

# 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 Fund aims to provide investors the opportunity to participate in shares of stocks with high dividend income yield as well as long term capital appreciation by investing in a diversified portfolio of equities listed in the Asia Pacific region. The Fund is benchmarked against the MSCI AC Asia Pacific ex-Japan Total Return Index.

## FIGURES AS OF 3/31/2011

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

	1 mo	6 mos	1YR	2YRS	S.I. <sup>2</sup>
Fund	4.83	9.01	14.38	86.13	4.45
Benchmark	5.17	9.69	18.11	108.88	6.03

Past performance not indicative of future results.

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

	1YR	2YRS	S.I.
Fund	14.38	36.43	1.53
Benchmark	18.11	44.53	2.06

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

	YTD	2010	2009	2008*
Fund	1.78	15.46	62.90	-45.44
Benchmark	2.34	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	10.444818
Total Fund NAV (mIn)	USD	81.63
Current Number of Holdings		152
<b>Statistics - Past 2 Years</b>	Fund	Benchmark
Annualized Return (net)	36.43%	44.53%
Annualized Volatility	19.44%	21.70%

### General Information

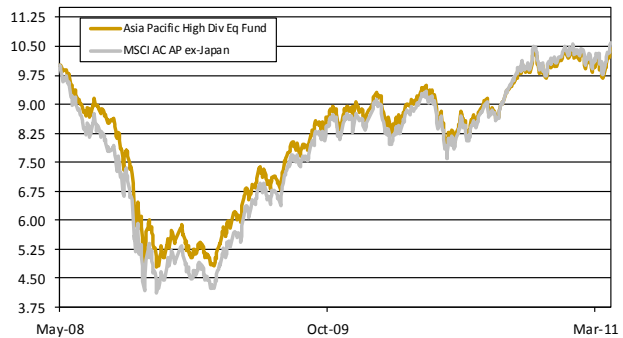
Launch Date	20-May-08
Fund Structure	Unit Investment Trust Fund
Fund Currency	US Dollar
Domicile	Manila, Philippines
Valuation Method	Marked-to-Market
Fund Classification	Equity Fund
Management/Trust Fee	1.75% p.a.
Minimum Holding Period	20 banking days
Redemption Notice Period	7 banking days
Trustee	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

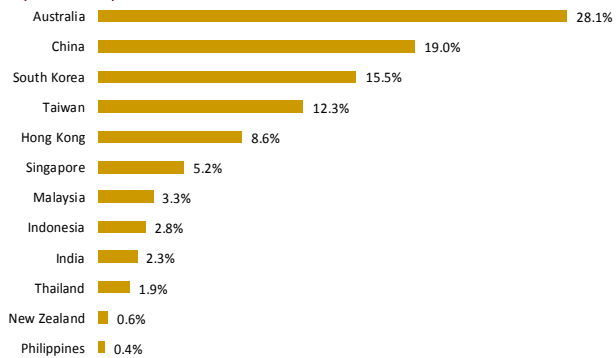
3 Custody fee is charged against the Fund. This amounts to 0.02% p.a. based on month-end market value of holdings

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

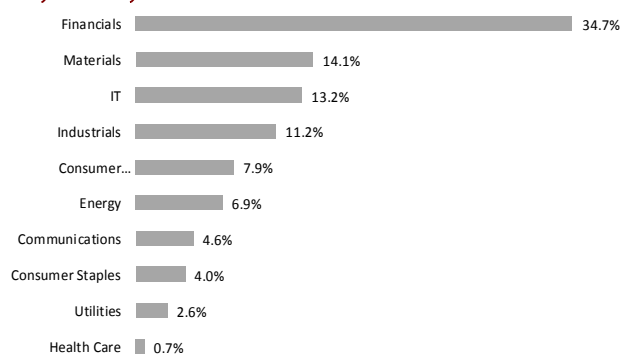


## Allocation

### By Country



### By Industry



## Manager's Report

**Market Review.** The global economy has continued to accelerate over the past few months. Contrary to the first stage of the recovery (H2'09-H1'10) growth is more broad based across sectors, regions and demand components which will make the economy more resilient to idiosyncratic shocks. In particular, a strengthening of both service sector activity as well as employment growth now seems to be taking hold. Fundamentally, growth momentum is being supported by the fact that the private sector has turned more expansionary, especially so in the developed markets space. In addition to this, a positive feedback loop between improving growth and financial conditions has also taken hold which is supported by historically low central bank policy rates.

March was marked by two main events: the tragic disaster in Japan and MENA's political unrest. The earthquake and tsunami in Japan resulted in uncertainty about the economic impact due to disruptions to power supply in a region that accounts for more than 40% of GDP. Immediately following the earthquake, the BOJ injected liquidity into the system. The natural disaster provides an additional reason for the central bank to maintain its policy rate at 0% for an extended period of time. The political turmoil in the MENA region caused investors to be increasingly nervous as it spread to countries such as Libya and Bahrain. Investors' worries grew about a disruption of the region's oil supply, sharply pushing up the oil price. Markets feared that high oil prices put the global economic recovery at risk.

The preference for equities offering a high and stable dividend yield remains prevalent. In some sectors, dividend yields are not only very attractive compared to the still low interest rate levels, but also compared to the yield on corporate credits in those sectors. Furthermore, there is expectation for dividends to grow by at least 10% on average in 2011 as well as 2012. The growth in dividends has clearly lagged behind the strong growth in earnings so far, and it is expected for dividends to catch up now, supported by the huge cash position in the corporate sector.

**Fund Performance.** During the month of March 2011, the fund returned 4.83% underperforming its MSCI Asia Pacific ex Japan benchmark by 34bps, which returned 5.17%. The stock selection models within Information Technology and Materials hurt the most with active bets in names such as Acer (2353 TT), Wistron (3231 TT) and OneSteel (OST AU) detracting -21bps from the fund. Conversely, the Industrials was the largest contributing sector with active bets in China Communications Construction (1800 HK), Lonking Holdings (3339 H) and Doosan Infracore (042670 KS) paying off. While active sector bets were maintained, the allocation effect was minimal.

From a country perspective, stock selection within Australia and Thailand hurt while bets within China and Hong Kong helped. The top 3 contributors were China Communications Construction (1800 HK), Li & Fung (494 HK) and Renhe Commercial (1387 HK) adding a total of +28bps to the fund. The bottom 3 detractors were Acer (2353 TT), China Dongxiang Group (3818 HK) and OneSteel (OST AU) detracting 24bps from the fund. Tight country exposures were maintained so the allocation effect was minimal.

