

# Odyssey Asia Pacific High Dividend Equity Fund

Formerly the ING 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 (gross of fees) which is the MSCI AC Asia Pacific ex-Japan Total Return Index.

## FIGURES AS OF 7/29/2011

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

	1 mo	6 mos	1YR	3YRS	S.I. <sup>2</sup>
Fund	-0.61	1.24	15.56	14.57	2.70
Benchmark	0.30	3.58	20.96	25.71	6.22

Past performance not indicative of future results.

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

	1YR	2YRS	3YRS	S.I.
Fund	15.56	13.95	4.64	0.84
Benchmark	20.96	18.35	7.92	1.91

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

	YTD	2010	2009	2008*
Fund	0.08	15.46	62.90	-45.44
Benchmark	2.54	19.24	76.77	-50.85

\*The Fund was launched on May 20, 2008. Returns are from May 20, 2008 to December 24, 2008.

## Key Figures and Statistics

Net Asset Value per Unit (NAVPU) <sup>3</sup>	USD	10.27
Total Fund NAV (mIn)	USD	87.45
Current Number of Holdings		148
Information Ratio <sup>4</sup>		-1.51

Statistics - Past 3 Years	Fund	Benchmark
Annualized Return (net)	4.64%	7.92%
Annualized Volatility	25.26%	28.81%
Portfolio Beta	0.87	

## General Information

Launch Date	20-May-08
Fund Structure	Unit Investment Trust Fund
Fund Currency	US Dollar
Domicile	Manila, Philippines
Valuation Method	Marked-to-Market
Fund Classification	Equity Fund
Management/Trust Fee	1.75% per annum 0.44% per quarter <sup>3</sup>
Custodianship Fees	0.013% per quarter <sup>3</sup>
External Audit Fees	0.0004% per quarter <sup>3</sup>
Minimum Holding Period	20 calendar days
Redemption Notice Period	7 calendar days
Trustee	BPI
Fund Manager	ING Investment Management Asia Pacific (Hong Kong) Ltd.
Third-Party Custodian	HSBC, Ltd. (Philippines)

1 Prior to March 30, 2011, the Fund was managed by ING Investment Management Philippines.

2 Since Inception

3 Trust fees/custodianship fees/audit fees as a percentage of average daily NAV for the quarter.

4 Information ratio evaluates reward-to-risk efficiency relative to the benchmark. The higher the number, the higher the reward per unit of risk. \*Plan Rules are available upon request.

## Manager's Report

**Market Review.** Given Middle East tensions, elevated crude oil prices, employment weakness in the developed world, debt woes throughout the European periphery (notably Portugal, Italy, Ireland, Greece & Spain) and moderating growth in China, the risks to the global economy are still skewed to the downside. The pace of expansion remains uneven.

The Greek sovereign debt crisis was one of the biggest risks facing the markets the last few months. Under pressure from the European Union, the International Monetary Fund (IMF) and the European Central Bank (ECB), the Greek government passed a crucial confidence vote last month, making it much more likely that it would receive the aid needed to pay its debt and pass further austerity reforms.

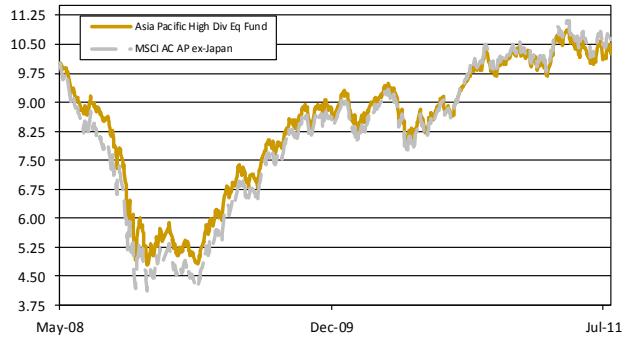
In addition, the feared rollover in consumer demand due to the recent spike in crude oil prices appears to have been overblown. While consumption spending growth has slowed, savings helped cushion the blow, and oil prices are now moderating back to more seasonally appropriate levels. US job growth was disappointing in both May and June averaging 22,000 new jobs each of those months, down from an average of 215,000 per month from February to April.

Recovery in most emerging markets has been strong, but inflationary pressures are still high. June inflation data out of China showed consumer prices rising by 6.4% from a year earlier, the fastest pace in nearly 3 years; food prices alone are 14.4% above year-ago levels. Signaling its concern, the central bank of China announced its 5<sup>th</sup> interest rate hike in 8 months.

**Fund Performance.** The equity portfolio underperformed for the month ending July 31. The fund's stock selection of high dividend stocks within Industrials, Consumer Discretionary, Consumer Staples, Materials, and Information Technology were the biggest detractors to the fund's performance while active bets within Financials and Energy positively offset some of this negative performance. Although the fund maintains underweights in every sector except Telecom, only Telecom and Financials had a marginal contribution to overall performance.

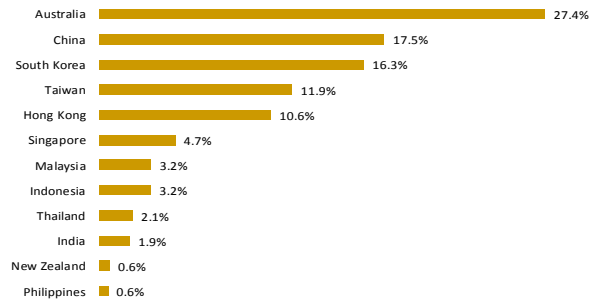
On a country level, while the fund had underweights in every country except New Zealand & Indonesia none of these allocations contributed significantly to the fund's performance. However, active stock selection within China, Hong Kong, Taiwan, Thailand and Australia did hurt performance while active bets within India and Singapore helped.

## NAVPU Graph<sup>1</sup>

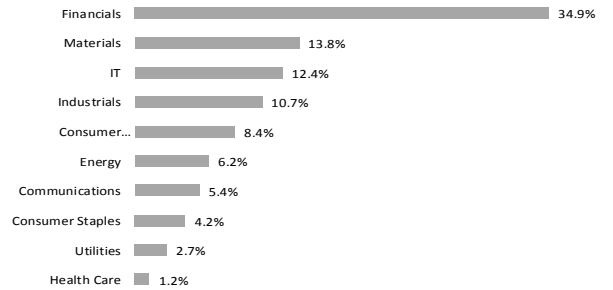


## Allocation

### By Country



### By Industry



## Risk Disclosure

The Fund is suitable for investors who take medium to 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.

