

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 3/31/2017

**FUND FACTS**

Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.010348
Launch Date	March 9, 2005	Total Fund NAV	USD 409,698.44
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.

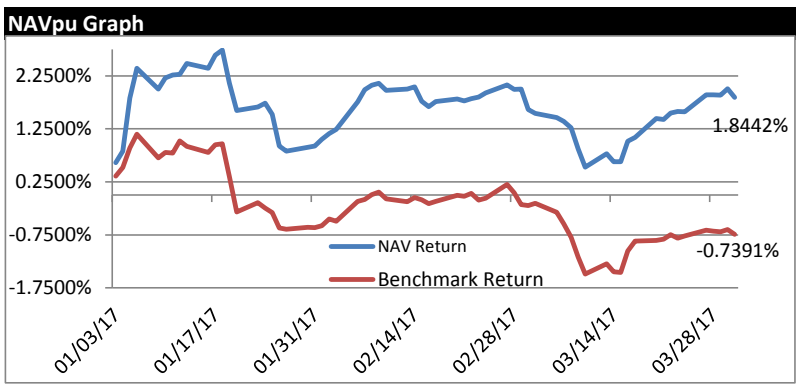
**Country Risk.** The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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 03/31/17**  
(Purely for reference purposes and is not a guarantee of future results)

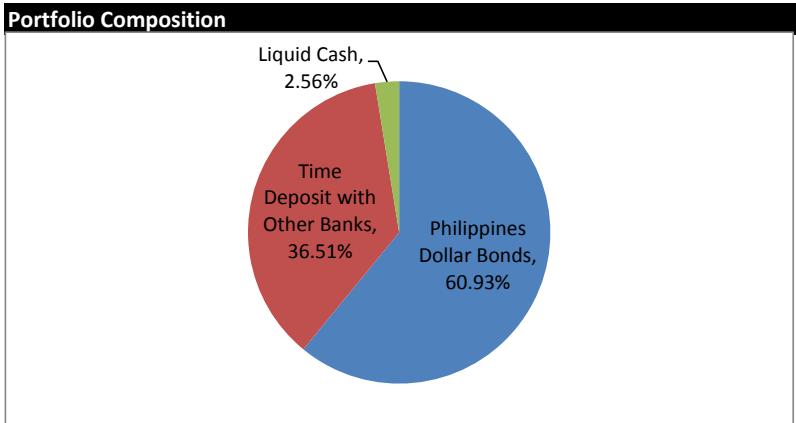


NAVpu over the past 12 months	
Highest	2.121911
Lowest	1.963607

Statistics	
Wtd. Ave. Duration	15.37
Volatility, Past 1 Year*	0.59
Sharpe Ratio**	4.15
Information Ratio***	5.79

\*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	-0.1484%	1.8442%	-3.9877%	-1.7239%	6.9760%
Benchmark	-0.7258%	-0.6921%	-5.1941%	-4.8246%	-7.2338%



Top Ten Holdings (%)	
Holdings	Weight
Philippines Dollar Bonds	60.93%
Time Deposit with Other Banks	36.51%
Liquid Cash	2.56%
<b>TOTAL</b>	<b>100.00%</b>

**OUTLOOK AND STRATEGY**

The Federal Open Market Committee, the "Committee" continues to closely monitor inflation indicators and global economic and financial developments. The Committee maintains its existing policy of reinvesting principal payments from its holdings of agency debt and in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction, and it anticipates doing so until normalization of the level of the federal funds rate is well under way. By keeping the Committee's holdings of longer-tenor securities at sizable levels, this policy should help maintain accommodative financial conditions.

On the otherhand, the current concern over the policy implementation in the US has kept the dollar in a downtrend. The weakness in the US dollar led to strengthen in EM currencies making EM equities more attractive and such draws foreign foreign flows.