

BANK OF COMMERCE – TRUST SERVICES DIVISION

BANK OF COMMERCE DIVERSITY DOLLAR BOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended 06/30/16

FUND FACTS

Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.081087
Launch Date	March 9, 2005	Total Fund NAV	USD 437,991.82
Minimum Investment	USD 1,000	Dealing Day	11:30 AM
Minimum Additional	USD 100	Redemption Settlement	T + 1
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*

TRUSTEE FEE: 1.00%	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 total returns consisting of current income and capital growth. The fund aims to achieve a rate of return higher than the bid price of 10-year Republic of the Philippines (ROP) Bonds from Bloomberg Generic (BGN) at the start of the quarter.

CLIENT SUITABILITY

The Bank of Commerce Diversity Dollar Bond Fund is suitable only for investors who:

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

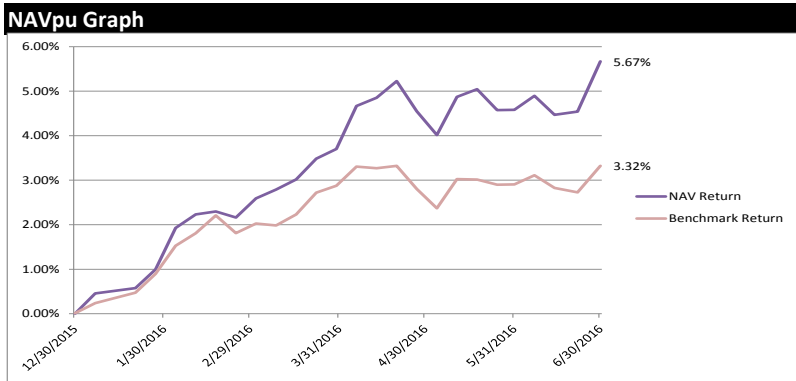
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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 06/30/16
(Purely for reference purposes and is not a guarantee of future results)

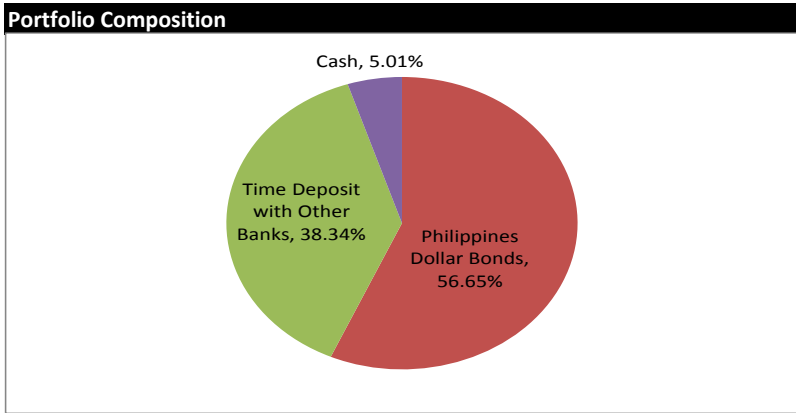


Highest	2.081087
Lowest	1.958941

Wtd. Ave. Duration	6.05
Volatility, Past 1 Year*	1.92
Sharpe Ratio**	1.54
Information Ratio***	3.36

*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

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.99%	1.60%	5.66%	5.97%	20.74%
Benchmark	0.69%	1.06%	5.05%	6.03%	19.36%



Holdings	Weight
Philippines Dollar Bonds	56.65%
Time Deposit with Other Banks	38.34%
Cash	5.01%
TOTAL	100.00%

OUTLOOK AND STRATEGY

Prices of the Philippine sovereign dollar-denominated bond (ROPs) slightly inched up by 0.50% due to recent global market developments. The Federal Open Market Committee's (FOMC's) still decided to keep interest rates unchanged within 0.25% to 0.5% range. And, the result of "Brexit" led to a sudden shift of assets to Emerging Market (EM) such as ROPs, which appear to be attractive in the immediate term.

As to the Diversity Dollar Bond Fund, it was able to consistently outperform its benchmark. It posted a return of 0.99% versus 0.69% benchmark return in June. The Fund will remain with its current investment strategy while being watchful of any data and market-driven events.