

BANK OF COMMERCE – TRUST SERVICES DIVISION

BANK OF COMMERCE DIVERSITY DIVIDEND FOCUSED FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter ended **9/30/2017**

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.987247
Launch Date	April 8, 2015	Total Fund NAV	PHP 42,039,473.21
Minimum Investment	PhP 10,000.00	Dealing Day	11:30 AM
Minimum Additional	PhP 5,000.00	Redemption Settlement	T + 4
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*

TRUSTEE FEE: 1.50% p.a. *As a percentage of daily NAV	CUSTODIAN FEE: N/A	EXTERNAL AUDITOR FEE: N/A	OTHER FEES: N/A
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INVESTMENT OBJECTIVE & STRATEGY

The Fund intends to achieve for its participants long-term capital growth and dividend income generation by investing in equity securities with a track record of dividend payment.

CLIENT SUITABILITY

The Bank of Commerce Diversity Dividend Focused Fund is suitable only for investors who:

- Have an AGGRESSIVE 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.

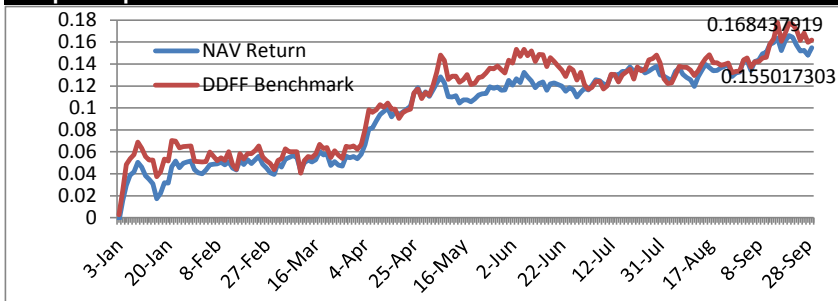
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

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| <ul style="list-style-type: none">• 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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For queries, contact us via email at trustmarketing@bankcom.com.ph
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FUND PERFORMANCE AND STATISTICS AS OF 09/30/17
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph



NAVpu over the past 12 months

Highest	0.996743
Lowest	0.826798

Statistics

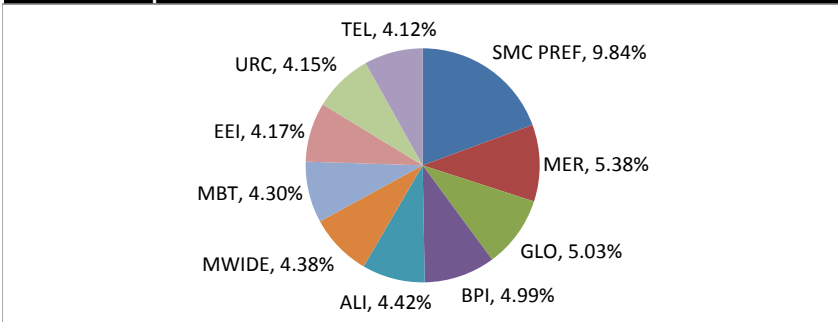
Wtd. Ave. Duration	NA
Volatility, Past 1 Year*	0.89
Sharpe Ratio**	0.12
Information Ratio***	(0.89)

*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	1.9681%	3.6440%	15.4969%	6.3629%	NA
Benchmark	2.2634%	3.4866%	15.1029%	6.6670%	NA

Portfolio Composition



Top Ten Holdings (%)

SMC PREF	9.84%
MER	5.38%
GLO	5.03%
BPI	4.99%
ALI	4.42%
MWIDE	4.38%
MBT	4.30%
EEL	4.17%
URC	4.15%
TEL	4.12%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has investments with San Miguel Corporation Preferred Shares amounting to **Php 4,170,000**. Such investments were approved by the Board and Trust Committee.

OUTLOOK AND STRATEGY

Inflation increased to 3.4% YoY in September from 3.1% in August which brought the YTD inflation to 3.1% but still well within the BSP's target of 2-4%. The rise in inflation is due to the higher price increases of selected food and non-food items. Inflation of non-food commodities was higher as a result of upward adjustments in electricity charges and prices of domestic petroleum products such as liquefied petroleum gas (LPG), kerosene, gasoline, and diesel. Food inflation went up as prices of corn, fish and vegetables offset the lower price increases posted by rice, meat, and fruits while inflation of sugar, jam, and honey remained negative for the sixth consecutive time in September.

The local market closed at a new high of 8,447.94 last October 13 trading. The main index hit its record high as investors continue to remain positive over prospects. Investors position in the market ahead of the corporate earnings report, in which investors expect a better figure as compared to the second quarter income plus the continuous improvement of the government infrastructure program.

For most analysts, the market's immediate support is 8,300 while resistance is at 8,500 levels. The fund is already in the process of positioning on equity selections for 2018 market projection.