

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended September 30, 2015

**FUND FACTS**

<b>Classification</b>	<b>Equity Fund</b>	<b>Net Asset Value per unit (NAVpu)</b>	0.899998
<b>Launch Date</b>	April 8, 2015	<b>Total Fund NAV</b>	PHP 46,380,405.76
<b>Minimum Investment</b>	PhP 25,000.00	<b>Dealing Day</b>	11:30 AM
<b>Minimum Additional</b>	PhP 10,000.00	<b>Redemption Settlement</b>	T + 4
<b>Minimum Holding period</b>	30 days	<b>Early Redemption Fee</b>	0.50% on redeemed amount

**FEES\***

<b>TRUSTEE FEE: 1.50% p.a.</b>	<b>CUSTODIAN FEE: 0.00%</b>	<b>EXTERNAL AUDITOR FEE: 0.00%</b>	<b>OTHER FEES: 0.00%</b>
*As a percentage of daily NAV	PDTC	KPMG	None

**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 AGGRESIVE 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.

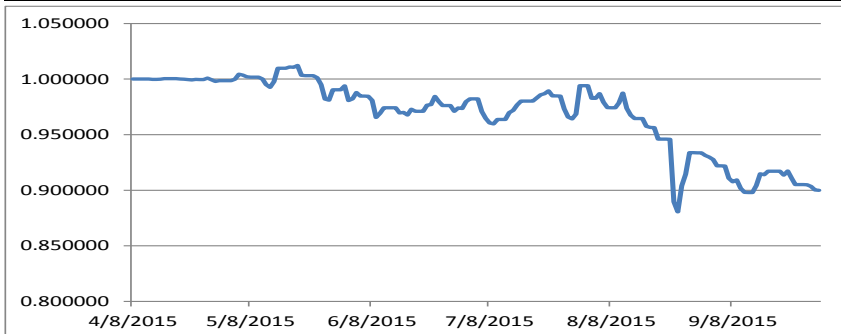
**Country Risk.** The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **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](mailto:trustmarketing@bankcom.com.ph)  
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**FUND PERFORMANCE AND STATISTICS AS OF September 30, 2015**  
(Purely for reference purposes and is not a guarantee of future results)

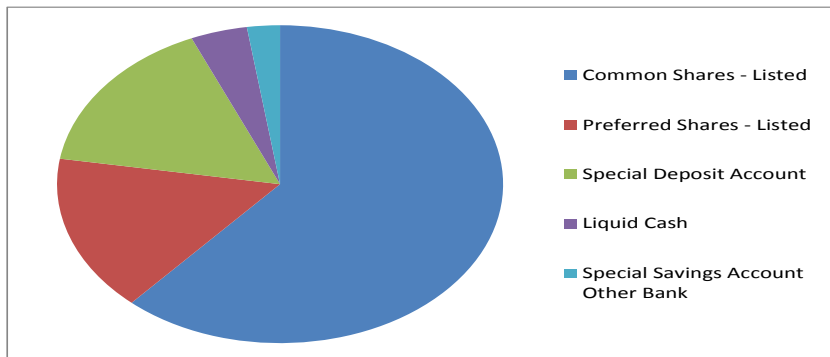
**NAVpu Graph**



**Cumulative Performance (%)**

Period	1mo	3mos	6mos	1yr	3yrs
<b>Fund</b>	-3.6092%	-8.1361%	N/A	N/A	N/A
<b>Benchmark</b>	-11.3065%	-6.0290%	N/A	N/A	N/A

**Portfolio Composition**



**NAVpu over the past 12 months**

Highest	1.012159
Lowest	0.880537

**Statistics**

Wtd. Ave. Duration	0
Volatility, Past 1 Year*	N/A
Sharpe Ratio**	3.96
Information Ratio***	5.41

\***Volatility** measures the extent to which the Fund fluctuates in relation to yield over a period of time.

\*\***Sharpe ratio** evaluates the return-to-risk efficiency of the portfolio as it recompense for the level of risk taken by its investor. The higher the value, the higher the reward per unit of risk.

\*\*\***Information ratio** evaluates the return-to-risk efficiency of the portfolio in relation to the benchmark. The higher the number, the better the reward per unit of risk.

**Top Ten Holdings (%)\***

BSP SDA	15.95%
SMC2E	15.12%
LPZ	9.41%
FLI	9.04%
EW	7.29%
PCOR	7.29%
EDC	7.26%
FGEN	5.61%
Cash	4.11%
EEL	3.39%
<b>TOTAL</b>	<b>84.45%</b>

\*Complete list of portfolio holdings available upon request

**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The Fund has investments with San Miguel Corporation Preferred Shares and Petron Corporation Common Shares amounting to **Php 7.001M and Php 3.914M respectively**. Such investments were approved by the Board of Directors. Furthermore, all related party transactions are conducted on an arm's length basis and within the established limits.

**OUTLOOK AND STRATEGY**

Philippine equities market succumbed to bearish sentiments as Chinese data dimmed global economic outlook. The Philippine Stock Exchange Index (PSEi) performance during the third quarter resulted in an 8.99% loss to market value. PSEi nominal levels decreased from 7,575.15 to 6,893.98. The index ended the month at 6,893.98.

Notable market movements were the reversion of oil prices back to the USD 45/barrel trading level, indicating a 30% price dip which affected oil companies relying on oil price stability. The said development, on the other hand, have positively impact airline companies. Also hit were gaming stocks, once regarded having a high potential due to recent foreign investments but were left on the sour end of gross gaming revenues and high expenses. Valuation-wise, the PSEi dropped from 21x Price-to-Earnings ratio (PE) to 19.03x PE ratio as fund managers took profit and lightened position on emerging and developing markets, especially in South East Asia. The Philippine market is still considered to be relatively expensive as compared to its South East Asian peers and might still see volatility as the market looks for more leads in direction.