

# Odyssey Asia Pacific High Dividend Equity Fund

## A Unit Investment Trust Fund of the Bank of the Philippine Islands



### Investment Objective

The objective of the 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.

### Figures as of 06/30/2014

#### Cumulative Performance (%)<sup>1</sup>

	1 mo	1YR	3YRS	5YRS	S.I. <sup>2</sup>
Fund	1.37	9.62	0.36	45.18	3.70
Benchmark <sup>3</sup>	1.67	17.55	12.16	75.86	18.78

#### Annualized Performance (%)<sup>1</sup>

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>2</sup>
Fund	9.62	8.74	0.12	5.40	7.74	0.60
Benchmark <sup>3</sup>	17.55	13.41	3.90	9.57	11.95	2.85

#### Calendar Year Performance (%)<sup>1</sup>

	YTD	2013	2012	2011	2010	2009
Fund	7.91	-5.41	21.10	-18.24	15.46	62.90
Benchmark <sup>3</sup>	7.82	2.65	22.75	-15.59	19.24	76.77

<sup>1</sup> Returns are net of fees. Past performance is not an indication of future returns.

<sup>2</sup> Since Inception

<sup>3</sup> The Benchmark of the Fund is the MSCI AC Asia Pacific ex-Japan Total Return Index.

<sup>4</sup> Average daily NAV for the last three months.

### Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	USD	10.37
Total Fund NAV (Mn)	USD	28.47
Average Daily NAV for the Quarter (Mn) <sup>4</sup>	USD	31.75
Current Number of Holdings		84
Information Ratio <sup>5</sup>		-1.61
Sharpe Ratio <sup>5</sup>		0.92

Statistics (Past 5 Years)	Fund	Benchmark
Annualized Return (% net)	7.74	11.95
Annualized Volatility (%)	18.50	18.64
Portfolio beta	0.91	

### General Information

Launch Date	May 20, 2008
Fund Structure	Unit Investment Trust Fund
Fund Classification	Equity Fund
Fund Currency	US Dollar
Minimum Initial Investment	USD 5,000.00
Minimum Transaction	USD 1,000.00
Minimum Holding Period	None
Days to Settlement (Contribution)	Day 2 End-of-Day
Days to Settlement (Redemption)	Day 7 1:00 PM
Trust Fee <sup>6</sup>	1.75% per annum/0.44% per quarter
Custodianship Fee <sup>6</sup>	0.009% per quarter
External Audit Fee <sup>7</sup>	0.008%
Valuation Methodology	Marked-to-Market
External Auditor	Isla Lipana & Co.
Available Through	BPI Branches and <a href="http://www.bpiexpressonline.com">www.bpiexpressonline.com</a>
Trustee	Bank of the Philippine Islands
Third Party Custodian	HSBC, Ltd. (Philippines)
Sub-advisor	JP Morgan Asset Management
Dealing Cut-Off	2:00 PM

### Manager's Report

#### Market Review

Asian markets were mostly positive in June despite rising geopolitical risks in Iraq. Thailand and Taiwan led the markets. Thailand outperformed on the back of positive developments from the junta who unveiled its reform roadmap and investors welcomed this after the long political stalemate. Taiwan's outperformance was in large part due to the strong performance of the technology sector. Singapore lagged on signs of further weakening of the property market. Korea remained range bound on low volumes. Cyclical names in materials, energy and industrials outperformed whilst bellwether Samsung Electronics lagged on earnings downgrades. Australia lagged as the market continued to be affected by poor consumer sentiment following the federal budget.

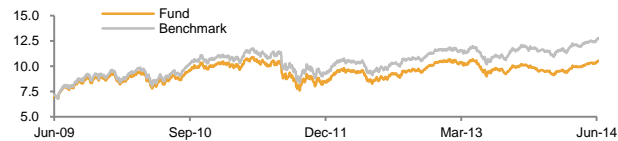
#### Fund Performance

The portfolio recorded another month of positive return. On the positive side, the underweight and strong stock selection in Australia added the most value. Positions in real estate investment trusts (REITs) continued to post strong gains on improving domestic economy. The top contributor Westfield (+5.9% in AUD) owns shopping malls globally including US/ UK, hence also benefited from the developed market recovery. China stock selection was also good as renewable and energy names rebounded on improved macro. The overweight in Thailand was also helpful as the market benefited from post-coup military-led government which announced various populist policies and ensured temporary stability. Our energy holding PTT rebounded sharply (+8.2% in THB) as market expected the government would not roll out energy policy that might be unfavorable to PTT. On the negative side, Hong Kong banking names suffered. The India power companies which rose rallied in May (+38% in INR) also retreated in June, (-2.7% in INR), but we believe the stock should be beneficiary of economic recovery and hence keeping the position.

#### Fund Strategy

We continue to believe US bond yields to move higher from here as the global economy and export recover, and we stick with our preference for cyclical yield over defensive yield. During this environment, the Fund is well positioned to deliver attractive returns while minimizing market volatility. The portfolio has an attractive yield of around 5%, and is well balanced with both cyclical yield stocks and defensive yield names. We remain very valuation conscious and have trimmed stocks that have performed well. On the country level, we have added to Korea, and reduced our exposure in Singapore and Thailand.

### NAVPU Graph



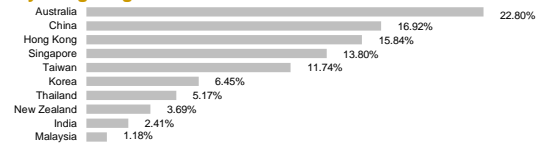
### Allocation

Portfolio Allocation: Equities 95.99%, Cash and Other Receivables 4.01%

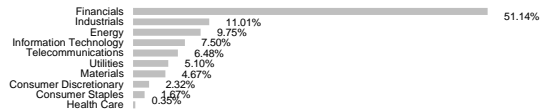
### Top Holdings

Name	Main Business	% of Fund
HSBC Holdings	Financials	4.76
BOC Hong Kong (Holdings)	Financials	4.74
China Petroleum & Chemical	Energy	4.13
Australia & New Zealand Banking Group	Financials	3.06
DBS Group Holdings	Financials	3.04
Telecom Corp Of New Zealand	Telecommunications	2.61
NTPC	Utilities	2.32
Taiwan Semiconductor Manufacturing	Information Technology	2.28
Mirvac Group Stapled Securities Unit	Financials	2.26
AIMS AMP Capital Industrial REIT	Financials	2.19

### Country Weightings



### Sector Holdings



Any prospective investment shall be limited to the type of investments described in the Declaration of Trust for the Fund.

### Risk Disclosure

The Fund is suitable for investors with an aggressive profile or for those who take long-term views. As a marked-to-market UITF, the Fund's net asset value and total return may fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original amount of investment. Prior to investment in the Fund, the investor shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience.

\*\*By subscribing to this Fund, you agree that in case your holdings exceed 25% of the net asset value of the Fund, the Trustee shall provide the following customer details to the investment manager: name of customer, date of birth, nationality, ID type and number and residential address. Based on this information, when the investment manager considers, in its reasonable opinion, that your investment violates any applicable laws and regulations or the investment manager's internal policies and guidelines, then you will be required to redeem all your investments in the fund. This is in compliance with JP Morgan Asset Management's global compliance policy. JP Morgan Asset Management is the appointed investment manager.

<sup>5</sup> The Information Ratio evaluates reward-to-risk efficiency relative to the benchmark, while the Sharpe Ratio evaluates reward-to-risk efficiency relative to the risk free rate. The higher the number, the higher the reward per unit of risk. Sharpe and Information Ratios between funds of different classifications are non-comparable.

<sup>6</sup> Trust fee/custodianship fee as a percentage of average daily NAV for the quarter

<sup>7</sup> External Audit Fees as a percentage of 2011 end-year NAV

\*Plan Rules are available upon request.