

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 09/30/16

FUND FACTS

Classification	Money Market Fund	Net Asset Value per unit	1.038832
Launch Date	August 16, 2013	Total Fund NAV	PHP 68,155,477.02
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: 0.25%	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 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.

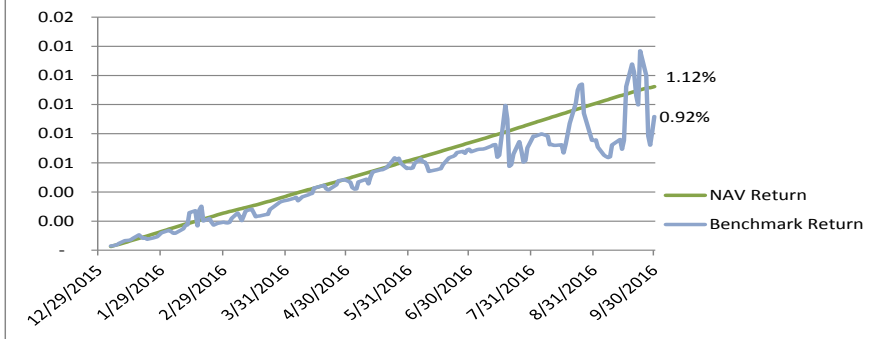
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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
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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 Graph



NAVpu over the past 12 months

Highest	1.034861
Lowest	1.014595

Statistics

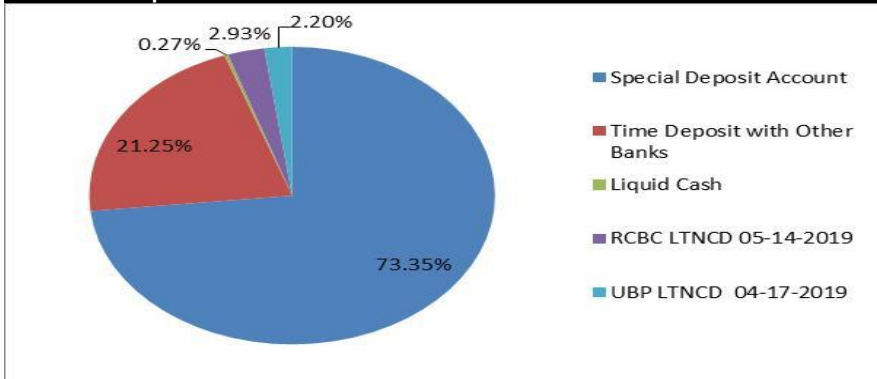
Wtd. Ave. Duration	0.75
Volatility, Past 1 Year*	(19.70)
Sharpe Ratio**	0.59
Information Ratio***	1.86

*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	0.1223%	0.3837%	0.7500%	1.5060%	3.76%
Benchmark	1.1170%	1.3175%	1.3238%	1.2613%	0.3571%

Portfolio Composition



Top Ten Holdings (%)

Holdings	Weight
Special Deposit Account	73.35%
Time Deposit with Other Banks	21.25%
Liquid Cash	0.27%
RCBC LTNCD 05-14-2019	2.93%
UBP LTNCD 04-17-2019	2.20%
TOTAL	100.00%

OUTLOOK AND STRATEGY

Term Deposit Fund (TDF) continue to increase its auction volume. The 28-day term bid volume reaches P196.911 billion almost double the actual awarded volume while the 7-day term bid reaches more than three times the offer volume of P10 billion. With these scenarios in the weekly auction of TDF, it seems BSP continues to guide the market rates and taking in consideration that the inflation rate is getting closer to its target of 2-4%. The latest T-bill auction shows strong demand of investors looking for short term investment with higher yields as they anticipate the increase of US Federal Reserve interest rate this December. The government awarded 91-day debt at 1.281%, 182-day debt at 1.505% and 364-day debt at 1.88%.

Amid the awaited increase in the US Federal Reserve interest rate, the fund will continue to invest in BSP-ODF and TDF, and short term time deposits to maintain its steady income.