

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 6/30/2017

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.040515
Launch Date	March 9, 2005	Total Fund NAV	USD 401,399.11
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.

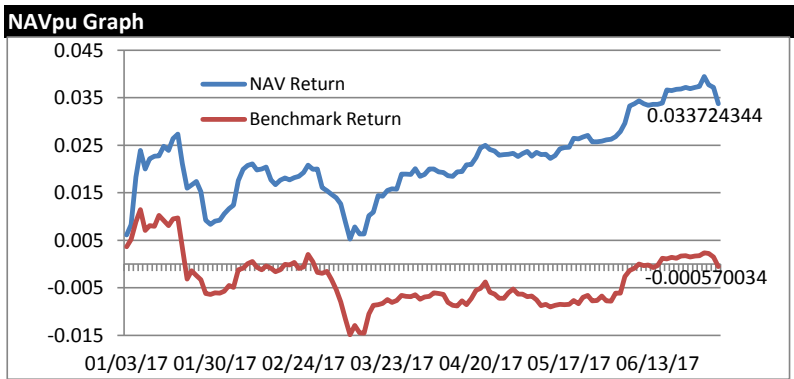
**Reinvestment Risks.** The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

**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](mailto:trustmarketing@bankcom.com.ph)  
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**FUND PERFORMANCE AND STATISTICS AS OF 06/30/17**  
(Purely for reference purposes and is not a guarantee of future results)

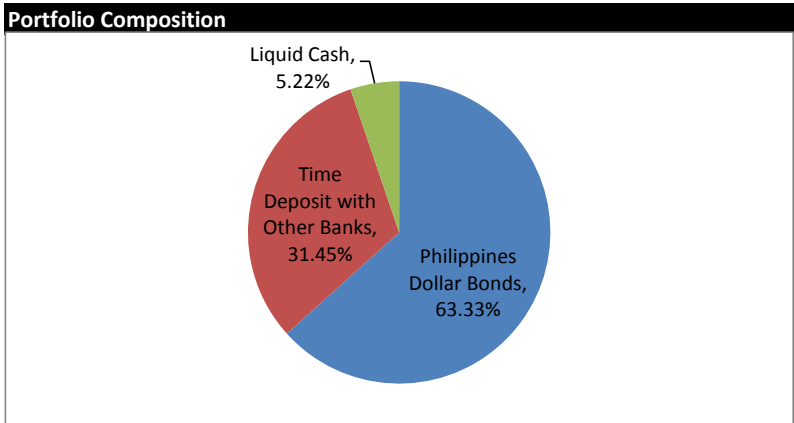


NAVpu over the past 12 months	
Highest	2.121911
Lowest	1.963607

Statistics	
Wtd. Ave. Duration	15.12
Volatility, Past 1 Year*	0.56
Sharpe Ratio**	3.27
Information Ratio***	4.45

\*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	0.6737%	1.5006%	3.3724%	-1.9496%	16.7355%
Benchmark	0.5178%	0.6363%	-0.0606%	-4.5224%	-1.6262%



Top Ten Holdings (%)	
Holdings	Weight
Philippines Dollar Bonds	63.33%
Time Deposit with Other Banks	31.45%
Liquid Cash	5.22%
<b>TOTAL</b>	<b>100.00%</b>

**OUTLOOK AND STRATEGY**

The May OFW remittances increased by 5.5% from \$2.188B to \$2.31B on the same period last year. The increase was characterized by the money sent by land based OFWs which contributed 70% and the remaining 30% coming from seabased OFWs. The ascend in remittance can be attributed to the weakening peso value and the increase in the number of Filipinos working abroad. Accordingly, it would lead to more spending power for their family which could help boost economic growth.

The peso extended its slump against the dollar to Php50.94 to hit another fresh low in almost 11 years, as market players are pricing in another monetary tightening by the US Federal Reserve within the year.

The fund shall maintain its current position in dollar bonds and continue to source higher yielding short term dollar instruments.