

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended **9-30-2018**

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.803584
Launch Date	April 8, 2015	Total Fund NAV	PHP 35,304,234.63
Minimum Investment/Maintaining Participation	Php 10,000.00	Dealing Day	11:30 AM
Minimum Additional	Php 5,000.00	Redemption Settlement	T + 4
Minimum Holding period	30 days	Early Redemption Fee	5% on redeemed amount

FEES*

TRUSTEE FEE: 1.50% p.a. *As a percentage of daily NAV	CUSTODIAN FEE: 0.00% Php100 per transaction PDTC	EXTERNAL AUDITOR FEE: 0.00% R.G. Manabat and Co.	OTHER FEES: 0.00% 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.

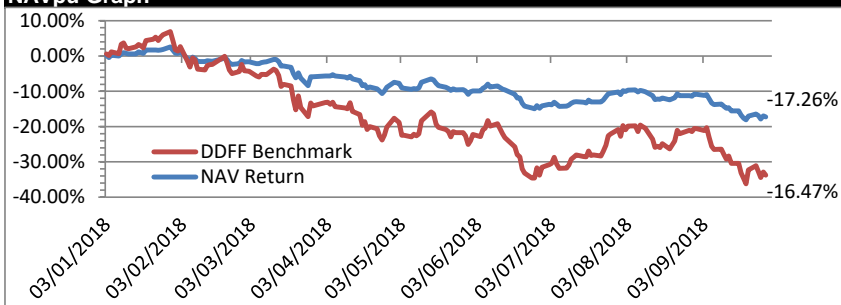
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- **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
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FUND PERFORMANCE AND STATISTICS AS OF 9-30-2018
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph

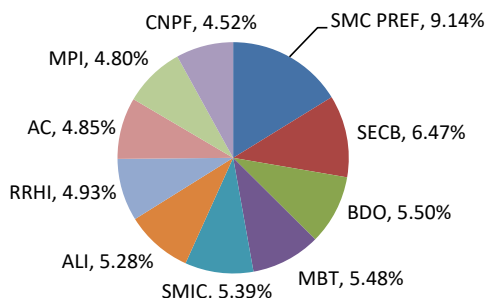


Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-7.1478%	-3.6561%	-12.0984%	-18.6001%	-10.71%
Benchmark	-7.3690%	1.1557%	-8.8098%	-10.9480%	5.553%

*Benchmark is 90% of the PSEi and 10% of the 1 month yield based on PDST R2

Portfolio Composition



NAVpu over the past 12 months

Highest	0.996283
Lowest	0.795668

Statistics

Wtd. Ave. Duration	NA
Volatility, Past 1 Year*	5.48%
Sharpe Ratio**	0.70
Information Ratio***	(0.43)

*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	9.14%
SEC B	6.47%
BDO	5.50%
MBT	5.48%
SMIC	5.39%
ALI	5.28%
RRHI	4.93%
AC	4.85%
MPI	4.80%
CNPF	4.52%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper and investments with San Miguel Corporation Preferred Shares amounting to Php 386,248.14 and PhP 3,780,000.00 which is 0.89% and 8.84% of the fund respectively. Bank of Commerce and San Miguel Corporation are approved counterparty by the Trust and Investment Committee and the Board of Directors. All related party transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

During first trading of week of October, shares continue fall due to lack of catalysts that may encourage investors to return to the market as focus is on the release of September inflation data.

On the other hand, the local market made some significant recovery last October 16 trading after dropping to as low as 6,791.32 intra-day last October 11 then moved up to 6,926.51 in October 15. Accordingly, the 30-company, PSEi gained 0.87% or 60.51 points despite relatively thin volume and value turn-over, while the broader all-shares index likewise increase by 0.3% or 13.13 points.

On technical standpoint, analysts sees no clear direction for PSEi. However, indicators are showing some bullish recovery but remains insignificant with 6,875.70 as stable support and 7,062 as the next resistance on account of as follows: (1) MACD remains on a sell sign even if the gap narrowed; (2) RSI still on selling regions even if it nears neutral levels; and (3) DMI on high selling pressure despite flat momentum. Given such, our best course is to HOLD until index displays some clear bullish/bearish tendencies

MACD – Moving-Average Convergence Divergence

RSI - Relative Strength Index

DMI - Directional Moving Index