

BANK OF COMMERCE – TRUST SERVICES DIVISION

**BANK OF COMMERCE DIVERSITY MONEY MARKET FUND**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

For the Quarter ended **3/31/2017**

**FUND FACTS**

<b>Classification</b>	<b>Money Market Fund</b>	<b>Net Asset Value per unit</b>	<b>1.046286</b>
<b>Launch Date</b>	August 16, 2013	<b>Total Fund NAV</b>	<b>PHP 76,212,901.38</b>
<b>Minimum Investment</b>	Php 10,000.00	<b>Dealing Day</b>	11:30 AM
<b>Minimum Additional</b>	Php 5,000.00	<b>Redemption Settlement</b>	T + 1
<b>Minimum Holding period</b>	30 days	<b>Early Redemption Fee</b>	5% on redeemed amount

**FEES\***

<b>TRUSTEE FEE: 0.25%</b>	<b>CUSTODIAN FEE:</b>	<b>EXTERNAL AUDITOR FEE:</b>	<b>OTHER FEES:</b>
*As a percentage of daily NAV	N/A	N/A	N/A

**INVESTMENT OBJECTIVE & STRATEGY**

The Fund intends to maximize income potential with steady return while preserving capital and maintaining adequate liquidity. The Fund shall be invested in a diversified portfolio of peso deposits with minimal price volatility and has a duration of less than one (1) year. These include short-term peso deposits with local banks, including the Bangko Sentral ng Pilipinas, and/or branches of foreign banks operating in the Philippines. The Fund is suitable for individual and institutional investors with a "Conservative" risk profile who prefers low level of risk, favors fixed return and have an investment horizon of less than one (1) year.

**CLIENT SUITABILITY**

The Bank of Commerce Diversity Money Market Fund is suitable only for investors who:

- Have a CONSERVATIVE risk profile
- With an investment horizon of less than one (1) year

**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.

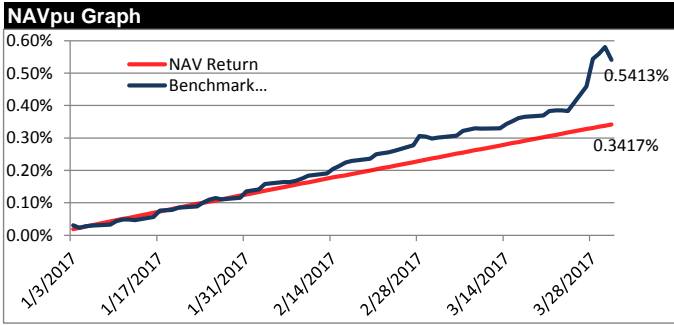
**Reinvestment Risks.** The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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



**NAVpu over the past 12 months**

Highest	1.046286
Lowest	1.031099

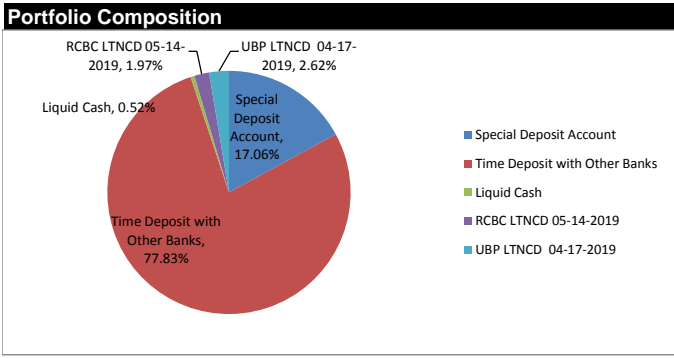
**Statistics**

Wtd. Ave. Duration	0.73
Volatility, Past 1 Year*	0.63
Sharpe Ratio**	(0.87)
Information Ratio***	(3.34)

\*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	0.1121%	0.3417%	0.7141%	1.4694%	3.9514%
Benchmark	0.1398%	0.5189%	0.7929%	0.8825%	0.7500%



**Top Ten Holdings (%)**

Holdings	Weight
Special Deposit Account	17.06%
Time Deposit with Other Banks	77.83%
Liquid Cash	0.52%
RCBC LTNCD 05-14-2019	1.97%
UBP LTNCD 04-17-2019	2.62%
<b>TOTAL</b>	<b>100.00%</b>

**OUTLOOK AND STRATEGY**

Inflation average 3.2% in the first quarter of the year which is within the government target band of 2% to 4%. The main contributor that can be considered is the growth in government spending due to increase in the infrastructure section as well as the increase in food and energy prices. Inflation is expected to continue to accelerate and would likely hit a peak in the 3rd quarter of 2017 especially if the higher excise taxes on petroleum will materialize to compensate for the reduction on personal income tax rates pending in the Congress.

The Board of Investments expects an increase in investment by at least 31% with the investors' confidence in the country's microeconomic fundamentals and the approval of the 2017 Investment Priorities Plan (IPP) with the presence of strong domestic economy, BSP will likely keep the policy rates throughout the first 6 month of 2017. Although, continued expectations for BSP to normalize by increasing policy rates by 25bps twice in 2017 which may happen after the term of Governor Tetangco.