

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 9/30/2017

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.053954
Launch Date	March 9, 2005	Total Fund NAV	USD 361,540.09
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.

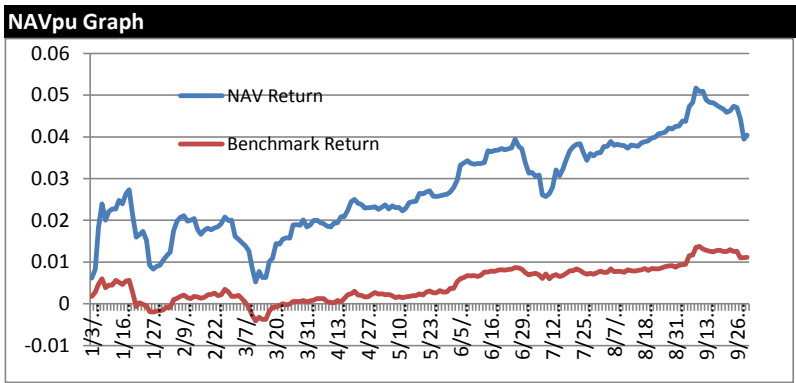
Reinvestment Risks. The possibility that an investor may experience losses due to probable lower returns or earnings when maturing funds or the interest earnings of the Fund are reinvested.

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
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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)

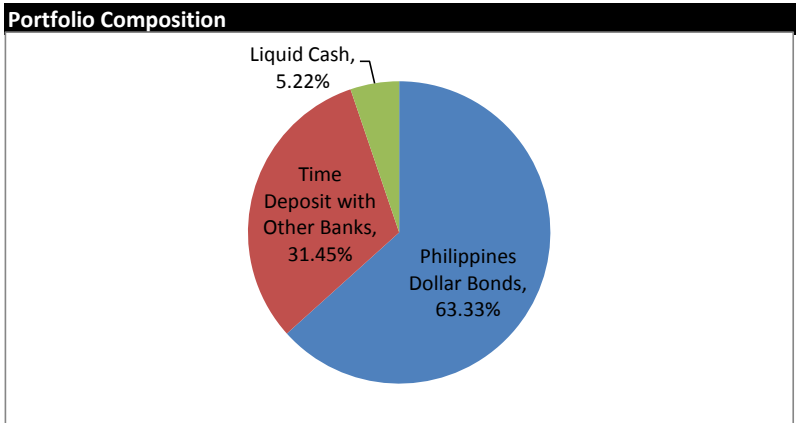


NAVpu over the past 12 months	
Highest	2.094103
Lowest	1.963607

Statistics	
Wtd. Ave. Duration	11.22
Volatility, Past 1 Year*	2.57
Sharpe Ratio**	3.55
Information Ratio***	5.37

*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	4.2497%	3.3724%	1.8442%	-5.2098%	13.5518%
Benchmark	0.8799%	0.8323%	0.0428%	-4.9179%	2.2237%



Top Ten Holdings (%)	
Holdings	Weight
Philippines Dollar Bonds	63.33%
Time Deposit with Other Banks	31.45%
Liquid Cash	5.22%
TOTAL	100.00%

OUTLOOK AND STRATEGY

The government posted net foreign portfolio investments of \$112.63M for the month of September. This may be attributed to the investors' anticipation in the pending tax reform package in Congress as well as the extension of the debt limit deadline in the US. Around 80.9% of September's investment were infused in publicly listed companies and nearly fifth of inflows were invested in peso denominated government issued debt papers.

US Treasury yields dropped on October 13 trade to cap off a five-day skip after inflation rose by less than expected. The 2 year US treasury drops by 1.489 bps, while 10 year and 30 year drop by 2.282% and 2.822% respectively.

Last October 12, trading the peso decline from Php51.35 to Php51.43 per dollar, an eight centavos weaker lead by the slightly aggressive tone of the minutes of the US Federal Reserve's September meeting. It is expected that the peso-dollar pair may trade sideways ahead of US inflation data.