

BANK OF COMMERCE – TRUST SERVICES DIVISION

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

For the Quarter ended 9-30-2018

FUND FACTS			
Classification	Dollar Bond Fund	Net Asset Value per unit (NAVpu)	2.007266
Launch Date	March 9, 2005	Total Fund NAV	USD 313,900.73
Minimum Investment/ Maintaining Participation	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: 0.00%	EXTERNAL AUDITOR FEE: 0.00%	OTHER FEES:	0.00%
*As a percentage of daily NAV	Transactional Deutsche Bank	R.G. Manabat and Co.	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.

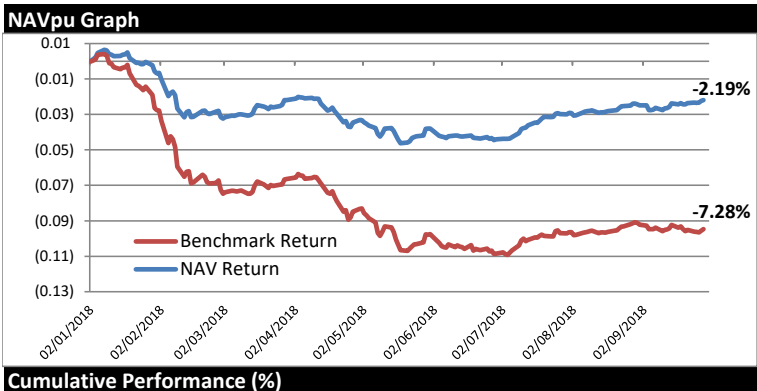
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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

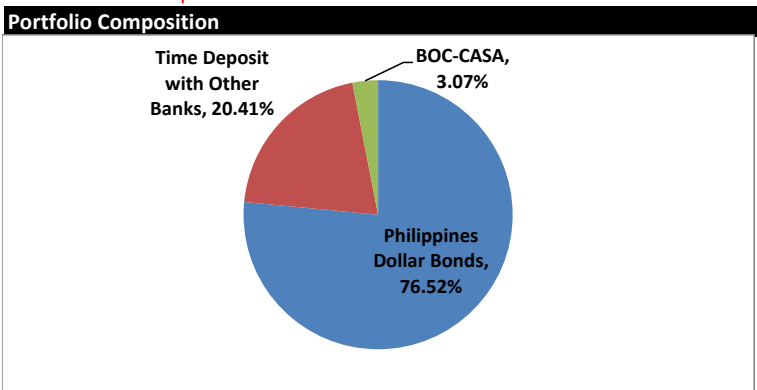
Tel No. 214-8800; Fax: 477-5552

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



Period	1mo	3mos	6mos	1yr	3yrs
Fund	1.5185%	3.5519%	1.2157%	-1.0970%	3.6431%
Benchmark	-2.6995%	-3.0026%	-5.0213%	-10.5105%	-12.5263%

*Benchmark is bid price of 10-Year ROP Bonds



NAVpu over the past 12 months

Highest	##### ##
Lowest	##### ##

Statistics

Wtd. Ave. Duration	8.81
Volatility, Past 1 Year*	0.17%
Sharpe Ratio**	1.84
Information Ratio***	4.06

*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
Philippines Dollar Bonds	76.52%
Time Deposit with Other Banks	20.41%
BOC-CASA	3.07%
TOTAL	100.00%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The fund has deposit with Bank proper amounting to US\$9,749.41 which is 3.07% of the fund. Bank of Commerce is an 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

The PESO strengthened against the dollar last October 15 trading wherein peso ended at P54.08 against the P54.13 per dollar finish last October 5 trading leading a five centavos increase. Offshore selling boosted the currency amid a weak equity market, but the volume traded was not able to sustain the increase as it decline from \$776.1 million to \$528.9 million.

The dollar was off its lows against major currencies on upbeat U.S. labor market data and a weaker yen, amid waning safe-haven demand as Wall Street rallied. The dollar's charge higher, however, was stifled by ongoing strength in the pound following upbeat UK wage data. NDF indications for PHP show in its open at around 53.83 with 1month points +9.5/+11.5, while range for October 17 initially expected around 53.75 – 54.00.

BSP reported that cash remittances slipped in August from a year ago due to lower inflows from the Middle East, which could eventually affect the household spending in the third quarter. OFWs were able to send \$2.476 billion in August 2018, 0.9% less than the \$2.499 billion which were wired to the Philippines in August 2017. On the other hand, records shows that inflows increased from the \$2.401- billion cash remitted in July, the biggest amount of remittances received since December's \$2.741 billion.

ROPs recorded flat to 1/8 of a point lower while INDONs underperformed, down by 3/8 to 5/8 of a point day-on-day as market players awaits for the outcome of the FMOC meeting.

NDF – Non-deliverable forward