

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 09/30/16

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.093844
Launch Date	March 9, 2005	Total Fund NAV	USD 426,714.42
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.

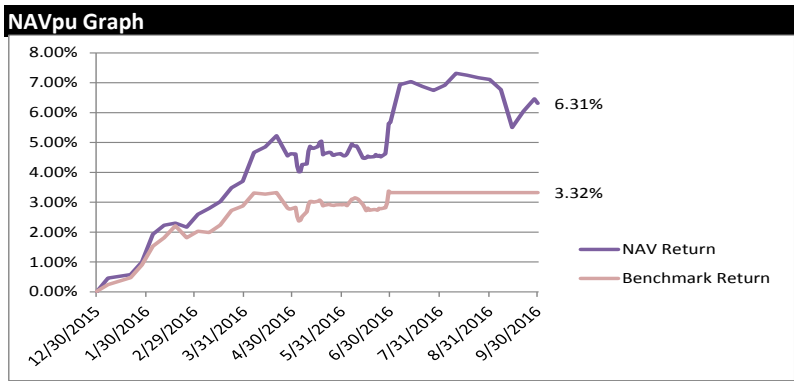
**Reinvestment Risks.** The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

**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 09/30/16**  
(Purely for reference purposes and is not a guarantee of future results)



**NAVpu over the past 12 months**

Highest	2.121911
Lowest	1.961407

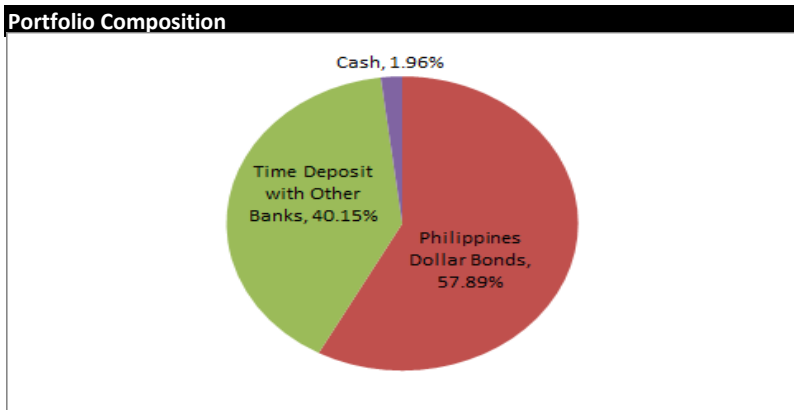
**Statistics**

Wtd. Ave. Duration	7.52
Volatility, Past 1 Year*	2.20
Sharpe Ratio**	1.42
Information Ratio***	2.41

\*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	-0.7434%	0.6130%	2.3578%	6.8361%	19.9123%
Benchmark	-0.0102%	0.7314%	1.9406%	6.0658%	21.2518%



**Top Ten Holdings (%)**

Holdings	Weight
Philippines Dollar Bonds	57.89%
Time Deposit with Other Banks	40.15%
Cash	1.96%
<b>TOTAL</b>	<b>100.00%</b>

**OUTLOOK AND STRATEGY**

Despite market uncertainty the country’s Balance of Payment (BoP) remains in a positive note although at the lowest level in the past seven months. OFW remittances, BPO revenues and tourism are the major contributory factor in the surplus of BoP. Thus we expect these factors to maintain their performance to be able to attain the US\$2 billion target at the end of 2016. Last month, US dollar closed stronger than most Asian currencies including Philippine Peso, which unfortunately reached its 7-year low at P48.685 against the US dollar. Generally market is bullish on dollar due to the anticipated increase in the Federal rate before the year ends and also the increase in corporate demand and outflow of dollar. The Fund will continue to take advantage of high-yielding short-term dollar time deposit and retains its holdings of dollar-denominated bonds.