

BANK OF COMMERCE – TRUST SERVICES GROUP

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

For the Quarter ended **3/31/2019**

FUND FACTS

Classification	Equity Fund	Net Asset Value per unit (NAVpu)	0.826025
Launch Date	April 8, 2015	Total Fund NAV	PHP 36,639,819.38
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.

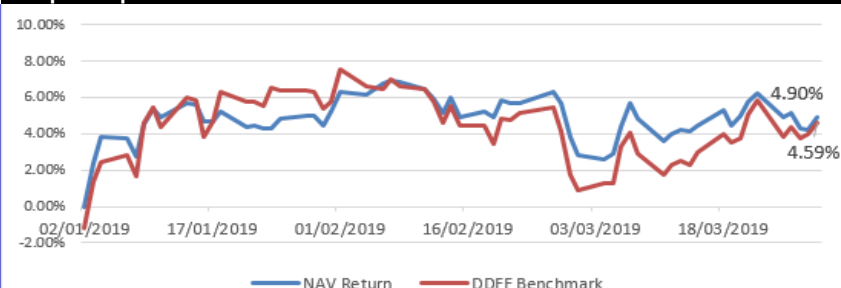
Country Risk. The possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries.

- 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 03/31/19
(Purely for reference purposes and is not a guarantee of future results)

NAVpu Graph



NAVpu over the past 12 months

Highest	0.919873
Lowest	0.768670

Statistics

Wtd. Ave. Duration	N/A
Volatility, Past 1 Year*	1.21%
Sharpe Ratio**	0.45
Information Ratio***	0.30

*Volatility measures the degree to which the Fund fluctuates vis-a-vis its average return over a period of time.

**Sharpe ratio is used to characterize how well the return of the Fund compensates the investor for the level of risk taken.

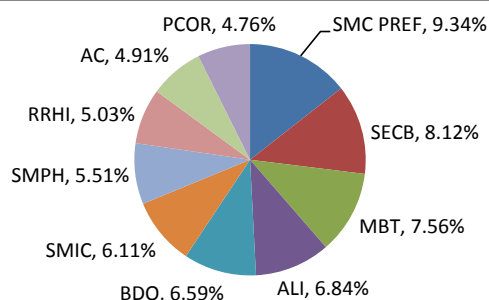
***Information ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

Cumulative Performance (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	1.0643%	4.9009%	7.8349%	-5.2114%	-2.39%
Benchmark	2.7959%	6.0931%	8.8515%	-0.7381%	9.069%

*Benchmark is PSEI

Portfolio Composition



Top Ten Holdings (%)

SMC PEF	9.34%
ALI	8.12%
MBT	7.56%
SECB	6.84%
AC	6.59%
BDO	6.11%
SMIC	5.51%
RRHI	5.03%
MPI	4.91%
PCOR	4.76%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposit with the Bank Proper and investments with San Miguel Corporation Preferred Shares amounting to Php 260,317.1 and Php 3,780,000.00 which is 0.64% and 9.34% 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

The PSEi was trapped between the range 7,700-7,900 as investors ponder many uncertainties arising from: (1) the delay in the approval of the national budget that could lead to growth slowdown in 2019; (2) a record high current account deficit in 2018 at \$7.9bn or 2.4% of GDP from just \$2.1bn or 0.7% a year ago; (3) unimpressive corporate earnings in 2018; and (4) FOMC and MB decisions that keep policy rates unchanged. Meanwhile, corporate earnings results were mixed. Out of the 28 companies that have released their full year earnings, nine outperformed the consensus, nine were in-line and 10 were behind.

Last March 22, Philippine stocks saw strong gains for the second day running, piercing through the 8,000 threshold for the first time in five weeks as sentiment remained positive on the back of a more dovish Fed and after the BSP held rates steady while assessing the appropriate time to resume a cut in banks' reserve requirements. Fuelled by larger foreign inflow, appetite for local equities saw the PCOMP race out of the blocks and trade above the 8,000 level all session, finishing to add +58.70pts, +0.74%, and settle at 8013.42pts, +2.76% for the week. Services +1.07%, Industrials +0.71% and Conglomerates +0.62% led counter gains while Mining & Oil -0.29% was the sole decliner. Value turnover improved to Php7.60bn (USD145.36mn) while 1.34bh shares changed hands. Foreign investors bought a net Php1.45bn (USD27.70mn) with 49% participation.

The fund will undertake rebalancing portfolio to ease impact of market volatility, ride market volatility through range trading opportunities and perform liquidity position for bargain hunting as part of strategic movements.

The PSEi's latest support range is 7,801 to 7,566 while resistance range is 8,022 to 8,389.