

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended **30/06/2018**

**FUND FACTS**

<b>Classification</b>	<b>Equity Fund</b>	<b>Net Asset Value per unit (NAVpu)</b>	<b>0.834113</b>
<b>Launch Date</b>	April 8, 2015	<b>Total Fund NAV</b>	<b>PHP 36,254,645.40</b>
<b>Minimum Investment</b>	PhP 10,000.00	<b>Dealing Day</b>	11:30 AM
<b>Minimum Additional</b>	PhP 5,000.00	<b>Redemption Settlement</b>	T + 4
<b>Minimum Holding period</b>	30 days	<b>Early Redemption Fee</b>	5% on redeemed amount

**FEES\***

<b>TRUSTEE FEE: 1.50% p.a.</b> *As a percentage of daily NAV	<b>CUSTODIAN FEE:</b> N/A	<b>EXTERNAL AUDITOR FEE:</b> N/A	<b>OTHER FEES:</b> 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.

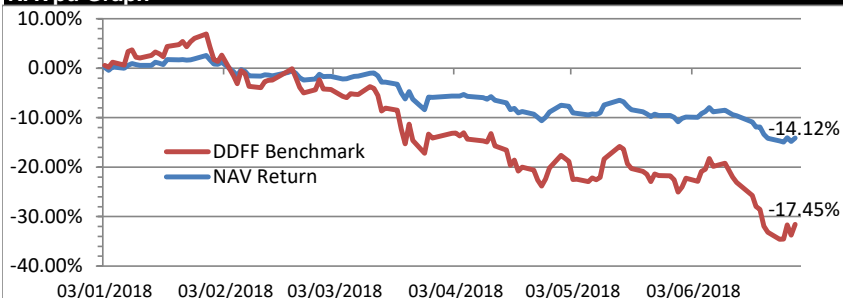
**Country Risk.** The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **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)  
Tel No. 214-8800; Fax: 477-5552

**FUND PERFORMANCE AND STATISTICS AS OF 06/30/18**  
(Purely for reference purposes and is not a guarantee of future results)

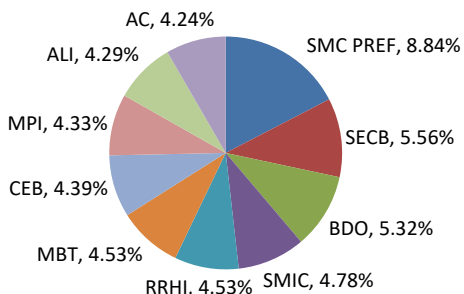
**NAVpu Graph**



**Cumulative Performance (%)**

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-3.6846%	-8.7627%	-14.1171%	-12.4288%	-14.3563%
Benchmark	-3.7009%	-9.8517%	-15.9462%	-8.2808%	-4.9021%

**Portfolio Composition**



**NAVpu over the past 12 months**

Highest	0.996743
Lowest	0.826208

**Statistics**

Wtd. Ave. Duration	NA
Volatility, Past 1 Year*	4.71%
Sharpe Ratio**	0.89
Information Ratio***	1.77

\*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 (%)**

SMC PREF	8.84%
SECB	5.56%
BDO	5.32%
SMIC	4.78%
RRHI	4.53%
MBT	4.53%
CEB	4.39%
MPI	4.33%
ALI	4.29%
AC	4.24%

**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The Fund has investments with San Miguel Corporation Preferred Shares amounting to **Php 3,780,000.00**. Such investments were approved by the Board and Trust Committee.

**OUTLOOK AND STRATEGY**

July 6 marked the start of global trade war after the US let \$34 billion in China-specific tariffs come into effect and to counter attack, China retaliated with equivalent tariffs right away. Fortunately, it seems that this was already baked into stock prices as markets ended the said day strongly. However, a 2nd set of tariffs is set to take effect after 2 weeks causing high degree of uncertainty in global markets. Combined with strong US growth which will drive more money out of emerging markets and into US assets.

On the local scene, foreign outflows have started abating for Philippine stocks, June 2018 inflation of 5.2% resulted to more foreign selling. With inflation rate disappointingly go over the market estimates of 4.8%, it is crucial that the government puts said indicator in check as this affects both sentiment in Philippine assets and actual economic growth. Along with weak peso and high crude oil prices, more measures and stronger language may be required to reverse the negative sentiment and foreign outflows.

Having entered the bear market last June 26, with index piercing the 7,000 level to close at 6,986.83, stock selections had been the name of the game on account of valuation and company prospects, as well as monitoring uncertainty in the global environment for market catalysts.