

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 3/31/2017

FUND FACTS			
Classification	Peso Bond Fund	Net Asset Value per unit	1.236352
Launch Date	March 9, 2005	Total Fund NAV	PHP 6,549,525.88
Minimum Investment	PhP 10,000.00	Dealing Day	11:30 AM
Minimum Additional	PhP 5,000.00	Redemption Settlement	T + 1
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*			
TRUSTEE FEE: 1.00% p.a.	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 5-year yield based on the Philippine Dealing System Treasury Reference Rate 2 (PDST-R2).

CLIENT SUITABILITY

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

- Have a MODERATE 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.

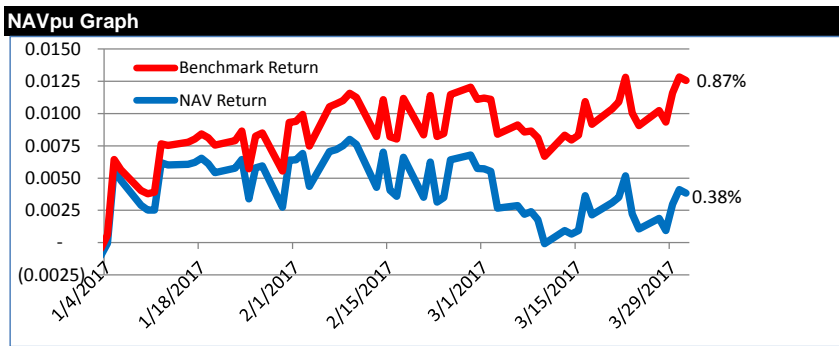
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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.**

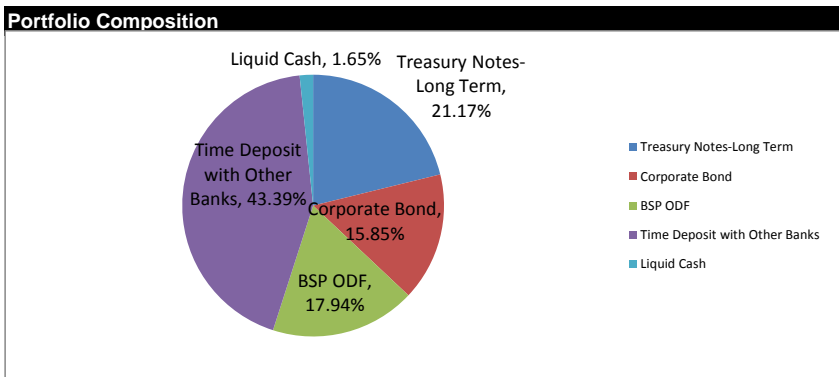
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FUND PERFORMANCE AND STATISTICS AS OF 03/31/17
(Purely for reference purposes and is not a guarantee of future results)



Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-0.1900%	0.3845%	-0.7080%	2.7798%	6.8079%
Benchmark	0.4280%	3.7941%	2.9057%	2.7666%	2.7000%



OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has investments with San Miguel Brewery amounting to PHP 1,060,571.36. Such investment was approved by the Board of Directors. Likewise, all related party transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

The government successfully offered 3-Year and 7-Year Treasury Bond in an auction during the first 4 months of 2017. The 3-Year RTB seemed to be appealing to public investors with the rate of 4.25% p.a. wherein the government was able to raise Php191B versus the initial target of Php100B as compared to the 7-Year Bond auctioned at 4.5% p.a. which only awarded Php6B.

On the otherhand, during the April 24 Treasury Bills auction, the government awarded P15B. The auction block reached as high as Php36.602B. The government sold Php 6B for 91 day, Php5B for 182 days and Php4 for 364 days at an average rate of 2.299%, 2.638% and 2.9455%, respectively.

The results of the auctioned seemed to imply that investors prefer short-term investments since most of the investors are in a wait a see situation while awaiting the clarity for stable policies and future interest rate hikes in the US.

NAVpu over the past 12 months

Highest	1.266933
Lowest	1.176296

Statistics

Wtd. Ave. Duration	4.34
Volatility, Past 1 Year*	3.65
Sharpe Ratio**	(0.06)
Information Ratio***	-

*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

Top Ten Holdings (%)

Holdings	Weight
Treasury Notes-Long Term	21.17%
Corporate Bond	15.85%
Special Deposit Account	17.94%
Time Deposit with Other Banks	43.39%
Liquid Cash	1.65%
TOTAL	100.00%