

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

FIGURES AS OF 12/31/2011

Cumulative Performance (%)

	1 mo	6 mos	1YR	3YRS	S.I. ¹
Fund	0.36	-18.80	-18.24	53.76	-16.10
Benchmark	0.34	-17.43	-15.59	77.91	-12.56

Past performance not indicative of future results.

Annualized Performance (%)

	1YR	2YRS	3YRS	S.I.
Fund	-18.24	-2.84	15.42	-4.75
Benchmark	-15.59	0.32	21.17	-3.65

Calendar Year Performance (%)

	YTD	2010	2009	2008*
Fund	-18.24	15.46	62.90	-45.44
Benchmark	-15.59	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) ²	USD	8.39
Total Fund NAV (mIn)	USD	83.04
Current Number of Holdings		141
Information Ratio ³		-0.59
Statistics - Past 3 Years	Fund	Benchmark
Annualized Return (net)	15.42%	21.17%
Annualized Volatility	23.27%	25.58%
Portfolio Beta	0.91	

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 ²	
Custodianship Fees	0.013% per quarter ²	
External Audit Fees	0.0004% per quarter ²	
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 Since Inception

² Trust fees/custodianship fees/audit fees as a percentage of average daily NAV for the quarter.

Manager's Report

Market Review. Equities closed slightly lower in December. Various easing actions by central banks lifted equities, together with a series of better-than-expected macroeconomic data in the US, but risk-appetite remained limited as the European sovereign crisis was far from resolved.

From a sector point of view, Information Technology and Financials were the best performing sectors in December. Materials and Energy were the worst performers.

Elsewhere, high dividend continued to play its safe haven role as growth outperformed value. Size-wise, there were no meaningful differences.

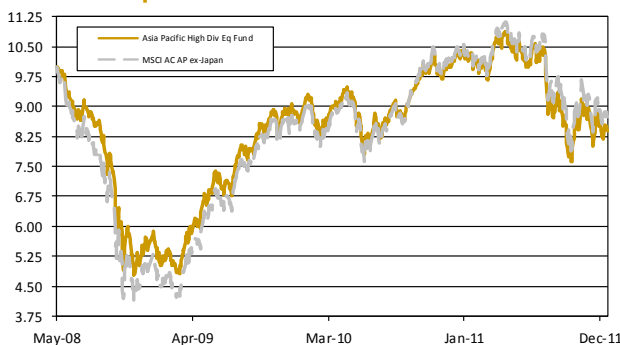
Fund Performance. The Fund outperformed the benchmark by 2 bps during the month, but lagged year-to-date by 265 bps. The improved stock selection model implemented in October contributed to the positive excess return in December. On a sector level, selection contributed positively, whereas allocation contributed negatively. In terms of selection, Financials, Energy, and Consumer Staples contributed the most to the portfolio.

On a country level, selection effects in Australia and allocation effects in India added most performance to the portfolio, offset by negative selection effects in China.

Fund Strategy. Although we continued to believe that the European endgame is nigh and a solution to the crisis (a combination of both fiscal and monetary union in EMU) will ultimately happen, the path could be bumpy as there are still a lot to compromise between the "stronger" countries (e.g. Germany), the "periphery" (PIIGS), and the ECB. This makes the path towards the endgame fraught with a very high level of uncertainty, which would also continue to be the driver of market volatility.

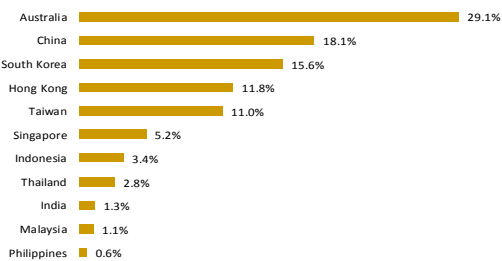
In a world where fixed income returns are modest amid challenging economic growth, and with an aging population preferring income to capital gains, dividend strategies will further gain in importance. Hence, dividends are an increasingly attractive alternative to generate income in an environment with low fixed income returns.

NAVPU Graph

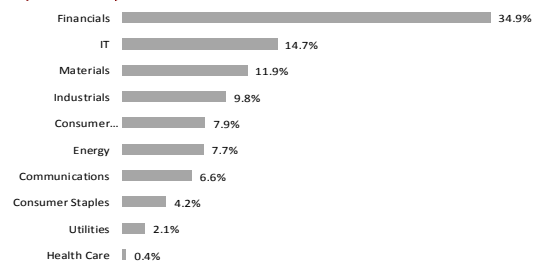


Allocation

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.

³ 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.

