exchange;
- f) Shares offered in an Initial Public Offering, provided that the company will be listed on the Philippine Stock Exchange or any organized stock exchange within the normal listing period (approximately 30 days from start of the offer period);
- g) Primarily short-term exchange-listed securities and warrants of such securities;
- h) Primarily short-term marketable instruments that are traded in an organized exchange;
- i) Primarily short-term loans traded in an organized market;
- j) Such other tradable investments outlets/categories as may be approved by the relevant authority and allowed by the BSP; and
- k) Allowable investments denominated in any acceptable foreign currency.