

**BANK OF COMMERCE – TRUST SERVICES DIVISION**

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

For the Quarter ended 30/06/2018

**FUND FACTS**

<b>Classification</b>	<b>Money Market Fund</b>	<b>Net Asset Value per unit</b>	<b>1.065165</b>
<b>Launch Date</b>	August 16, 2013	<b>Total Fund NAV</b>	<b>PHP 69,966,377.55</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 + 1
<b>Minimum Holding period</b>	30 days	<b>Early Redemption Fee</b>	5% on redeemed amount

**FEES\***

<b>TRUSTEE FEE: 0.25%</b>	<b>CUSTODIAN FEE:</b>	<b>EXTERNAL AUDITOR</b>	<b>OTHER FEES:</b>
*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

**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.

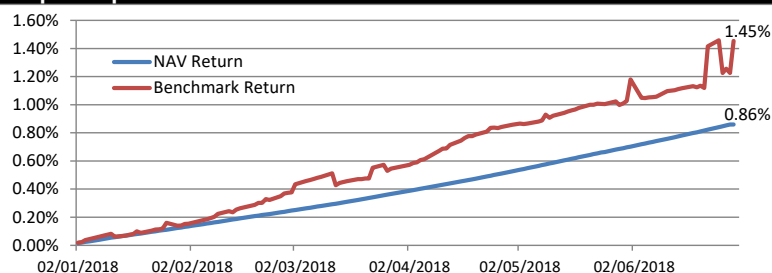
- **THE UIT FUND IS NOT A DEPOSIT AND NOT INSURED BY PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND 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 06/30/18**  
(Purely for reference purposes and is not a guarantee of future results)

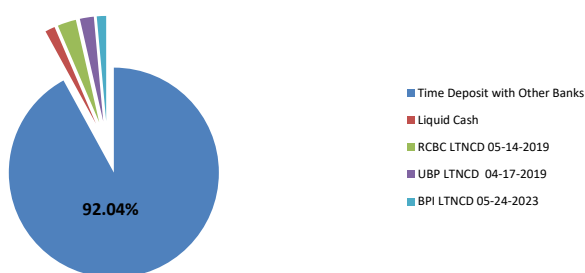
**NAVpu Graph**



**Cumulative Performance (%)**

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.1666%	0.4920%	0.8590%	1.4771%	4.4168%
Benchmark	2.3910%	2.2078%	1.6953%	2.0011%	1.4112%

**Portfolio Composition**



**OUTLOOK AND STRATEGY**

The first Treasury bills (T-bill) auction for the month of July had the government partially awarded bids with yields on the longer tenors climbing as investors expect the central bank to effect another interest rate hike following the release of June inflation. The Bureau of Treasury awarded only P13.399 billion lower than its target borrowing of P15-billion. Total bids at the auction stood at P29.99 billion, a 13.17% increase from the previous offering which stood only at P26.5 billion.

For the 91-day TBills, the government was able to fully raise P4billion as planned. But as compared to previous auction the average bid rate decrease from 3.404% to 3.308%, a decline of 9.6 basis points. But, it was a different scenario for the 182-day and 364-day T-bills as both tenors' average rate rose. For 182-day T-bills, the average yield rose at 10.8 basis points from 3.937% to 4.045% while the 364-day T-bills rose 10.4 basis points from 4.566% to 4.67%. The government borrowed Php5billion and Php6billion for 182 and 364 tenors consecutively.

The latest auction result implies that most investors still prefer short-term paper by not locking-in to long-term securities.

In response to increasing interest rates, the fund is set to position in higher yielding allowable investments with consideration of average duration.

**NAVpu over the past 12 months**

Highest	1.065165
Lowest	1.049627

**Statistics**

Wtd. Ave. Duration	0.11
Volatility, Past 1 Year*	0.005%
Sharpe Ratio**	(1.43)
Information Ratio***	(4.09)

\*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 (%)**

Holdings	Weight
Time Deposit with Other Banks	92.04%
Liquid Cash	1.52%
RCBC LTNCD 05-14-2019	2.86%
UBP LTNCD 04-17-2019	2.15%
BPI LTNCD 05-24-2023	1.43%
<b>TOTAL</b>	<b>100.00%</b>