

BANK OF COMMERCE – TRUST SERVICES DIVISION

BANK OF COMMERCE DIVERSITY DIVIDEND FOCUSED FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended 03/31/16

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.887806
Launch Date	April 8, 2015	Total Fund NAV	PHP 46,005,789.52
Minimum Investment	PhP 25,000.00	Dealing Day	11:30 AM
Minimum Additional	PhP 10,000.00	Redemption Settlement	T + 4
Minimum Holding period	30 days	Early Redemption Fee	0.50% on redeemed amount

FEES*

TRUSTEE FEE: 1.50% p.a.	CUSTODIAN FEE:	EXTERNAL AUDITOR FEE:	OTHER FEES:
*As a percentage of daily NAV	N/A	N/A	N/A

INVESTMENT OBJECTIVE & STRATEGY

The Fund intends to achieve for its participants long-term capital growth and dividend income generation by investing in equity securities with a track record of dividend payment

CLIENT SUITABILITY

The Bank of Commerce Diversity Dividend Focused Fund is suitable only for investors who:

- Have an AGGRESSIVE risk profile
- With an investment horizon of more than 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.

Credit Risk/Default Risk. The possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest payments/amortizations in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued.

Interest Rate Risk. The possibility that an investor may experience losses due to changes in interest rates.

Market / Price Risk. The possibility that an investor may experience losses due to changes in market prices of securities (e.g., bonds and equities).

Liquidity Risk: The possibility that an investor may experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.

Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

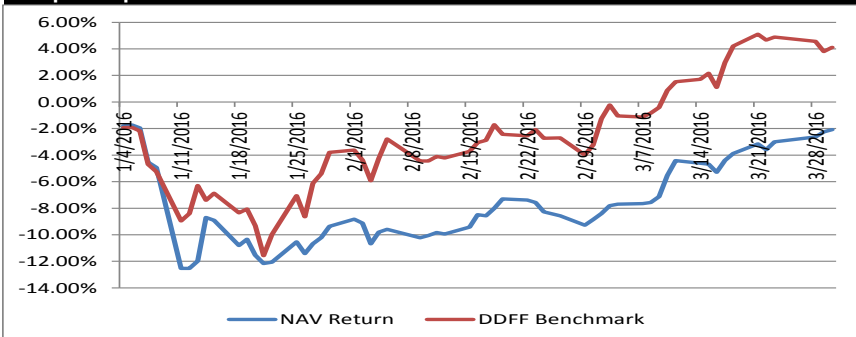
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **THE UIT FUND IS NOT A DEPOSIT AND NOT INSURED BY PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/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.**

For queries, contact us via email at trustmarketing@bankcom.com.ph
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FUND PERFORMANCE AND STATISTICS AS OF 03/31/16
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph



NAVpu over the past 12 months

Highest	1.012159
Lowest	0.796487

Statistics

Wtd. Ave. Duration	N/A
Volatility, Past 1 Year*	0.62
Sharpe Ratio**	(1.94)
Information Ratio***	(2.53)

*Volatility measures fluctuation in yield.

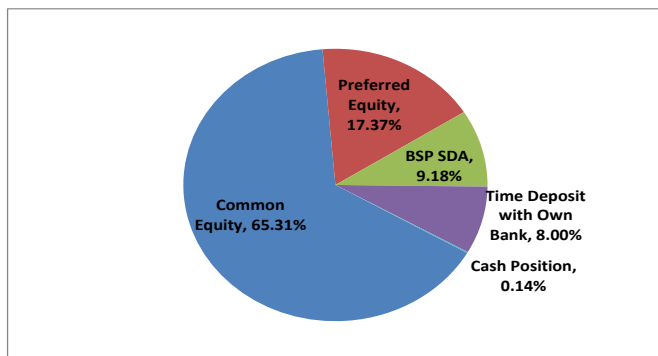
**Sharpe ratio evaluates return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk.

***Information ratio evaluates return-to-risk efficiency of the portfolio

Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-3.9936%	0.0000%	-15.1769%	N/A	N/A
Benchmark	7.4559%	-1.8543%	-1.3547%	N/A	N/A

Portfolio Composition



Top Ten Holdings (%)

Holdings	Weight
Lopez Holdings	12.41%
Filinvest Land	11.59%
San Miguel Preferreds 2G	9.25%
BSP SDA	9.18%
Energy Development Corporation	8.66%
Time Deposit with Own Bank	8.00%
Ayala Land	6.54%
San Miguel Preferreds 2E	6.23%
First Gen Corporation	5.73%
Ayala Corporation	4.88%
TOTAL	82.47%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has investments with San Miguel Corporation Preferred Shares amounting to **PhP 7.572 Million**. The Fund also has investments with Bank of Commerce's Time Deposit amounting to **PhP 3.487 Million**. Such investments were approved by the Board and Trust Committee.

OUTLOOK AND STRATEGY

Volatility from 2015 spilled over to the first quarter of 2016 as markets continued to fret over global growth prospects. While the Philippine equity market did rebound and is now trading positive year-to-date, the same persistent global headwinds are not keeping global markets out of the woods just yet. The real economy dictated the market pace, as investors have now started adopting a more data-driven approach, with volatility in mind. The start of the year saw the U.S. economy's growth prospects dim with initial jobless claims hiking up on several occasions. However, unemployment, a much more constant barometer, is seen going down, last seen at 4.93% during the March data release. This is the first time that the unemployment rate has gone down below 5.00% since December 2007, before the start of the Global Financial Crises.

Philippine economic data, on the other hand, is encouraging. While inflation is seen stabilizing at the lower band of the Bangko Sentral ng Pilipinas's (BSP's) expectations, growth is seen to rebound and gain momentum. Inflation print was last seen at 1.10% for the month of March, and is below the 2.00% lower band expectations. This is primarily due to the volatile, yet downward swing of the oil market in a deregulated energy market in the Philippines. Growth for 2015 exceeded expectations as the Philippine Economy grew by 6.30% as compared to a 5.90% expectation. While the government has stated that fiscal spending will continue to fast-track for 2016, decreasing levels of exports might counter the fiscal tail-wind.

The Philippine Equity Market was no exception to volatility as it dropped back to the 6,000 point range in the latter half of January 2016, only to rebound back to the 7,300 point range. The surge in the market sell-off was lead by Petron Corporation, being highly volatile due to oil price movement, selling back down to 5.22 pesos per share, only to rally back and almost doubles its share price with a 52-week high price of 11.16 pesos per share. Petron's parent company, San Miguel Corporation, saw a similar fate, trading below 50 pesos per share, only to rally back with a 52-week high of 79.20 pesos per share.

With the 2016 Philippine national elections kicking into high gear, and only a month away, the market is currently trading above the 7,000 point range and might take a breather as investors might take profit and stay on the sidelines as the country selects its next president, possibly ushering in a new regime in economic policies. This can be seen as a buying opportunity for both retail and institutional investors who were not able to catch the recent market bottom and subsequent rally.